

5. SECTION B - SCOPE OF SERVICES:

5.1. Background

1. Montgomery County (the "County"), as authorized by County Code Section 20-37, operates the Montgomery County Self Insurance Program (the "Program"). The Program has been in existence since July 1, 1978, and provides self-insurance coverage and administrative services to its participants.

Current participants of the Program are as follows:

- Montgomery County
- Montgomery County Public Schools
- Montgomery College
- Maryland-National Capital Park and Planning Commission
- Montgomery County Revenue Authority
- Housing Opportunities Commission of Montgomery County
- City of Gaithersburg
- Rockville Housing Enterprises
- Town of Somerset
- Bethesda Urban Partnership
- Village of Drummond
- Village of Friendship Heights
- Chevy Chase Village
- Garrett Park

The 19 independent fire corporations within the County participate for Workers' Compensation coverage for their volunteer fire and rescue personnel. The City of Gaithersburg, Garrett Park, and Chevy Chase Village participate for Workers' Compensation coverage, only. Previous participants, the City of Rockville and the City of Takoma Park (both exited July 1, 2010), presently combine for fewer than 10 open workers' compensation indemnity claims that are still being administered by the Program.

2. Coverage provided through the Program includes the following:

- Workers' Compensation
- Commercial General Liability, including Errors and Omissions, Employee Benefits Liability, Public Officials, Public Protective, Law Enforcement Liability, and Employment Practices Liability
- Business Automobile
- Automobile Physical Damage
- Real and Personal Property
- Miscellaneous Property

Real and Personal Property and Miscellaneous Property are commercially insured above a deductible of \$250,000. There are other deductibles for Boiler and Machinery and other perils, including Business Interruption. Copies of commercial policies will be provided to the Contractor. Subrogation services are provided to Program participants for both self-insured and uninsured property.

3. A contracted third-party claims administrator has provided claims adjusting services to the Program since its inception. The County's Department of Finance, Division of Risk Management, administers the contract on behalf of the Program. The Office of the County Attorney ("OCA") provides legal support for all claims other than those for Maryland-National Capital Park and Planning Commission. Some legal support may be provided by outside counsel at the direction of the OCA.

The current third-party claims administration contractor is MC Innovations, L.L.C., of Richmond, Virginia. Claims administration services and the automated claim and risk management information system (CareMC, proprietary) are provided by a subcontractor of MC Innovations, CorVel Corporation, of Irvine, California. The Program website that is currently being provided by the contractor is www.mcsip.org.

4. The workers' compensation benefits provided to the approximately 65,000 employees covered by the Program complies with state-required benefits. Additional wage replacement benefits may be paid above the level required by state law, up to and including full salary, during the period of disability; this depends on the policy of each Program participant.

5. The Contractor provides medical cost management services, which include the following:

- Telephonic and/or online reporting of all claims
- A provider network, including Maryland and out-of-state hospitals, outpatient urgent care centers, physical therapy facilities, and a designated treatment provider of Blood-Borne Pathogen Exposures
- Utilization review, including authorization and evaluation of proposed treatment plans, concurrent reviews, peer-to-peer reviews, and discharge planning
- Pre-certification of hospital admissions and physical therapy/chiropractic treatment
- Telephonic nurse case management
- Prescription benefit management
- Diagnostic procedure discounts
- Durable medical equipment
- Discounted Independent Medical Evaluations
- Medical Director reviews
- Hospital and medical bill audits
- Repricing of bills to reflect the Maryland fee schedule and below

On-Site nurse case management is provided and is allocated as a file charge. The Program currently does not have a 24 hour a day, seven day a week (24/7) Telemedicine service.

6. For the period July 1, 2020 through June 30, 2023, the following information is supplied concerning the medical bill repricing service:

- a. Average number of bills per month is 3,996; average number of lines is 11,374.
- b. Highest number of bills received in a given month is 4,955; highest number of lines is 15,024.
- c. Lowest number of bills received in a given month is 2,767; lowest number of lines is 7,715.

7. The following information is supplied concerning medical cost management services:

a. For the period January 1, 2023 through December 31, 2023:

1. Number of telephone claim reports – 3,235
2. Number of online claim reports – 977
3. Hospital bill audits (initial bill over \$15,000) – 88
4. Medical bill review – 49,970
5. Claims with active telephonic nurse case management, per month – 213
6. Prescriptions filled through retail/mail order program – 5,606/809
7. Number of discounted diagnostic procedures – 1,023

b. Of the hospital bill audits conducted for the period January 1, 2023 through December 31, 2023, savings were \$1,640,376 and of the medical bills reviewed, savings were \$14,625,103; total savings were \$16,265,479.

c. For the period January 1, 2023 through December 31, 2023, there were a total of 50 claims referred for on-site nurse case management.

d. The provider network penetration rate for calendar year 2023 is approximately 66 percent.

e. Payments made under the prescription benefit management program were \$1,558,752 for calendar 2023; savings were \$1,291,269.

f. The savings below fee schedule for each of the last two years for Maryland, D.C., and Virginia are:

1. 2022 – \$4,215,159 (January 1, 2022 through December 31, 2022)
2. 2023 – \$4,661,371 (January 1, 2023 through December 31, 2023)

8. Varying incentives are provided by Program participants to solicit employee participation in the managed care program. An explanation of the incentives and the level of benefits afforded will be provided to the Contractor.

9. Annual claims volume for the last five fiscal years, as of June 30, 2023, follows:

	<u>W/C</u>	<u>AUTO</u>	<u>G/L</u>	<u>PROP.</u>	<u>APD</u>	<u>TOTAL</u>
	(LT/MO/NO) ¹	(BI/PD) ²	(BI/PD) ³			
FY19	1,798/1,210/1,382	255/688	195/371	239	1,072	7,210
FY20	1,425/965/3,268	193/450	155/338	225	1,066	8,085
FY21	1,052/415/883	110/349	138/322	174	781	4,224
FY22	1,585/874/1,507	129/456	155/360	161	826	6,053
FY23	1,566/947/1,328	177/429	192/343	191	811	5,984
TOTAL	7,426/4,411/8,368	864/2,372	835/1,734	990	4,556	31,556

¹LT/Lost Time; MO/Medical Only; NO/Notice Only

²Bodily Injury figure includes Personal Injury Protection claims

³Bodily Injury figure includes Public Officials, Public Protective, and Employment Practices claims

Over the past five fiscal years, subrogated claims have averaged 406. Automobile Liability record only claims have averaged 141; General Liability record only claims have averaged 37.

10. As of June 30, 2023, open claims by line of coverage follow:

Workers' Compensation (Lost Time/Med Only)	2,480/241
Auto Liability (BI/PD)	147/110
General Liability (BI/PD)	186/73
Property	147
Auto Physical Damage	296
TOTAL	3,680 ¹

¹This total includes 438 claims that are in subrogation.

11. Workers' compensation hearing volumes are listed for the following fiscal years: 2019 – 1,880; 2020 – 1,720; 2021 – 1,717; 2022 – 1,958; and 2023 – 1,653. Over the same years, workers' compensation appeals have averaged 132 cases annually. Currently, the Program funds four (4) Litigation Specialist positions within the contract that are responsible for supporting the claims professionals and defense counsel in the litigation process. For the past four years, open workers' compensation claims with attorney representation have averaged 71 percent.

