

**REQUEST FOR PROPOSALS FOR**

**Workers' Compensation Claims  
Third Party Administrator (TPA) Services**

**ISSUING OFFICE**

**Pennsylvania Turnpike Commission  
Contracts Administration Department**

**On behalf of the  
Risk Management Department**

**RFP NUMBER**

**18-10260-8300**

**DATE OF ISSUANCE**

**September 26, 2018**

**REQUEST FOR PROPOSALS FOR**  
**Workers' Compensation Claims**  
**Third Party Administrator (TPA) Services**

**RFP#18-10260-8300**

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*Copies of the appendices listed below will be provided by written request only. Send requests for appendices to [RFP-Q@paturnpike.com](mailto:RFP-Q@paturnpike.com). Request must include the Proposer's company name, contact person, email address. After submission of written request on company letterhead Proposers must sign a non-disclosure agreement to obtain copies of all appendices that are required for this RFP.*

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## CALENDAR OF EVENTS

RFP# 18-10260-8300

The Commission reserves the right to make changes or alterations to this schedule as the Commission determines is in its best interest.

Activity	Date	Time
Request for Proposals Issued	September 26, 2018	N/A
Deadline for Proposers to Submit Questions via email to <a href="mailto:RFP-Q@paturndpike.com">RFP-Q@paturndpike.com</a>	October 11, 2018	2:00 PM
Answers to Proposers questions posted to the Commission website at <a href="https://www.paturndpike.com/Procurement/Bidlist.aspx?RTYPE=O">https://www.paturndpike.com/Procurement/Bidlist.aspx?RTYPE=O</a> ( <i>Estimate Only</i> )	October 18, 2018	N/A
Due Date for Proposals	November 1, 2018	2:00 PM
Oral Clarifications/Presentations ( <i>If necessary</i> )	TBD	TBD
Anticipated Notice to Proceed ( <i>Estimate Only</i> )	March 2019	N/A

## **PART I**

### **GENERAL INFORMATION FOR PROPOSERS**

**I-1. Purpose.** This request for proposals (RFP) provides interested Proposers with sufficient information to enable them to prepare and submit proposals for consideration by the Pennsylvania Turnpike Commission (Commission) to satisfy a need for Workers' Compensation Third Party Administrator (TPA) Services.

**I-2. Issuing Office.** This RFP is issued for the Commission by the Contracts Administration Department on behalf of the Risk Management Department.

**I-3. Scope.** This RFP contains instructions governing the proposals to be submitted and the material to be included therein; a description of the service to be provided; requirements which must be met to be eligible for consideration; general evaluation criteria; and other requirements to be met by each proposal.

**I-4. Problem Statement.** The Pennsylvania Turnpike Commission is seeking qualified organizations to provide Third Party Administrator (TPA) Services for the Self-Insured Workers' Compensation Program.

**I-5. Type of Contract.** The Commission intends to award one contract as a result of this RFP. It is proposed that if a contract is entered into as a result of this RFP, it will be an annual fixed fee contract. The Commission may in its sole discretion undertake negotiations with Proposers whose proposals as to price and other factors show them to be qualified, responsible, responsive and capable of performing the work. A sample Contractual Agreement is provided in Appendix A.

**I-6. Contractor Integrity Provisions.** Contractor Integrity Provisions will apply to this contract upon award and the awarded vendor may be required to complete a Background Qualifications Questionnaire prior to entering into an Agreement with the Commission and attend annual ethics training provided by the Commission. Proposers can find the Integrity Provisions and other related documents on the Commissions website at [www.paturnpike.com](http://www.paturnpike.com) (Doing Business, General Information, Integrity Provisions).

Include full disclosure of any potential conflict with the State Adverse Interest Act, 71 P.S. § 776.3, for a State Advisor or State Consultant by the prime or any subconsultant. If there is no adverse interest, you shall include the following statement: "I have reviewed the State Adverse Interest Act and determined that there is no adverse interest for anyone on this Agreement team." This information should be included in your transmittal letter/cover page or executive summary.

