

# Memorandum

**To:** Alexandra Colessides, Juan Guerrero, Leroy Medford, Lalo Uribe

**CC:** Jesse Muniz

**From:** Roger Garza, LUTCF, LHIC  
Senior Consultant

**Date:** 09/07/2017

**Re:** RFP # 2017-004 Workers' Compensation TPA

Webb County currently provides Worker's Compensation benefits to its employees on a self-funded basis. Currently, Alternative Services Concepts (ASC) provides the administrative services for the Worker's Compensation Program. The County advertised and solicited proposals for its workers compensation self-funded plan. There were a total of five (5) proposals received as per attachment A. After tabulating and reviewing all the proposals we met with County staff to discuss the original submittals and took their suggestions and waited for the additional requested information to prepare a best and final tabulations based on bidder's submittals. The County requested best and final and a copy of a sample contract with fee schedules and forwarded all the information to Valley Risk Consulting, (VRC) to evaluate and tabulate. Best and Final tabulation is listed at Attachment B.

**Recommendation:** Based on the best and final tabulation, as per attachment B, the proposal that provides the best value to the county is **TriStar Risk Management Co.** based on their annual fixed option and bill review fees. TriStar Risk Management Company services several school districts and governmental entities including five (5) counties. Their contract appears to be more direct and specific to fees. The incumbent Alternative Services Concepts (ASC) supplied a fixed fee but has a percentage of savings fee attached that is based on treatment and medical cost that is in addition to fixed costs quoted. ASC, the incumbent listed several school districts as references including Webb County. Should the County desire to remain with the incumbent ASC, then fees associated with percentage of savings should be closely monitored to curtail the increased costs that can increase, if not monitored. The other two proposals included percentage of savings and contracts were not as direct and specific.

# Webb County

Summary of Comparative Cost  
RFP # 2017-004 Workers' Compensation-TPA Services  
Review Date: September 5, 2017

Company Office Location Contact Name	Current Alternative Service Concepts Irving, TX Pat Piper	Option 1 Alternative Service Concepts Irving, TX Pat Piper	Option 2 Tri-Star Corpus Christi, TX Jimmy Dyer	Option 3 CAS-Claims Administrative Services Tyler, TX Dan Campbell	Option 4 AS&G Houston, TX Jeff Ford	Option 5 CCSMI Dallas, TX Julie Saucedo
Claims Administration Services	Fee per Claim Included	Fee per Claim Included	Fee per Claim Included	Fee per Claim Included	Fee per Claim Included	Fee per Claim Included
Medical Only	\$40	\$150	\$198	\$30	\$15	\$50
Indemnity	\$800	\$900	\$834	\$198	\$125	\$175
Administrative Fee	\$3,000	\$6,904.50	\$7 per bill entered	\$7 per bill entered	\$950	\$1,350
**Liability	\$11,376	\$495 per claim	Not Quoted	Not Quoted	\$18,500 Flat Fee	Included
Annual Fixed Fee Option	\$24,428	Not Provided	**\$65,470	Not Quoted	\$49,500	*see below
Services	Fee per Claim \$75 per hour	Fee per Claim \$85 per hour	Fee per Claim at cost, typically \$85 per hour	Fee per Claim \$35 initial research/\$84 Surv.	Fee per Claim \$89 per hour	Fee per Claim \$85 per hour, plus IRS mileage
Field Services/Investigation	\$95 per hour	Telephone/Field CM: \$98 per hour	\$105 per hour, plus IRS mileage	\$88 Flat Fee + Mileage/Expenses	\$90 per hour	\$85 per hour, plus IRS mileage
Medical Case Management	\$140 per hour	Nurse \$95, Phys. \$195, Appeals \$275	\$140 per cert/\$125 per hr	\$150 Flat Fee per request	\$175 per authorization	\$175 Flat Fee per request
Utilization Review	\$8.75 flat fee	\$9 per bill, PPO 20% of Savings	\$8.75 per bill	\$6.25 per bill and 5% of savings	\$7.75 flat fee	\$9 per bill entered
Medical Bill Audits	N/A	\$9 per bill	not to exceed \$150 per claim	9% of savings (pharmacy)	Varies by Network	N/A
PPO Networks	\$95 per hour	varies by injury	at cost	\$88 Flat Fee + Mileage/Expenses	Varies by Network	N/A
Rehabilitation/Vocational Services	Included	(4) Free users, \$25 per user monthly	Included	Included	Not Provided	Included in 15% admin. Fees
On-Line Computer Services	Included as allocated loss to file	BRC/CCH: \$150 per hour	Included	Included - adjuster, at cost - attorney	Included as allocated loss to file	Included in 15% admin. Fees
Attending TDI Hearings	Included					\$175 per hour + expenses (DWC rate)
Take Over Cost						
Workers Compensation	Included	N/A	Included	Included	Included in Annual Fee if chosen MO Ind \$500, GL = \$350	\$800 per indemnity claim + 15% of claim cost as per admin. Fee
Run-Off Costs						
Workers Compensation	N/A	Indemnity: \$500, MO: \$75 per annual	Indemnity: \$350, MO: \$50 per annual	N/A	Indemnity & MO: \$500, GL = \$350	N/A
Field Case Management	Included	Telephone/Field CM: \$98 per hour	\$105 per hour, plus IRS mileage	\$88 Flat Fee + Mileage/Expenses	\$90 per hour	\$85 per hour + Mileage
Attorney/Hearing Fees	Included	Mediation: \$150, Hearing: \$175 per hr	at cost, County can select.	at attorney cost	Included as allocated loss to file	\$175 per hour + Expenses
DWC Representative		No Charge if White Espey selected	\$300 monthly, waived pending firm	at attorney cost	Included as allocated loss to file	at attorney cost
Additional Fees	MMSEA Reporting: \$2,100	MMSEA Reporting: \$2,100	MMSEA Reporting: \$10 Flat Fee	Pharmacy Network/Ancillary Services: 9% of Savings	Annual Flat Fee Option: Based on claim count: Indemnity = 40 MO = 75	15% of subrogation recovery
	**System & Data Processing: \$2,750	Systems & Data: \$2,750	Peer Review: Level 1 = \$250, Level 2 = \$295 flat rate	Medical Necessity Review: \$125 coordination fee + cost	Liability = 27	*Liability (per claim): General/Property = \$550
	General, Employee Benefits, Auto: \$495 per claim	* Liability includes: General Liability/Auto, Workers' Compensation, Product Liability, Property/Professional, Employment/Security	** Life of file or Life of Contract Pricing: 2.5% Increase in Yr 2 & 3	Medicare Reporting: \$10 per submission	If count exceeds, claims will default to per claim charge	General/Auto/BI = \$600
	Public Official, Employment Practices, Law Enforcement: \$695 per claim		**Fiked Annual Fee Includes Workers' Comp/Liability Claims.	Specialty Bill Review: 25% of savings beyond fee schedule	* Liability per Claim: Auto/Property = \$295, Bodily Injury & GL = \$575	Pre-Authorization: \$175 per request
	**Current Annual Total Flat Fee: \$43,654		Historical Bill Review Conversion: \$750-\$2,000 (One Time)		Public Officials & Law = \$675	Drug Utilization Review: \$1,200 per request