12. Additional loss data are contained in [ATTACHMENT F](#).

https://montgomerycountymd.gov/finance/Resources/Files/RFP/1136306/ATTACHMENT_F.xlsx

13. The Contractor is authorized to pay liability claims up to and including total value of \$5,000. Bodily injury claims with a value from \$5,001.00 up to and including \$10,000 are approved by the Chief, Division of Risk Management. Auto and property claims with a value from \$5,001.00 up to and including \$30,000 are approved by the Chief, Division of Risk Management. Settlement amounts over \$10,000 or over \$30,000 for property claims are recommended by the Claims Settlement Committee, and approved either by the Chief, Division of Risk Management or the Director of Finance. The Contractor has authority to pay statutory benefits of the Maryland Workers' Compensation Law, with certain limitations. Further detailed instructions on settlement authority will be provided to the Contractor.

14. Claim payments are made by the Contractor from funds provided by the Program. For fiscal year ending June 30, 2023, the current Contractor issued 17,257 checks totaling \$25,736,298, 41,397 EFTs totaling \$23,858,765, and 6,214 non-financial (wage replacement voucher) transactions, totaling \$8,869,942. Annual claim payments for the past five fiscal years follow:

	FY19	FY20	FY21	FY22	FY23
Workers' Comp.	\$42,718,871	\$41,084,597	\$36,525,739	\$42,392,639	\$45,249,465
Auto Liability	3,037,124	3,800,358	1,483,798	2,490,820	3,110,796
General Liability	3,708,021	4,614,142	4,255,167	2,933,849	5,080,948
Property	3,156,467	3,547,873	2,213,078	2,345,008	1,752,183
Auto Physical Damage	2,120,977	2,071,773	2,003,650	1,882,206	3,271,613
Total Claim Payments	\$54,741,460	\$55,118,744	\$46,481,432	\$52,044,522	\$58,465,005

Allocated Loss Adjusting Expenses, such as Independent Medical Evaluations, surveillance, appraisals, court costs, etc., and some direct loss expenses such as on-site nurse case management and vocational rehabilitation are included in these payment figures. Details of payment and recovery procedures will be discussed during the negotiation process with the recommended awardee.

15. The County's Department of Correction and Rehabilitation ("DOCR") provides incarcerated individuals with medical care, as required. The Contractor furnishes a provider panel to treat injured/ill prisoners. The medical services are provided at the correction facility (Montgomery County Correctional Facility 22880 Whelan Lane, Boyds, Maryland; Montgomery County Detention Center 1307 Seven Locks Road, Rockville, Maryland; Pre-Release and Reentry Services Division 11651 Nebel Street, Rockville, Maryland) or at the provider's office. The Contractor also provides reviews of bills from medical service providers and reprices these at the usual and customary 60th percentile. The bills are then submitted to the DOCR, where payment is made. The average bill review volume for fiscal years 2022 and 2023 is 658. The average charge is \$1,249; average allowed is \$1,112; and the average savings is \$136.

5.2. Intent

Montgomery County's Department of Finance, Division of Risk Management, is soliciting creative, cost-effective proposals from qualified organizations to provide property and casualty claims administration services for the coverages afforded the Montgomery County Self Insurance Program participants under Section B.5.3, Scope of Services/Specifications/Work Statement. These services are to include a workers' compensation medical cost management program. Bill review and provider network services to the County's DOCR are also to be provided. Other services that further the intent of the Program will also be considered. The County recognizes that some Offerors may need to enter into joint ventures or teaming arrangements to provide all of the services required under this solicitation.

5.3. Scope of Services

The Contractor must perform the following services:

1. TRANSITION OF SERVICES

The Contractor must provide a defined plan of action that outlines how they will phase in its delivery of the required services as described in Section B.5.3, Scope of Services. Within ten (10) calendar days after execution of a contract, the Contractor must implement the transition plan. The defined plan must include, but not be limited to, how they plan to complete the following activities:

- a. Communication: notification to injured workers and medical providers/facilities, regular meetings during the startup of the new contract, meetings with all Program participant contacts, education/publication/activation of the toll-free tele-reporting service and online reporting website.
- b. Systems: data conversion, uploading of claim and medical bill images, claim numbering, location codes, loss descriptor codes, access and training with the Contractor's system. The Contractor must name a dedicated Project Manager to oversee the data conversation and new system rollout.
- c. Operations: office, equipment, staffing, mail forwarding, Index System.
- d. Banking: check writing capabilities, checking account establishment, with wire transfer or other depository arrangements.
- e. Claims: review of all open claims, diaries established, prompt payment on workers' compensation claims that are on repetitive pay cycles.
- f. Timeline: established with personnel designated for each element of the defined plan.
- g. Prior to termination or expiration of the contract term, the County may require the Contractor to perform certain transition services necessary to migrate the work of the Contractor to another provider or to the County. Such transition services must include, but are not limited to, the following:
 1. Jointly develop with the County a mutually agreed upon Transition Services plan to facilitate the termination of contract services;
 2. Perform the Transition Services plan activities; and,
 3. Provide such other reasonable services needed to effectuate an orderly transition to a new automated claim and risk management information system.

2. AUTOMATED CLAIM AND RISK MANAGEMENT INFORMATION SYSTEM (RMIS)

The Contractor must maintain a state-of-the-art, comprehensive claims management information system. Data integrity and currency is of primary importance. **Coding and typographical errors in the claim file data are not tolerated.** The Contractor must conduct continuous audits of claim file data to assure accuracy. Audit results, to include specific identified remedies and their implementation plans, must be provided to the County on a quarterly basis in a format to be determined and approved by the County. It is vitally important that the County has ad hoc report writing capability from the Contractor's automated claim and risk management information system, with the flexibility to sort on all data elements. The report information should be capable of being converted to a graphics format and have a print option.

Significant consideration will be given, but not limited to, in the method of award and evaluation criteria for system capabilities, including ease of use, intuitive design, graphics capabilities, and any other advanced technological features that enhance the Program.

As part of their proposal, the Offeror must include a detailed explanation of their automated claim and risk management information system, addressing and describing each of the provisions outlined below:

a. Online or Web Access by Risk Management to Contractor's System.

1. The Contractor must use a Cloud/Software as a Service (SaaS)-based system to provide the County with online or web read-only access to the Contractor's system. The Contractor must provide the County with reliable, secure access to its system. The system must be available for access during normal business hours, defined as Monday through Friday, 8:00 a.m. – 5:30 p.m. EST, with an uptime of 98 percent or greater. The Contractor must provide Help Desk resources during normal business hours as well and provide resolution to inquiries within four (4) hours. The system must include automated check writing with ACH and EFT capabilities.

Contractor agrees that in the event of an outage that results in the loss of service, the County shall be entitled to liquidated damages from the Contractor in an amount to be negotiated and agreed upon by the Parties at the time of contract execution, which shall be based on the length of the outage and commensurate to the amount of damages incurred by the County.