**I-7. Rejection of Proposals.** The Commission reserves the right to reject any and all proposals received as a result of this request, or to negotiate separately with competing Proposers.

**I-8. Subcontracting.** Any use of subcontractors by a Proposer must be identified in the proposal. During the contract period use of any subcontractors by the selected Proposer, which were not previously identified in the proposal, must be approved in advance in writing by the Commission.

If a Joint Venture responds to this RFP, the Commission will not accept separate proposals from joint venture constituents. A firm will not be permitted to submit a proposal on more than one (1) joint venture

for the same RFP. Also, a firm that responds to this RFP as a prime may not be included as a designated subconsultant to another firm that responds to the same RFP. Multiple responses under any of the foregoing situations will cause the rejection of all responses of the firm or firms involved. This does not preclude a firm from being set forth as a designated subconsultant to more than one prime consultant responding to the RFP.

**I-9. Incurring Costs.** The Commission is not liable for any costs the Proposer incurs in preparation and submission of its proposal, in participating in the RFP process or in anticipation of award of contract.

**I-10. Procurement Schedule of Events.** The current Schedule for Key Procurement Dates for this procurement process leading to an award of the Contract is provided in the Calendar of Events, page 1 of this RFP. The Commission reserves the right to make changes or alterations to this schedule as the Commission determines is in its best interest. All changes to these dates and/ or times up to and including the due date for Proposals will be issued as an addendum to this RFP and will become part of this RFP and will be posted to the Commission's website at <https://www.paturndpike.com/procurement/Bidlist.aspx?rtype=o>.

Unless otherwise notified in writing by the Commission, the dates indicated below for submission of items or for other required actions on the part of a Proposer shall constitute absolute deadlines for those activities and failure to fully comply by the time and date stated shall cause a Proposer to be disqualified. All times stated are in Harrisburg, PA local time and are subject to change.

**I.11. Questions and Answers.** There will be no pre-proposal conference for this RFP. No negotiations, decisions or actions shall be initiated or executed by a Proposer as a result of any oral discussions with any Commission member, employee, consultant/contractor. Written questions may be submitted to clarify any points in the RFP which may not have been clearly understood. Written questions shall be submitted by email to [RFP-Q@paturndpike.com](mailto:RFP-Q@paturndpike.com) with **RFP 18-10260-8300** in the Subject Line to be received no later than the date and time provided on the Calendar of Events. All questions and written answers will be issued as an addendum to and become part of this RFP and will be posted to the Commission's website at (<http://www.paturndpike.com/procurement/Bidlist.aspx?rtype=o>), approximately on or before the date provided on the Calendar of Events and only if necessary. Proposers shall use the form provided in **Appendix B** to submit the questions.

**I-12. Addenda to the RFP.** If it becomes necessary to revise any part of this RFP before the proposal response date, addenda will be posted to the Commission's website under the original RFP document (<http://www.paturndpike.com/procurement/Bidlist.aspx?rtype=o>). It is the responsibility of the Proposer to periodically check the website for any new information or addenda to the RFP.

The Commission may revise a published advertisement. If the Commission revises published advertisement less than ten days before the RFP due date, the due date will be extended to maintain the minimum ten-day advertisement duration if the revision alters the project scope or selection criteria. Firms are responsible to monitor advertisements/addenda to ensure the submitted proposal complies with any changes in the published advertisement.

**I-13. Response.** To be considered, proposals must be delivered to the Pennsylvania Turnpike Commission's Contracts Administration Department, Attention: Wanda Metzger or before the date and time provided on the Calendar of Events. The Commission will **not** accept proposals via email or facsimile transmission.

