



Request for Proposals

for

**SECOND INJURY FUND
MEDICAL BILL AUDIT SERVICES**

[March 15, 2024]

**State of Connecticut
Office of the Treasurer**

Deadline: May 1, 2024, 5 p.m., E.S.T.

**STATE OF CONNECTICUT
OFFICE OF THE TREASURER**

REQUEST FOR PROPOSAL

FOR

SECOND INJURY FUND MEDICAL BILL AUDIT SERVICES

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Exhibits

Exhibit 1 Personal Services Agreement _____

Section I - Introduction and Purpose of the RFP

The Second Injury Fund (the Fund or “SIF”) is a state operated workers’ compensation insurance fund established in 1945 to discourage discrimination against veterans and encourage the assimilation of veterans with pre-existing injury into the workforce. Passage of Public Act 95-277 closed the Fund to new “second injury” claims for injuries sustained on or after July 1, 1995, and expanded fines and penalties against employers who failed to provide workers’ compensation coverage. Prior to July 1, 1995, the Fund provided relief to employers where a worker, who already had a pre-existing injury or condition, was injured on the job and that second injury was made “materially or substantially” worse by the first injury. Such employers transferred liability for these workers’ compensation claims to the Fund if certain criteria were met under the Connecticut Workers’ Compensation Act (thus the term “Second Injury Fund”). Today the Fund continues to be liable for those claims transferred prior to the closing of the Fund as well as claims involving uninsured employers; reimbursement of cost-of-living adjustments for certain injuries involving payment of total disability benefits or dependents’ benefits; and on a pro rata basis reimbursement claims to employers of any worker who had more than one employer at the time of the injury.

The State Treasurer is the Custodian of the Second Injury Fund and is responsible for the administration of the Fund. The Fund’s operations are financed by assessments on all Connecticut employers.

Insured employers pay a surcharge on their workers’ compensation insurance policies based on premiums issued by insurance companies who collect and remit this assessment to the Fund. The assessment for self-insured employers is based on “paid losses” for medical and indemnity benefits incurred in the prior calendar year.

Insurance companies and insured employers collect and remit to the Fund four times during each fiscal year. Self-insured employers are assessed four times during each fiscal year.

All responses must be submitted by May 1, 2024, *via* email to OTTSif.RFP@ct.gov

Section II: Scope of Services

The Fund is seeking a vendor to the contract with The State of Connecticut to assist in the review of medical and pharmacy invoice payments.

The Respondent would:

- Re-price all bills submitted by the second Injury fund and discount invoices in accordance with the Connecticut Worker’s Compensation Fee Schedule and/or their Network contracts and provide Explanation of Review (EOR).
- Audit invoices to verify pricing of the treatment or pharmaceuticals.
- Scan bills, invoices and return originals to Second Injury Fund
- Detect and prevent duplicate invoices.
- Detect for possible fraud.
- Issue check payments on behalf of the State.
- Supply “positive pay” check register file to Bank of America and Second Injury Fund for upload to system.
- Issue IRS form 1099s to recipients

- Provide access to the Treasurer, through contractor’s network of durable medical equipment vendors and providers, to durable medical equipment, mobility devices, orthotics and prosthetics, respiratory therapy devices, and other medical supplies.

Performance Criteria

The vendor will be expected to operate in and comply with all federal and state laws and regulations applicable to workers’ compensation claims.

Section III: Contract Term

The “Contract Term” is for a five-year contract period.

Section IV: Minimum Respondent Qualifications

Any Respondent submitting a proposal in response to this RFP must demonstrate the following minimum qualifications in order to be considered for this RFP:

- A. At least five years’ experience in medical and pharmacy invoice audits and payments.
- B. Ability to obtain at least a \$5 million comprehensive crime policy and a \$10 million commercial general liability policy, professional liability and statutory workers’ compensation/employers liability policy provided by an insurance company or companies licensed to do business in the State of CT and a surety bond for the benefit of the State of Connecticut in connection with the scope of services.

Section V: Submission Deadline

Proposals must be received by May 1, 2024, via email by 5:00 PM EDT to OTTSif.RFP@ct.gov

See **Section VI** for instructions on the required format and content for response.