In the event Contractor's system or service experiences an unscheduled outage lasting more than 72 hours, the remedies provided in the corresponding contract under which the system or service is provided, will not be the County's sole and exclusive remedy.

Contractor must store County Data within the continental United States.

The Contractor is responsible for security of County Data, protecting it against accidental, unauthorized, or unlawful access, disclosure, alteration, loss, or destruction.

The Contractor must use Multi-Factor Authentication to authenticate both internal and external administrators and users of its systems (including employees, contractors, and customer users).

The Contractor must ensure its IT systems are hardened by patching vulnerabilities and turning off nonessential services.

2. On a quarterly basis, the Contractor must provide the County with a report on the status of Contractor's system and must report errors in the system as it relates to its use by the Contractor and its employees. The report must include, but not be limited to, software issues,

security incidents, and other connectivity issues, and any breach of security or unauthorized appropriation of personal data.

3. Claims activity must be paperless documentation by use of electronic note screens. The system must be available to the County for real time file access, using available County personal computers or mobile devices and via web access. It is anticipated that a maximum of 75 users will require online or web access to the Contractor's system. Training in system and/or application operation of the County's Division of Risk Management personnel and Program participants will be the responsibility of the Contractor, at no additional cost to the County.
4. Computerized loss/experience reports must be submitted at least quarterly to the County's Division of Risk Management and to each participating agency of the Program. The report information must be capable of being converted to a graphics format. The Contractor must submit to the County the fiscal year-end report as soon as possible after June 30th, but no later than August 1st, for each year that the Contract is in place. The reports must cover all Program years beginning July 1, 1978. Data in the loss reports must include at least the following:
 - Separate reports by line of coverage (W/C, G/L, Auto, Property) for each participating agency of the Self Insurance Program, and by each location level
 - Separate reports for each contract year, with summary reports for all years and year to date information
 - Summary reports for prior years' experience
 - Claim date
 - Name of Injured Worker/Claimant
 - Description of loss
 - Description of injury - if applicable
 - Amount paid to date (Indemnity & Medical on W/C claims)
 - Amount of outstanding reserve
 - Total Incurred
 - Date of last reserve change
 - Summary sheets for each department, participating agency, and pool
 - Loss ratio – where applicable
 - Loss triangles by line of coverage
5. Separate computerized loss control reports must be submitted at least quarterly. Loss control reports must consist of information that will allow comparisons of accident frequency and severity by department/participating agency. The claims information system must provide ad hoc reporting capability in addition to standard reporting templates. Contractor must provide other statistical data within two (2) business days as requested by the County's Division of Risk Management or other Program participants, such as ad hoc reports on accidents or payment information for no additional charge. The number of ad hoc reports that will be required annually is estimated at 100.
6. The Contractor is required to present a comprehensive, annual Stewardship report to the County. The Stewardship report must contain at least the following:
 - Statistical analysis of services provided
 - Statistical analysis of savings realized as a result of the Contractor's services
 - Statistical analysis of claims and Program exposures
 - Recommendations to reduce claim expenses
 - Recommendations to reduce claim frequency
 - Recommendations to improve the quality of the Contractor's services

7. The Contractor will provide access to a full-time analyst to provide requested reports no later than 48 hours after requested by the County.

b. Conversion and Importation of the County's Data History and Claim File Images

1. The Contractor is responsible for downloading the data history and claim file images for closed and pending claims for conversion and importing to its own automated claim and risk management information system database. Time is of the essence; as soon as possible, but no later than 60 calendar days after Contract execution, the Contractor must complete a successful and accurate conversion and importation of all elements of the data history and claim file images. Payment of funds provided under the Contract and designated as Start-Up Costs, RMIS Data Conversion identified by the Contractor in Attachment D, Proposed Cost Sheet, Item #1, is subject to a successful and accurate data conversion and importation. As of June 30, 2023, there are 163,297 workers' compensation and 109,291 liability claim file records, with electronic file activity notes, detailed payment records, reserve histories, and loss descriptor codes. The data are in a flat file, with fixed-length records. Claim file images are uploaded to each claim record and are perpetually retained. All document images must be easily accessible through a secure web browser for all claims and medical management personnel as well as Program participants. As of June 30, 2023, there are 1,895,435 claim file images and 2,803,633 medical bill images.
2. Upon the successful and accurate conversion of all elements of the data history, Contractor must provide the County with its database schema, including data table layouts, primary and foreign keys, data dictionary, and diagrams. A complete reconciliation of all claims and financial information is required and must be documented. In addition, the Contractor must provide the County with a flat file containing all data elements. Thereafter, the Contractor must provide the County with a current flat file at the request of the County, for the term of the Contract.
3. Contractor agrees and confirms that all data recorded within its product and other systems used by the firm that pertains to the Program will be owned by Montgomery County, MD Government and not shared with any third-party without the consent of the County.
4. In the event of loss of any data or records, where such loss is due to the intentional act or omission or negligence of the Contractor or any of its subcontractors or agents, the Contractor must, at its own expense, restore such data from the backup media in coordination with the County.

c. Data Extracts for Risk Management

The County's Division of Risk Management maintains an in-house claims management/risk management information system with vendor Riskconnect. The Contractor must provide the County's vendor with periodic claims data extracts as requested by the County but no less than once per week. Structuring the data extracts to successfully populate the County's RMIS databases, to include any necessary data conversions, will be the responsibility of the Contractor. See [ATTACHMENT G](https://montgomerycountymd.gov/finance/Resources/Files/RFP/1136306/Attachment_G.pdf), County Information Security Policies.
https://montgomerycountymd.gov/finance/Resources/Files/RFP/1136306/Attachment_G.pdf

d. Data Extracts for the Office of the County Attorney ("OCA")

The Contractor must provide the OCA data electronically for workers' compensation claims that are referred to that office for handling. The Contractor must provide the data on a schedule set by the OCA.

1. To successfully populate the OCA's information system, the data must include at least the following data elements:
 - Claim number
 - Claimant last name, first name, middle initial
 - Claimant Social Security Number
 - Claimant date of birth
 - Date of injury/incident
 - Claims Professional last name, first name
 - Body part
 - Description of incident/accident
 - Identifying number provided by the Workers' Compensation Commission
 - Program participant/department name
 - Average weekly wage amount
 - Compensation rate
 - Issues (e.g., accidental injury, nature and extent, causal relationship, etc.)
 - Hearing date
 - Hearing location (e.g., Beltsville Room #2) and assigned Commissioner name
 - Claimant attorney
 - Comment/Status Note
2. The Contractor must encrypt all the data extracts provided to the County.
3. For the data extracts, the Contractor must satisfy the Federal HIPAA privacy and security requirements.
4. For the data extracts, the Contractor must satisfy the Montgomery County Information Security Policy and Administrative Procedures. (See Attachment G, County Information Security Policies.
https://montgomerycountymd.gov/finance/Resources/Files/RFP/1136306/Attachment_G.pdf)

e. Disaster Preparedness Plan and Services Continued Operation Plan

Contractor must ensure backups of Customer Data are performed daily and retained.