# Webb County

## Summary of Comparative Cost

RFP # 2017-004 Workers' Compensation-TPA Services (Best and Final)

Review Date: September 7, 2017

Company	Option 1	Option 2	Option 3	Option 4
Office Location	Alternative Service Concepts	Tri-Star	CAS-Claims Administrative Services	AS&G
Contact Name	Irving, TX Pat Piper	Corpus Christi, TX Jimmy Dyer	Tyler, TX Dan Campbell	Houston, TX Jeff Hord
Claims Administration Services	Fee per Claim	Fee per Claim	Fee per Claim	Fee per Claim
Incident	Included	Included	\$30	\$10
Medical Only	Included	Included	\$188	\$115
Indemnity	Included	Included	\$792	\$925
Administrative Fee	Included	Included	\$7 per bill entered	\$6,000 if per claim chosen
Liability	*Included	**See Below	<b>Did Not Quote</b>	*\$17,000 Flat Fee
Annual Fixed Fee Option	\$70,000	**\$65,470	\$45,981	\$48,000 / *Combined - \$65,000
Services	Fee per Claim	Fee per Claim	Fee per Claim	Fee per Claim
Field Services/Investigation	\$85 per hour	at cost, typically \$85 per hour	\$35 initial research/\$84 Surv.	\$89 per hour
Medical Case Management	Telephone/Field CM: \$98 per hour	\$105 per hour, plus IRS mileage	\$88 Flat Fee + Mileage/Expenses	\$90 per hour
Utilization Review	Nurse \$95, Phys. \$195, Appeals \$275	\$140 per cert/\$125 per hr	\$150 Flat Fee per request	\$175 per authorization
Medical Bill Audits	\$9 per bill, PPO 20% of Savings	\$8.75 per bill	\$6.25 per bill and 5% of savings	\$7.75 flat fee
PPO Networks	\$9 per bill	not to exceed \$150 per claim	9% of savings (pharmacy)	Varies by Network
Rehabilitation/Vocational Services	varies by injury	at cost	\$88 Flat Fee + Mileage/Expenses	\$90 per hour
On-Line Computer Services	(4) free users, \$25 per user monthly	Included	Included	Not Provided
Attending TDI Hearings	BRC/CCH: \$150 per hour	Included	Included - adjuster, at cost - attorney	Included as allocated loss to file
Take Over Cost				
Workers Compensation	N/A	Included	Included	Included in Annual Fee if chosen MO, Ind \$500, GL = \$350
Run-Off Costs				
Workers Compensation	Indemnity: \$500, MO: \$75 per annual	Indemnity: \$350, MO: \$50 per annual	N/A	Indemnity & MO: \$500, GL = \$ 350
Field Case Management	Telephone/Field CM: \$98 per hour	\$105 per hour, plus IRS mileage	\$88 Flat Fee + Mileage/Expenses	\$90 per hour
Attorney/Hearing Fees	Mediation: \$150, Hearing: \$175 per hr	at cost, County can select	at attorney cost	Included as allocated loss to file
DWC Representative	No Charge if White Espy selected	\$300 monthly, waived pending Firm	at attorney cost	Included as allocated loss to file
Additional Fees				
	MMSEA Reporting: \$2,100	MMSEA Reporting: \$10 Flat Fee	Pharmacy Network/Ancillary Services: 9% of Savings	Annual Flat Fee Option: Based on claim count: Indemnity = 40 MO = 75 Liability = 27
	Systems & Data: \$2,750	Peer Review: Level 1 = \$250, Level 2 = \$295 flat ** Life of file or Life of Contract Pricing, 2.5 % increase in Yr 2 & 3	Medical Necessity Review: \$125 coordination fee + cost Medicare Reporting: \$10 per submission	claim charge * Liability per Claim: Auto/Property = \$295, Bodily Injury & GL = \$575 Public Officials & Law = \$675
	* Liability includes: General Liability/Auto, Workers' Compensation, Product Liability, Property/Professional, Employment/Security	**Fixed Annual Fee includes Workers' Comp/Liability Claims. Historical Bill Review Conversion: \$750- \$2,000 (One Time)	Specialty Bill Review: 25% of savings beyond fee schedule	If count exceeds, claims will default to per claim charge