Section VI: Form and Content of Responses

A. Instructions

1. Official Agency Contact

All communications with the Office of the Treasurer must be directed to the Official Agency Contact. The Official Agency Contact for purposes of this RFP is Michelle Seagull, whose contact information is as follows:

Michelle Seagull, Assistant Treasurer
Connecticut Office of the Treasurer
165 Capitol Avenue, 2nd Floor
Hartford, CT 06106

2. Respondent’s Representatives

Respondents must designate an authorized representative and one alternate, and shall provide the name, title, address, telephone, and e-mail address for each representative.

3. **Communications Notice**

All communications with the Office of the Treasurer or any person representing the Office concerning this RFP are strictly prohibited, except as permitted by this RFP. Any violation of this prohibition by such Respondent and its representatives or agents may result in disqualification or other sanctions, or both.

4. **RFP Timeline (Schedule of Events)**

The following timeline, including the Deadline for Submitting Proposals, shall be at the discretion of the Office of the Treasurer. Dates after the Deadline for Submitting Proposals are target dates only.

<i>March 15, 2024</i>	RFP Released
<i>March 29, 2024</i>	Deadline for Questions
<i>April 15, 2024</i>	Deadline for Responses to Questions
<i>May 1, 2024 – 5 PM EDT</i>	Deadline for Submitting Proposals
<i>During the month of May 2024</i>	Estimated Dates for Interviews/Selection

5. **Inquiry Procedures**

Respondents may submit questions in writing about the RFP to the Official Agency Contact on or before 5 P.M., EST on **May 1, 2024**. All questions must be asked *via* e-mail to: OTTSif.RFP@ct.gov. **Questions will not be accepted over the telephone.** Anonymous questions will not be answered. The agency reserves the right to provide a combined answer to similar questions and to decline to answer any question. The agency will post official answers to all questions received by March 29, 2024, on the agency’s website at <https://portal.ct.gov/OTT>, not later than April 15, 2024.

6. **Confidential Information**

Respondents are advised that the Office of the Treasurer is a constitutional Office of the State of Connecticut and its records, including responses to this RFP, are public record.

All responses to this RFP shall become the property of the Office of the Treasurer and will be kept confidential until such time as a contract is executed or negotiations for the award of such contract have ended. Thereafter, submissions are subject to public inspection and disclosure under the State of Connecticut Freedom of Information Act, Connecticut General Statutes Sections 1-200 *et seq.*, as may be amended from time to time (“FOIA”).

If a Respondent in good faith believes that any portion of its submission is exempt from public disclosure under FOIA, then, in order to maintain confidentiality, such Respondent (a) should include an explanation containing the precise statutory basis for such exemption from disclosure under FOIA, and (b) the material claimed to be exempt should be clearly marked “Confidential.” The Treasurer will use reasonable means to ensure that such confidential information is safeguarded but will not be held liable for any inadvertent or intentional disclosure of such information, materials, or data. Submissions marked as “Confidential” in their entirety will not be honored as such, and the Treasurer will not deny public disclosure of all, or any part of such submissions so marked. Only information marked “Confidential” that is accompanied with a precise statutory basis for such exemption under FOIA shall be safeguarded.

By submitting information with portions marked as “Confidential,” the Respondent (a) represents that it has a good faith reasonable belief that such information is exempt from disclosure under FOIA pursuant to the precise statutory basis for such exemption, and (b) agrees to reimburse the Treasurer for, and to indemnify, defend and hold harmless the Treasurer, its officers, fiduciaries, employees and agents from and against, any and all claims, damages, losses, liabilities, suits, judgments, fines, penalties, costs and expenses including, without limitation, attorneys’ fees, expenses and court costs of any nature whatsoever arising from or relating to the Treasurer’s non-disclosure of any such designated portions of a proposal if disclosure is deemed required by law or court order.

7. Minimum Submission Requirements

At a minimum, proposals must (a) be submitted before the deadline, (b) follow the required format, (c) be complete, and (d) include the required Legal and Compliance Attachments. **Proposals that fail to meet these minimum submission requirements may be disqualified and not reviewed further.**

8. Contract Compliance Requirements

The State of Connecticut is an Equal Opportunity and Affirmative Action employer and does not discriminate in its hiring, employment, or business practices. The State is committed to complying with the Americans with Disabilities Act of 1990 and does not discriminate on the basis of disability, in admission to, access to, or operation of its programs, services, or activities. Accordingly, the Treasurer may not award any contract that does not include a nondiscrimination affirmation provision. Refer to the attached Professional Services Agreement for the required provision.