Contractor must ensure data and system backups are encrypted and stored on immutable, air-gapped systems, disconnected and offline from the production systems and environment.

Contractor must ensure administrative access to backups require multi-factor authentication.

Contractor must provide the County annually with executive summary results for IT system penetration testing to determine whether intra or intercomponent vulnerabilities can be exploited to compromise the application, its data, or its environment resources.

Contractor must ensure that restores to the production environment using backups are approved in advance by the County and that a separate backup of production data and systems be performed immediately before a restore is performed.

Contractor must describe and provide the County with its Disaster Preparedness Plan and Services Continued Operation Plan.

The Disaster Preparedness Plan must provide for the continued operation of critical systems in the event of an interruption or degradation of service, must allow all critical computer and communication systems to be available in the event of a major loss, and must prioritize the sequence of critical systems being recovered. The Disaster Recovery Point Objective (RPO) and Recovery Time Objective (RTO) must not take longer than 24 hours from the onset of the incident. The Disaster Preparedness Plan must be conducted at least annually, to include restoring data from backup media to ensure that restoration procedures are documented and to verify the integrity of the backup media. Contractor must provide the County with a report following each annual disaster recovery exercise to detail the results and any remedial actions taken no later than 48 hours after the conclusion of each practice test.

The Services Continued Operation Plan must identify all procedures that will be taken in order to ensure that critical operations will continue in the event of a disaster that destroys the Contractor's computing capabilities.

Contractor must provide the County with an annual report by a third-party auditor which verifies the Contractor's solution is able to meet the backup, restore, and business continuity requirements of this contract.

3. LICENSES/AUTHORITY

Contractor must secure all necessary approval from federal, state, and/or local authorities as required to provide the services stipulated herein. Contractor may be asked to provide copies of documentation affirming this approval, and if so, must furnish all requested copies within one (1) business day.

4. ANNUAL AUDIT

Contractor must demonstrate that their claims operation has adequate internal controls and safeguards when they host or process data belonging to the County. The contractor must provide a SOC (Service and Organization Control) 1 and SOC 2 Type 2 report to the County on an annual basis by June 30 for each year that the Contract is in place.

5. PROGRAM WEBSITE

Establish and maintain an Americans with Disabilities Act of 1990-compliant website as a resource for the Program and for injured workers and other users of the Program. Required technical standards for web accessibility based on industry best practices can be found on the County's website: [Web Accessibility. https://www.montgomerycountymd.gov/mcg/accessibility.html](https://www.montgomerycountymd.gov/mcg/accessibility.html) The website must include, but not be limited to, a listing of contact information for the Contractor and its staff, instructions on the provider network and prescription plan, and other information as suggested by the Contractor. The website information must be updated with any changes on a biweekly basis. The Program website that is being provided by the current contractor is www.mcsip.org.

6. CLAIMS HANDLING

a. According to the coverages afforded the County's Self Insurance Program participants listed under Section B.5.1.2, the Contractor must record, investigate, tabulate, adjust, appraise, and, where appropriate, make payment for all claims presented for handling, defense or indemnification. All claims must be handled promptly and in a professional manner, with emphasis on customer service.

b. All information captured on claim report forms submitted by Program participants must be available in the automated claim and risk management information system database. An example of a Program

participant claim report form is attached to this RFP as Attachment H, Example Program Participant Claim Report Form.

- c. The County desires for Program participants to have the option to report all types of claims via a secure online, web application.
- d. Claim numbers must be created by the Contractor. Location code guidelines will be provided to the Contractor.
- e. Contractor must code all claims accurately by Program participant, type/coverage of accident, part of body, and nature of loss.
- f. A captioned report must be completed in the electronic note screens on each file with initial combined reserves of \$50,000 or more and for claims with subsequent reserve increases of \$100,000 or more. **Typographical, spelling, and grammatical errors are not tolerated**; the captioned report must be completed and alerted to the County's Division of Risk Management within 30 calendar days of the posting of the reserves.
- g. Open claims must be reviewed by a supervisor at least every 60 calendar days. Documentation of each review must include comments in the electronic activity notes on reserve adequacy, verification of financial activity, and recommendations for future handling of the claim. This requirement does not apply to workers' compensation claims opened for medical benefits only, if they are automatically closed.
- h. Contractor must conduct continuous audits of claim files by claims professional and supervisor for benchmark milestones such as prompt contact, investigation and compensability/liability decisions, prompt payments, and other criteria to be determined. Similar audits must be conducted on telephonic and on-site nurse case management. All audit results, to include specific identified remedies and their implementation plans, must be provided to the County on a quarterly basis in a format to be determined and approved by the County.
- i. At time of closure, claims must be reviewed by a supervisor. Documentation of the review must include comments in the electronic activity notes to confirm the validity of closure and claim coding, and to reconcile financial activity to insure appropriateness of payments. This requirement does not apply to workers' compensation claims opened for medical benefits only, if they are automatically closed.
- j. Contractor must report all applicable personal injury claims to a claims clearinghouse, such as the American Insurance Services Group, Inc. (Index System), within 24 hours of receipt and at appropriate intervals thereafter. Additionally, review of the report results must be documented in the electronic activity notes.
- k. The Contractor must have the ability to comply with the Medicare, Medicaid, and SCHIP Extension Act (MMSEA) and offer the County Medicare Set-Aside (MSA) Services. The Contractor must address all MMSEA/MSA considerations and have the ability to perform Evidence Based MSAs. Any claim settlement involving medical must provide consideration for MMSEA/MSA obligations. The Contractor must unbundle ancillary MMSEA/MSA services at the request of the County. The Contractor must negotiate conditional payments (within the 60-day period before it turns into a lien, i.e., conditional payment resolution) at the request of the County. The Contractor must have the ability to assist with Responsible Reporting Entity ID compliance.
- l. When justified, the Contractor may settle claims up to \$5,000 for a full and final settlement. Settlement authority levels are followed as indicated in Section B.5.1.13. For claims above \$5,000,

authority requests must be made in writing to the County's Division of Risk Management. The County reserves the right to impose other limitations or flexibilities on settling claims.