The Treasurer is required to consider the following factors in considering the Respondent’s qualifications: (a) success in implementing an affirmative action plan; (b) promise to develop and implement a successful affirmative action plan; (c) submission of bidder employment information indicating that the composition of the Respondent’s workforce is at or near parity in the relevant labor market area; or (d) promise to set aside a portion of the contract for legitimate minority business enterprises. The State of Connecticut requires adherence to The Health Insurance Portability and Accountability Act of 1996 (HIPAA) a federal law that required the creation of national standards to protect sensitive patient health information from being disclosed without the patient’s consent or knowledge.

Applicants may be required to provide a current Service Organization Control (SOC) audit report covering the Scope of Service. The SOC report should provide an opinion on whether management’s description of the controls was implemented: whether the controls were suitability designed; and whether the controls were tested by the auditor and were operating effectively. The selected applicant will be required to provide this document annually.

9. Required Representations and Disclosure in Professional Services Agreement

The Professional Services Agreement includes representations and disclosures regarding whether any consulting agreements have been entered into in connection with such contract. This includes any consulting arrangement whereby the duties of the consultant include communications concerning business of the Office of the Treasurer, whether or not direct contact with the agency, any agency or public official or state employee was expected or made. The Professional Services Agreement further requires representations regarding the absence of gifts, fraud, or collusion in connection with this contract. Refer to

the attached Professional Services Agreement for the required representations and disclosures.

Respondents who do not agree to the representations and disclosures required in the Professional Services Agreement shall be rejected.

10. **Style Requirements**

Proposals must conform to the following requirements: (a) be word processed or typewritten; (b) use font size of not less than 11 points; (c) have margins of not less than “1” on the top, bottom, and sides of all pages; (d) display the Respondent’s name on the header of each page; and (e) display page numbers at the bottom of each page.

11. **Meetings with Respondents**

At its sole discretion, the Office of the Treasurer may convene meetings or interviews with Respondents to gain a fuller understanding of the proposals. These meetings may be held in person, using electronic means or via conference call, and may involve interviews, presentations, or site visits. If the Treasurer decides such meetings are warranted for any of the Respondents, the Office will contact such Respondents to schedule an appointment. Any such meetings are tentatively scheduled to be held during the month of May 2024.

B. Required Format and Content for Responses

All proposals must follow the required format (below) and address all requirements listed in the prescribed order, using the prescribed numbering system. *Failure to follow the required format may result in the disqualification of a proposal.*

1. **Cover Letter**

The proposal should contain a cover letter with the following information:

a. Respondent Information

- i. Name of Respondent
- ii. Business Location
- iii. Mailing Address

b. Respondent’s Representatives

The Respondent must designate an authorized representative and one alternate who may speak and act on behalf of the Respondent in all dealings with the agency, if necessary. Provide the following information for each such individual:

- i. Name and title
- ii. Telephone Number
- iii. Email address

c. A statement that the Respondent has the capability to provide the requested services.

d. A statement that the Respondent meets the minimum qualifications set out in **Section IV** of this RFP. If the Respondent does not meet any of the minimum qualifications, the Respondent must identify which qualification(s) not met and make a detailed case as to why the Treasurer should consider the Respondent’s firm and product.

- e. A statement that the Respondent has thoroughly reviewed the RFP and acknowledges and accepts all terms and conditions included in the RFP.
- f. A statement that the Respondent has read and accepts the agency's Professional Services Agreement and conditions in their entirety and without amendment or has submitted proposed revisions for review by the State.
- g. A statement that the Respondent has read and accepts the State's contract compliance requirements.

The cover letter must be signed by a person authorized to bind the Respondent to all commitments made in its proposal.

2. Fee Proposal

- a. Provide the Respondent's proposed fees for the services outlined in **Section II**. In doing so, please list the normal fees and the fees you propose to charge the State for the next five years.
- b. Provide a statement that the Respondent agrees that the proposed fees will be fixed for the five-year term of the contract, and that there will be no other potential or additional charges not identified.