- m. Contractor must cooperate with and assist the Office of the County Attorney (OCA), or other designated counsel, in the handling and defense of any claim as required. Such assistance must include, but will not be limited to, making a full investigation, contacting the injured worker or claimant, taking recorded statements from the injured worker or claimant, identifying and taking statements from all witnesses, informing all relevant witnesses of hearing dates before transferring the file to the OCA, obtaining all bills, taking relevant photographs, providing for timely Independent Medical Examinations, obtaining date-stamped copies of documents from the Workers' Compensation Commission, preparing status updates, and attending and/or assisting at trials and/or hearings. Once a claim is transferred to the OCA, or other designated counsel, for a hearing or due to a lawsuit, the above stated assistance must continue.
- n. Contractor must initiate subrogation proceedings for the purpose of recovering from responsible third parties and must protect the lien interest of Program participants. Written notification of the intent to subrogate must be completed within 14 business days following receipt of the claim and identification of the responsible party. Upon determination of lien amount, a demand letter must be sent to the responsible party, with follow-up at 30-day intervals for liability claims and at 60-day intervals for workers' compensation claims. Authority to compromise the lien interest of Program participants follows the settlement authority levels as indicated in Section B.5.1.13. Prior written authorization is required before accepting any amount less than the full recovery of the lien. All checks for subrogation recovery of deductibles must be sent to the appropriate Program participant contact within one (1) business day of receipt. Contractor must also cooperate with and assist the OCA, or other designated counsel, in any legal actions necessary to affect recovery. Such assistance must include, but not be limited to, those items as indicated in Section B.5.3.6.m.
- o. Contractor must transmit subrogation claim files to the OCA, or other designated counsel, as soon as it's determined that legal action is necessary to effect recovery, but not less than 45 calendar days prior to the statute of limitations tolling.
- p. Contractor must establish a proactive system of fraud detection and deterrence on every claim, using a fraud checklist or other appropriate measures. Contractor may be asked to cooperate with the Maryland Insurance Administration Insurance Fraud Division, the County's Office of the Inspector General, and/or any other law enforcement agencies which may conduct a criminal investigation.
- q. Contractor must provide notice of claim and records of claims to any Program excess insurance carrier, or claims administrator of self-insured excess, as may be required.
- r. Contractor must investigate and make liability/coverage determinations promptly. Claims for first-party property, third-party property, and auto property damage must be investigated and a decision made on whether or not to pay within 30 calendar days of receipt. Claims for first-party property, third-party property, and auto property damage open longer than 30 calendar days must be reported monthly to the County's Division of Risk Management with an explanation of the reason(s) the claim is pending. It is not intended to establish 30 days as a benchmark or goal.
- s. Contractor must provide immediate notification by telephone to a designated contact, to the Chief, Division of Risk Management, and to the OCA in all cases involving catastrophic injuries or damages, the death of a Program member employee, or the hospitalization of five or more employees from any one incident.
- t. When requested or required by the County, recorded statements must be transcribed by the Contractor.

u. Contractor must participate as required by the County in meetings of the Inter-Agency Self Insurance Panel and the Claims Settlement Committee and must participate as required by the County in claims review meetings with Program participants.

v. Contractor is responsible for paying all fines, penalties, interest charges, or duplicate claim payments incurred by the Self Insurance Program as a result of the Contractor's failure and/or negligence. Should a claim overpayment occur or be discovered by the Contractor, the County, or any other party, the Contractor must immediately correct such error and make the Program whole. The Contractor may thereafter seek to recover its own funds for such overpayments from the parties to whom the payments were made in error. Further, should an applicable statute of limitations toll or a procedural rule be violated due to an error or oversight on the part of the Contractor's staff, any resultant penalty, fee or monetary loss must be borne by the Contractor.

w. The County maintains a record storage warehouse for historical hard-copy closed claim files. The Contractor will be responsible for preparing all documentation necessary for retrieval of claim files from the warehouse. If the Contractor's facility is located within the County, the Contractor may send all correspondence through the County's interoffice mail system. If the Contractor's facility is located outside of the County, the Contractor will be responsible for all expenses necessary to send correspondence to the County as well as for the retrieval of any claim files. Currently, the record storage warehouse is located at 8536 Anniversary Circle, Gaithersburg, Maryland 20877.

7. WORKERS' COMPENSATION

a. The Contractor must perform all duties and abide by all rules required of the employer/self-insurer and its third-party claims administrator under the Maryland Workers' Compensation Act, COMAR, and any other rules formally or otherwise implemented by the Maryland Workers' Compensation Commission in the handling of the Program's claims.

b. Contractor must establish a toll-free telephone reporting system for Program participants to report work-related injuries and illnesses, and for the recording of the information necessary to complete the Maryland State-required Employer's First Report of Injury or Illness. The system must be available to accept reports 24/7. Contractor must ensure Program participants have the option to complete the Employer's First Report of Injury or Illness via a secure online or web application.

c. Contractor must record in the Contractor's automated claim and risk management information system database if an injured worker is participating in the managed care program and if union membership is applicable. These data fields must be available to the County for ad hoc report writing.

d. Contractor must send written acknowledgement to all injured workers and must include a claim number, and claims professional's name, phone number, and email address, within five (5) business days after receipt of the claim. This does not apply to claims with no initial medical treatment indicated on the Employer's First Report of Injury/Illness (notice only claims).

e. Initial personal or telephonic contact must be made with the injured worker, immediate supervisor, and medical provider within 24 hours when the compensability of the claim appears to be questionable or there appears to be more than three (3) days disability involved. Contact by e-mail or regular mail will suffice only in those instances where personal or telephonic contact is not possible. Results of the initial contacts must be documented in the electronic activity notes.

f. Recorded statements must be taken on all cases where there is questionable compensability. Failure to obtain a recorded statement must be explained in the electronic activity notes.

g. A decision on the compensability of each claim must be made within 14 business days of the receipt of the claim. The Contractor must develop a form or other means to communicate the compensability decision to the appropriate Program participant contact. One of the incentives provided by Program participants to encourage employee participation in the managed care program is extension of medical benefit payments on a new claim until a compensability decision of denial is reached by the Contractor. Due to this agreement aspect of the Program, Contractor must immediately communicate denial decisions via telephone to the injured worker and the appropriate Program participant. Compensability determinations pending more than 14 business days must be reported to the County's Division of Risk Management in a format to be determined and approved by the County.

h. Contractor must make indemnity payments on compensable claims within five (5) business days after receipt of appropriate documentation. Payments must be made to correspond with Program participants' pay periods. Prompt and accurate payment of lost wage benefits must be audited and the results provided monthly to the County's Division of Risk Management.

i. On a biweekly basis, the Contractor must provide the Claims Manager, Division of Risk Management, with a report listing injured workers on total disability and working transitional duty.

j. At least 30 calendar days prior to any scheduled hearing before the Maryland Workers' Compensation Commission, the Contractor must transmit the claim file to the OCA, or other designated counsel. A completed County Attorney referral sheet must be attached, even if there is no new information on the claim from a prior hearing. The County supplies the foldering material required for the file transmittal. (See Attachment I, Sample Attorney Referral Form and Attachment J, Workers' Compensation Hearing File Preparation Form.)

k. Contractor must provide medical cost management services to include, but not limited to, those enumerated in Section B.5.1.5.

1. Contractor must offer technical and administrative services to Program participants to further improve the control of medical costs and administrative expenses.
2. Contractor must have procedures to accept and handle complaints from injured workers about the quality of care provided by the provider network.
3. The provider network must include a designated treatment provider (DTP), to treat and manage blood-borne pathogen exposure claims. The DTP must be Board Certified in Infectious Disease, Internal Medicine, Occupational Medicine, or Emergency Medicine, must provide telephone consultation coverage (24/7, to include weekends and holidays), and must provide the following services:
 - i. Consult with exposed employees to determine if an event qualifies as an exposure. If so, the DTP must advise as to the level of risk and the level of care indicated.
 - ii. If after-hours care is indicated, the DTP must contact the local emergency room with treatment and testing recommendations in advance of the employee's arrival and must discuss initiating Post-Exposure Prophylaxis. The local emergency room physician will initiate the Prophylaxis, if indicated.
 - iii. Advise as to need for Hep B titer or vaccine.
 - iv. Perform all initial and follow-up testing and treatment.
 - v. Conduct the post-exposure counseling.
 - vi. Maintain records of exposure and the Healthcare Professional's Evaluation Report.
 - vii. Upon notification from the Program participant, contact the blood-borne pathogen exposure source and perform testing, or, if the employee requests it, arrange source testing at another site.