3. Compliance

- a. **Legal and Policy Attachments.** Complete the following Legal and Policy Attachments in accordance with the directions provided in each form: **Attachments 1A, 1B, 2, 3, 4A, 5 and 6**. Failure to complete these required Legal and Policy Attachments will result in the Proposal being disqualified. The Legal and Policy Attachments may be located here: <https://portal.ct.gov/OTT/Doing-Business/Compliance-Reporting>.

4. Firm Questionnaire

- a. **General Information.** The following items must be included with each Respondent's proposal to this RFP. Responses to the items below shall be numbered in the same order as this Questionnaire, listing the question first (including the letter and number) followed by Respondent's answer. Responses to this Section must not exceed 15 pages.
 - 1. Provide a methodology narrative of how the Respondent provides these services.
 - 2. Provide the Respondent's complete name and primary address.
 - 3. Provide the name, title, address, telephone number and email address of a primary and an alternate contact person who is authorized to act for the Respondent for this RFP. Please provide the experience and background for these individuals.
 - 4. Please provide resumes or a summary of the work experience with public sector clients, for each individual that will be assigned to work on the State's account, and the scope of services each individual will provide to the State.
 - 5. Provide information on the number and locations of your offices.
 - 6. Provide a brief history of your company, including its main areas of practice.
 - 7. Describe any significant changes in the organization of your company within the last three years.

8. Please provide a detailed description of the proposed services, including the relevant areas of Respondent's practice and the importance of those areas within the company, and any special resources you provide your clients in these areas.
9. Please provide evidence of insurance coverage satisfactory to meet the minimum limits of coverage set forth in the Personal Services Agreement (Exhibit 1).
10. Data shows that racial and ethnic minority groups experience higher rates of illness and death across a wide range of health conditions when compared to their White counterparts. Describe what training Respondent provides to its employees on cultural competency and the ability to identify the potential impact of racism and/or implicit bias on injured workers' healthcare experience.
11. Describe anti-fraud and security measures that Respondent currently has in place to ensure the integrity of the company's database, transfer and storage of electronic information, and the protection from unauthorized access.
12. Disclose any pending or completed investigations or complaints within the last five years by the SEC, the Internal Revenue Services or any other governmental body regarding the conduct of your company, the company's management, or any of the individuals assigned to work with the State.
13. Please provide evidence of the Respondent's financial stability. This information may be sent under confidential cover.
14. Please provide a current copy of the Service Organization Control (SOC) report conducted in accordance with Statement of Standards for Attestation Engagements (SSAE) number 18, with an explanation of any deficiencies or similar findings noted therein (if any).
15. Provide three client references (preferably private or government entities) that we may contact. Please include company/state name and address, contact name, title, phone number and email address and a brief statement of services rendered.
16. Disclose any past or present assignments, relationships, or other employment that the Respondent or any employee of the company has or has had that may create a conflict of interest or the appearance of a conflict of interest in providing the above scope of services for the State.
17. If you find any term or provision of the proposed draft contract in **Exhibit 1** unacceptable, identify the term, explain why it is unacceptable, and state whether failure to modify this term would result in your company's failure to execute a contract in this matter.

Section VII – Evaluation Criteria

The following criteria will be used to evaluate each Respondent's proposal. In addition, the respondents will be evaluated against (1) meeting the Minimum Qualifications set forth in **Section IV**, (2) written responses to **Section VI** questions, (3) any additional written information requested by the Treasurer's Office, and (4) conformance with RFP instructions and specifications:

A. Respondent:

1. Qualifications of the Respondent's personnel available to provide services to the State.

2. Team organization and approach to provision of services, including the ability of the Respondent to adequately staff and complete time-sensitive transactions and to interact effectively with the State.
3. The Respondent's client relations and excellent customer service record as evidenced by references from current and former clients.
4. Technology sufficient to provide seamless and responsive interaction with the State.
5. A Connecticut presence is considered, but not required.
6. A commitment to addressing racial disparities in healthcare, as well as in expanding diversity, equity, and inclusion in Respondent's own workplace, including specific recruiting initiatives, retention and promotion efforts, and ongoing assessment of the Respondent's progress.
7. Overall compliance with state and federal laws and State Treasurer policies, including completion of the Legal and Policy Compliance attachments and acceptability of any proposed modification to the Professional Service Agreement (Exhibit 1).
8. Absence of significant conflicts of interest.
9. Provide the Service Organization Control (SOC) report conducted in accordance with Statement of Standards for Attestation Engagements (SSAE) number 18 on an annual basis, with a favorable auditor opinion.
10. Have ability to digitally transfer data to the State of Connecticut and financial and banking institutions.
11. Ability to deliver detailed monthly production reports.

B. Cost:

1. Anticipated total costs associated with the services, including hourly rates, discounts, and the ability to provide the services requested in this RFP under alternative pricing structures (*e.g.*, fixed pricing per project).
2. Fees and compensation will be an important factor in the evaluation process. The Treasurer, however, is not required to select the lowest-cost respondent.
3. The State reserves the right to negotiate the final contract terms, including pricing, with any Respondent.

Section VIII - RFP Conditions

1. All proposals submitted in response to this RFP will become the sole property of the Office of the Treasurer.
2. The Treasurer is required, as a part of the procurement process, to certify that each Respondent awarded a contract through this RFP was not selected as a result of collusion, the giving or promise of a gift, compensation, fraud, or inappropriate influence from any person.
3. Any product developed under a contract awarded as a result of the RFP, whether acceptable or unacceptable, will become the sole property of the Office of the Treasurer.
4. Timing and sequence of events resulting from this RFP will ultimately be determined by the Office of the Treasurer.

5. The Respondent agrees that the proposal will remain valid for a period of 180 days after the deadline for submission and may be extended beyond that time by mutual agreement.
6. By submitting its proposal, the Respondent warrants that all information provided in response to this RFP is accurate and complete as of the date of submission. The Respondent has an ongoing obligation during the pendency of this RFP to inform the Office of the Treasurer if any information previously provided is no longer true or complete, and to provide updated information. Failure to do so is grounds for disqualification.
7. The Office of the Treasurer may amend or cancel this RFP at any time, if the agency deems it to be necessary, appropriate, or otherwise in the best interests of the State. Failure to acknowledge receipt of amendments, in accordance with the instructions contained in the amendments, may result in the Respondent's proposal not being considered.
8. Any costs and expenses incurred by the Respondents in preparing or submitting proposals, including travel expenses incurred to attend the Respondents' meetings or interviews are the sole responsibility of the Respondent.
9. No additions or changes to the original proposal will be allowed after submission. While changes are not permitted, clarification of proposals may be required by the Office of the Treasurer at the Respondent's sole cost and expense.
10. The Respondent represents and warrants that the proposal is not made in connection with any other respondent and is in all respects fair and without collusion or fraud. The Respondent further represents and warrants that the Respondent did not participate in any part of the RFP development process, had no knowledge of the specific contents of the RFP prior to its issuance, and that no agent, representative or employee of Office of the Treasurer participated directly in the Respondent's proposal preparation.
11. All responses to the RFP must conform to instruction. Failure to comply with any requirements of this RFP may be considered appropriate cause for rejection of the response.
12. The Respondent must accept the Office of the Treasurer's standard contract language and conditions or provide acceptable revisions. *See* Standard Professional Services Agreement, attached hereto as **Exhibit 1**.
13. The Treasurer reserves the right to award in part or to reject any and all proposals in whole or in part for misrepresentation, or if a Respondent is in default of any prior State contract, or if the proposal limits or modifies any of the terms and conditions and/or specifications of the RFP. The Office of the Treasurer also reserves the right to waive technical defects, irregularities, and omissions if, in its judgment, the best interest of the State will be served.
14. The Treasurer reserves the right to correct inaccurate awards resulting from its clerical errors. This may include, in extreme circumstances, revoking the awarding of a contract already made to a respondent and subsequently awarding the contract to another respondent. Such action on the part of the Office of the Treasurer shall not constitute a breach of contract on the part of the agency since the contract with the initial respondent is deemed to be void *ab initio* and of no effect as if no contract ever existed between the Office of the Treasurer and the Respondent.
15. Prior to its engagement by the Office of the Treasurer, the successful Respondent(s) shall furnish the Office of the Treasurer with a current and valid Letter of Good Standing issued by the State of Connecticut Department of Revenue Services, pursuant to Connecticut General Statutes 12-2. The failure of the successful respondent to timely provide a Letter of Good Standing prior to engagement may result in the removal and replacement of the successful respondent.