4. The County requires the services of a Medical Director to evaluate complex cases and to assist in the medical management of claims. Charges for this service will be handled as Allocated Loss Adjusting Expenses.
 5. Contractor must provide the provider network online with open access (freedom to see providers with no referrals needed).
 6. Contractor must provide each participating Program agency with reports showing specified activity, cost, utilization, and other statistical analysis on a monthly, quarterly, and annual basis. The reports must include data on medical outcomes, such as comparing proposed treatment plans with actual results; average number of days lost from work by injury type and by agency; payments by CPT code and/or ICD9 code by provider; and, other data as agreed to during the negotiation of the contract or during the Contract Term.
 7. Contractor must provide the County's Division of Risk Management with quarterly reports showing the number and outcomes of hospital and physical therapy/chiropractic treatment pre-certifications and claims referred for telephonic nurse case management.
 8. Contractor must have a process to annually identify and evaluate providers who have been utilized most frequently. Analysis must include utilization practices, cost of services, and control measures.
 9. Contractor must have a prescribed method of removing non-performing providers from the network and must share its method with the County.
 10. The Prescription Benefit Manager must provide a formulary that assures therapeutic and economic value for injured workers and the Program and which covers all therapeutic diagnostic categories. In addition, the Prescription Benefit Manager must conduct ongoing drug utilization reviews that effectively and efficiently identify and address instances of potential fraud and abuse, as well as key prescribing and utilization patterns. The County's Division of Risk Management must be notified of any/all instances of suspected prescription fraud and abuse. Contractor must provide the above notification to the County as soon as reasonably practicable after Contractor discovers or is notified of the suspected fraud and/or abuse.
- l. Contractor must make certification review determinations within two (2) business days of receipt of the necessary information on a proposed admission or treatment requiring review determination. Contractor must establish and maintain a dedicated fax line for medical treatment requests. Within one (1) business day from the date of determination, the automated claim and risk management information system must be updated and telephonic notification must be made to the employee, treating physician, ordering provider and/or facility rendering service. Documentation of the certification review determination must include comments in the electronic activity notes on telephone contact/attempts to notify employee, or his/her counsel, if represented.
- m. All medical bills, prescription reimbursements, and other related expenses must be repriced according to the Maryland Fee Schedule as provided by the Maryland Workers' Compensation Commission. The Fee Schedule must be current at all times. Contractor must provide discounts as negotiated with the provider network, Maryland and out-of-state hospitals. Bills received on compensable claims must be paid within 14 business days of receipt of proper documentation required to justify payment. Contractor must conduct continuous audits for payment of bills, with results provided to the County on a quarterly basis.

n. As required by federal and/or state law, Contractor must prepare and maintain the occupational injury and illness log (presently known as the OSHA 300 log, including the privacy and non-disclosure categories, the OSHA Summary Form (OSHA 300a), and the OSHA Sharps log), and any additional occupational injury and illness forms, from data retrieved from the automated claim and risk management information system and from information provided by Program participants. The log must be made available via secure online or web read-only access with a print option, with flexible distribution ability, and that the data and forms may be queried by date range and Program participant locations.

o. On County claims, Contractor must assist the County's Occupational Medical Section (OMS) and Fire and Rescue Occupational Medical Services (FROMS) in the coordination of employees' return to work. OMS/FROMS conducts approximately 80 Fitness for Duty Evaluations per year as a result of work-related injuries. When requested, Contractor must transmit medical reports to OMS/FROMS no later than three (3) business days from the date of the request.

p. On County claims, Contractor must assist the Montgomery County Employee Retirement Plans (MCERP) in the coordination of disability retirement applications. When requested, medical reports must be transmitted to MCERP no later than seven (7) business days from the date of the request.

q. Upon request of the Chief, Division of Risk Management, or designee, Contractor must provide advice, counseling, informational seminars and other services as required to assure that employees and participating agency management are informed of ways to control losses, and on procedures, requirements, benefits and entitlements under Maryland Workers' Compensation Law. The County anticipates holding an average of two seminars per year, or a maximum of 16 hours per year.

8. COMMERCIAL GENERAL LIABILITY

(Including Public Officials, Public Protective, and Employment Practices Liability)

a. Contractor must take recorded statements from the claimant and all witnesses in all cases where there is personal injury or where liability is questionable. Failure to obtain a recorded statement must be explained in the electronic activity notes.

b. Contractor must make personal or telephonic contact with the claimant on all cases within 24 hours of receipt of the claim, except in cases where the facts indicate no liability on the part of the Program. Contact by e-mail or regular mail will suffice only in those instances where personal or telephonic contact is not possible. Personal or telephonic contact must be made with Program personnel having knowledge of the claim within 48 hours following receipt of the claim.

c. For property damage claims, in cases of liability, Contractor must obtain at least one estimate from the claimant. Should damages exceed \$5,000, the damages must be inspected by a material damage appraiser engaged by the Contractor. The cost of the appraisal must be billed as an expense to the claim file. The County reserves the right to independently contract with a material damage appraiser for these services.

9. BUSINESS AUTO LIABILITY

a. Contractor must take recorded statements from claimants and all witnesses in all cases where there is personal or bodily injury. Failure to obtain a recorded statement must be explained in the electronic activity notes.

b. Contractor must make personal or telephonic contact in all cases with all parties (claimant, Program driver, witnesses) within 24 hours of receipt of the claim, except in cases where the facts indicate no liability on the part of the Program.

- c. Contractor must provide statistical data as required by Program participants for the purpose of meeting Maryland Motor Vehicle Administration or other legal/governmental reporting requirements of self-insurers.
- d. For automobile physical damage claims, in cases of liability, Contractor must obtain at least two (2) estimates from the claimant, and payment must be made on the lower of the two (2) estimates. Should the damages exceed \$2,500, the damages must be inspected by a material damage appraiser engaged by the Contractor. The cost of the appraisal must be paid as an expense to the claim file. The County reserves the right to independently contract for appraisal services.
- e. Contractor must secure a final written release on all bodily injury claims. Any claim where a release is not secured (property damage), payment must be preceded by a written explanation as to the nature and finality of the payment.

10. OTHER CLAIMS

- a. Auto Physical Damage Loss Adjusting Services: Contractor must perform services as listed above in Section B, items 5.3.1 through 5.3.9, for all claims of Program participants for loss or damage to owned vehicles.
- b. Damage to Real and Personal Property: Contractor must perform services as listed above in Section B, items 5.3.1 through 5.3.9, for all claims of Program participants for loss or damage to real and personal property including loss or damage to boilers and machinery. Contractor must coordinate claim handling with the County's commercial property insurer for losses exceeding the applicable deductible. On a claim with damage that exceeds \$5,000 – upon request by Program participants, on a case-by-case basis – the Contractor must obtain an independent appraisal of the damage.
- c. Other Subrogation: Contractor must initiate subrogation proceedings for Program participants' property not otherwise covered by either self-insurance or commercial insurance. This includes, but is not limited to, deductibles/retention under self-insured coverage such as real and personal property and auto physical damage, non-insured property such as turf, road signs, and situations where Program participants pay for damage to owned automobiles as operating expenses instead of self-insuring them through the Program. The County reserves the right to elect to use a collection service for subrogation recoveries.

11. PREVIOUS CLAIMS

- a. Contractor must assume the responsibility for the handling of all claims under this contract from the inception date of the Self Insurance Program – July 1, 1978.
- b. The scope of services listed in Section B, items 5.3.1 through 5.3.11.a. above must be provided to all participants of the County's Self Insurance Program, with the exception that services listed in Section B, items 5.3.1 through 5.3.7 and in Section B, item 5.3.11.a. above must be provided to the 19 Montgomery County independent fire corporations, the City of Gaithersburg, Chevy Chase Village, and tail files of the City of Rockville and the City of Takoma Park.
- c. Within 60 calendar days after contract execution, all pending claims must be assigned to claims professionals and supervisors with claim reviews conducted and documented in the electronic activity notes.

12. DEPARTMENT OF CORRECTION AND REHABILITATION (DOCR) BILL REVIEW AND PROVIDER NETWORK SERVICES

- a. Contractor must review all inmate medical bills and recommend payment.
- b. Contractor must reprice medical bills to usual and customary levels, at the 80th percentile, for the service/procedure in the Washington/Baltimore Metropolitan Geographical Area. Reviewed and repriced bills must be returned within 12 business days to the DOCR facility from which they came.
- c. Contractor must develop a preferred provider organization or facility to provide medical services for the County's inmate population. This can be on-site at the County's correctional facilities, at a single entity provider location, or through a network. The County provides transportation and security services. The County may or may not utilize the providers based upon security issues or other concerns.
- d. Contractor must provide peer review services as necessary.

13. OPTIONAL SERVICES

Offerors may propose additional or optional services outside of those explicitly required in this solicitation. If doing so, Offerors should propose these services separately, and outline the separate pricing by utilizing a unit price and an estimated total price.

During the term of this contract, the County's Division of Risk Management intends to explore additional or optional services to enhance the Program. Contract fees may be renegotiated based on the additional services provided.

5.4 Contractor's Qualifications

Offerors must have proven and demonstrated expertise in the adjustment of property and casualty claims and losses for governmental self-insurance programs, and in the provision of workers' compensation medical cost management services.

Offerors must have the ability to provide Sarbanes-Oxley Compliance Reports and Cyber Coverage Capabilities, as requested. Offerors' Cyber Insurance must include coverage for costs of third-party notification, credit monitoring, and fraud protection.

5.5 Contractor's Responsibility

5.5.1 Responsibilities of the Offeror

The Offeror is responsible for the professional quality and technical accuracy of their advice and other services furnished by them. The Offeror must perform services with the degree of skill, which is normally exercised by recognized professionals with respect to services of a similar nature.

Neither the County's review, approval or acceptance of, nor payment for, any of the services required under the Contract shall be construed to operate as a waiver of any rights under the Contract or of any cause of action arising out of the performance of this Contract, and the Offeror shall be and remain liable to the County in accordance with applicable law for all damages to the County caused by the Offeror's negligent performance of any of the services furnished under the Contract.

The rights of the County provided for under the Contract are in addition to any rights and remedies provided by law.

5.5.2 Quantities and Pricing

Unless stated otherwise, the County is not obligated during the Contract period to purchase all of its requirements of the services specified under Section B, Scope of Services, from the Offeror, but the Offeror is obligated to supply the services which the County requires for its operation. The estimated dollar values, volumes and/or quantities stated herein are provided as guidance for the preparation of the proposal but are not guaranteed amounts. The quantities represent the County's best estimates.

5.5.3 Transition

The Offeror must agree to work with County staff and the County's current service providers to transition the County's business. If the County awards its business to a different service provider at some future date, the Offeror agrees to work with County staff and the County's selected service providers to transition the County's business. The Offeror must discuss the time period required to transition the County's business to and away from the Offeror and provide a detailed implementation plan for each service the Offeror proposes to provide. In addition, if the County migrates to a new claims administration services system the Offeror will be required to assist with migrating interfaces from the current system to the new one and provide a detailed implementation plan. Offeror must agree to negotiate and amend the Contract as needed to accommodate new interfaces.

5.5.4. Reports/Deliverables

The Offeror who is awarded the Contract resulting from this RFP must agree to provide each report as described throughout Section 5.3, Scope of Services/Specifications/Work Statement.

5.5.5. Confidentiality and Proprietary Information

Offeror must specifically identify those portions of their proposals, if any, which they deem to contain confidential, proprietary information or trade secrets and must provide justification why such material should not, upon request, be disclosed by the County in accordance with the Maryland Public Information Act. Offeror must clearly indicate each and every page containing information that is deemed to be confidential/proprietary or a trade secret (it is *NOT* acceptable to preface the proposal with a proprietary statement).

5.5.6. Extension of Services to New Participants of the Montgomery County Self Insurance Program

New agencies may join the County's Self Insurance Program; therefore, any contract awarded as a result of this Request for Proposal must provide for new participants during the course of such contract. Contract fees may be renegotiated based on the additional services to be provided.

5.5.7. Ownership/Transfer of Files

1. Contractor must agree that claim files and related data are the property of the County. This includes all data and imaged files maintained in any computer database. Such files and data must be transferred to the County in readable, electronic format without any charge within 30 days of termination of Contractor's services. Further, Contractor agrees to provide consultation and services to ensure the seamless transition of data to a subsequent provider of services free of charge.
2. Access to files must be afforded to authorized personnel, as designated by the Chief, Division of Risk Management, or the Office of the County Attorney, at any reasonable time.

5.5.8. Key Personnel and Staffing

Contractor agrees that all personnel identified in its Proposal as persons to be assigned to this Program as of the date of contract execution, must remain so assigned for the contract term, including any extensions, unless the Contractor no longer employs such personnel in which case appropriate replacement employees must be retained or assigned.

The Contractor must notify the County within one (1) business day of any account team changes. The Contractor must replace any personnel who leave its employ with equivalently qualified persons, in accordance with the appropriate qualifications and experience as submitted by the Contractor in its Proposal. All replacement personnel must be approved by the County in writing, and the County shall have the right to interview all replacement personnel proposed by the Contractor for positions on the Program.

When transitioning the Program to a new contractor, Contractor must maintain qualified, experienced staff through the end of the contract term.

The Program Manager assigned by the Contractor must be proactive in identifying problem areas, suggesting possible solution alternatives, responding to Program participant concerns, and in general, facilitating a positive, cooperative working relationship with Program participants.

5.5.9. Furniture and Equipment

Within 90 calendar days of contract commencement, and until the funds are expended, Contractor must provide the contract administrator with an itemization of all furniture, office equipment, and other similar types of personal property purchased with funds provided under the contract and designated as Start-Up Costs identified by the Contractor in ATTACHMENT D, Proposed Cost Sheet, Item #1.

5.5.10. Independent Audits

The County conducts independent audits to ensure contract compliance, which currently occur biennially but may be more frequent. The audits are focused not only on general insurance industry standards for claims handling and medical cost containment services, but also on contract-specific performance requirements as listed under Section B.5.3, Scope of Services/Specifications/Work Statement.

The County requires the Contractor's cooperation with the independent audits. Such cooperation must include, but not be limited to, the following: providing claims data; accommodating auditors on/offsite with access to payment and activity note information as well as imaged documents; and availability of staff for interviews.

5.5.11. Location of Contractor

1. It is preferred, but not required, that the office of the Contractor be located within Montgomery County, Maryland, or in the Washington, D.C. Metropolitan Area. This preference is in light of the significant amount of personal contact required with the County's Department of Finance, Division of Risk Management, Office of the County Attorney, and representatives of the other participating agencies. Personnel required at this office must include supervisory, adjusting, case management, and administrative staff. The Contractor must provide a dedicated unit to administer all requested services.

2. Regardless of Contractor office location, toll free telephone access must be afforded to Program participants, employees, and County constituents.

3. The County will provide interoffice mail service to/from the Contractor's facility if it is located within Montgomery County, Maryland.

4. The County may request placement of some workers' compensation claims staff in the offices of the participating agencies.

5. The cost of the office space must be borne in full by the Contractor.

5.5.12. Service Availability

1. Contractor's office must be open for business, at a minimum, on the days and during the hours that the County's offices are open.
2. Contractor must provide continual telephone coverage, (24 hours a day, to include weekends and holidays), for the purpose of receiving incident reports and messages. This may be accomplished by voice mail, an answering service, or other alternative. Contractor must have 24-hour response capabilities.
3. Contractor must provide the Division of Risk Management with a monthly register of claim inquiries, complaints, and appeals received, controlled, and answered. The register must include any complaints from injured workers about the quality of care received from the provider network (see Section B.5.3.7.k).
4. Contractor must meet monthly, at a minimum, with the County's Division of Risk Management personnel to discuss ongoing claim management and Program matters.

5.5.13. Claim Payments

1. Claim payments must be made by the Contractor from escrowed funds provided by the County's Self Insurance Program. Contractor must manage a County-selected bank account. The account will be funded twice weekly by the County via an ACH deposit. (See [ATTACHMENT M](https://montgomerycountymd.gov/finance/Resources/Files/RFP/1136306/ATTACHMENT_M.pdf) for the sample documentation required for the twice weekly Funding Request Statements.)
https://montgomerycountymd.gov/finance/Resources/Files/RFP/1136306/ATTACHMENT_M.pdf
At the time checks are written, Contractor must transmit to the bank a check issue file for the purpose of fraud prevention. Contractor must electronically decision daily any checks that the bank did not receive issue information. Contractor must reconcile the account monthly within ten (10) business days of receipt of the bank statement and share the results with the County.
2. Within 30 calendar days following the end of the contract term or within 30 calendar days following the termination of the contract, the Contractor must provide the County the following information on any outstanding checks: check date, check amount, and name and address of the payee.
3. Within 180 calendar days of the termination of the Contract, Contractor must provide the County with the final reconciliation of the checking account and must return any outstanding funds to the County.

5.5.14. Confidentiality Requirements

1. Contractor acknowledges that, in the performance of these services, they may acquire or have access to "personal data" and become a "holder" of such personal data or other information deemed confidential. Contractor must comply with all laws and regulations including HIPAA requirements relating to confidentiality and privacy, including but not limited to, any rules or regulations of the County. Contractor must limit the use and circulation of such information, even within Contractor's own organization, to the extent necessary to perform the services. Contractor must disclose such information to its employees or agents who are under obligation of confidentiality on a need-to-know basis only. Contractor agrees to inform each of its employees being involved with personal data or other confidential information of the law and regulations relating to confidentiality.
2. Protection and Personal Information by Government Agencies

Consistent with Maryland State Government Article, Title 10, Subtitle 13, entitled "Protection of Personal Information by Government Agencies," in any contract under which Contractor is to perform services and the County may disclose to Contractor personal information about an individual, Contractor must implement and maintain reasonable security procedures and practices that: (a) are appropriate to the nature of the personal information disclosed to the Contractor; and (b) are reasonably designed to help protect the personal information from unauthorized access, use, modification, disclosure, or destruction.

Contractor's requirement to implement and maintain reasonable security practices and procedures must include requiring any third-party to whom it discloses personal information originally disclosed to Contractor by the County to also implement and maintain reasonable security practices and procedures related to protecting the personal information.

Contractor must notify the County in writing of a breach of the security of a system if the unauthorized acquisition of an individual's personal information has occurred or is reasonably likely to occur, and must share with the County all information related to the breach. Contractor must provide the above notification to the County as soon as reasonably practicable after Contractor discovers or is notified of the breach of the security of a system.

5.5.15. Subcontracting/Partnership Arrangements

Contractor must provide the County written notification and operational and financial details related to any contractual arrangements or fee-for-service agreements between the Contractor and another party and/or organization, which impacts the services and fees as outlined under Section B.5.3, Scope of Services/Specifications/Work Statement. The Contractor must give a 30-day written notification prior to any vendor changes. The County reserves the right to request to be provided with further information regarding proposed or existing arrangements. The County has the right to accept or deny any contractual arrangements. **The Contractor must be willing to unbundle ancillary services; if the Contractor cannot comply, it may render their proposal unacceptable.** Contractor shall enter into contractual agreements and arrangements with other entities regarding secure sharing of claim data and other data necessary to provide Services via electronic data interchange (EDI) included in the requirements of this RFP.

5.5.16. Business Associate Agreement

A sample of the County's standard Business Associate Agreement is included as ATTACHMENT L. This agreement must be executed by the Contractor and any subcontractor, under the provisions of Section J, General Conditions of Contract Between County & Contractor, 15. Health Insurance Portability and Accountability Act (HIPAA) Compliance, at the time the Contractor signs any Contract resulting from this RFP.

6. SECTION C - PERFORMANCE PERIOD

6.1 TERM

The effective date of this Contract begins upon signature by the Director, Office of Procurement. The period in which the Contractor must perform all other work under this Contract, including services under the Start-Up Costs, identified by the Contractor in ATTACHMENT D, Proposed Cost Sheet, Item #1, begins on the contract effective date and ends after a three (3) year period. The Contractor must also perform all work in accordance with time periods stated in Section B, Scope of Services. Before this term for performance ends, the Director at his/her sole option may but is not required to renew the term. Contractor's satisfactory performance does not guarantee a renewal of the term. The Director may exercise this option to renew this term two (2) times for three (3) years each.