**Overnight Delivery Address:**

Contracts Administration Department  
Attn: Wanda Metzger  
PA Turnpike Commission  
700 South Eisenhower Blvd.  
Middletown, PA 17057  
Phone: (717) 831-7429

**US Mail Delivery Address:**

Contracts Administration Department  
Attn: Wanda Metzger  
PA Turnpike Commission  
P.O. Box 67676  
Harrisburg, PA 17106

**Please note that use of U.S. Mail, FedEx, UPS, or other delivery method, does not guarantee delivery to the Contracts Administration Department by the above listed time for submission.** Proposers mailing proposals should allow sufficient delivery time to ensure timely receipt of their proposals. If the Commission office location to which proposals are to be delivered is closed on the proposal response date, due to inclement weather, natural disaster, or any other cause, the deadline for submission shall be automatically extended until the next Commission business day on which the office is open. Unless the Proposers are otherwise notified by the Commission, the time for submission of proposals shall remain the same.

**I-14. Proposals.** To be considered, Proposers should submit a complete response to this RFP, using the format provided in PART II. Each proposal should be submitted in five (5) hard copies of the Technical Submittal, five (5) hard copies of the Diverse Business (DB) participation submittal, and five (5) hard copies of the Cost Submittal. In addition to the hard copies of the proposal, two complete and exact copies of the Technical, Cost and DB submittals, along with all requested documents on CD-ROM or Flash Drive in Microsoft Office or Microsoft Office-compatible format. The electronic copy must be a mirror image of the hard copy. Proposer should ensure that there is no costing information in the technical submittal. The CD or Flash drive should clearly identify the Proposer and include the name and version number of the virus scanning software that was used to scan the CD or Flash drive before it was submitted. The Proposer shall present the proposal to the Contracts Administration Department only. No other distribution of proposals will be made by the Proposer. Each proposal page should be numbered for ease of reference.

An official authorized to bind the Proposer to its provisions must sign the proposal. If the official signs the Proposal Cover Sheet (Appendix C to this RFP) and the Proposal Cover Sheet is attached to the proposal, the requirement will be met. For this RFP, the proposal must remain valid for at least **120** calendar days. Moreover, the contents of the proposal of the selected Proposer will become contractual obligations if a contract is entered into.

Each and every Proposer submitting a proposal specifically waives any right to withdraw or modify it, except as hereinafter provided. Proposals may be withdrawn by written or fax notice (fax number (717) 986-8714) received at the Commission's address for proposal delivery prior to the exact hour and date specified for proposal receipt.

However, if the Proposer chooses to attempt to provide such written notice by fax transmission, the Commission shall not be responsible or liable for errors in fax transmission. A proposal may also be withdrawn in person by a Proposer or its authorized representative, provided his/her identity is made known and he/she signs a receipt for the proposal, but only if the withdrawal is made prior to the exact hour and date set for proposal receipt. A proposal may only be modified by the submission of a new

sealed proposal or submission of a sealed modification which complies with the requirements of this solicitation.

**I-15. Economy of Preparation.** Proposals should be prepared simply and economically, providing a straightforward, concise description of the Proposer's ability to meet the requirements of the RFP.

**I-16. Discussions for Clarification.** Proposers who submit proposals may be required to make an oral or written clarification of their proposals to the Issuing Office through the Contract Administration Department to ensure thorough mutual understanding and Proposer responsiveness to the solicitation requirements. The Issuing Office through the Contract Administration Department will initiate requests for clarification.

**I-17. Best and Final Offers.** The Issuing Office reserves the right to conduct discussions with Proposers for the purpose of obtaining "best and final offers." To obtain best and final offers from Proposers, the Issuing Office may do one or more of the following: a) enter into pre-selection negotiations; b) schedule oral presentations; and c) request revised proposals. The Issuing Office will limit any discussions to responsible Proposers whose proposals the Issuing Office has determined to be reasonably susceptible of being selected for award.

**I-18. Prime Proposer Responsibilities.** The selected Proposer will be required to assume responsibility for all services offered in its proposal whether or not it produces them. Further, the Commission will consider the selected Proposer to be the sole point of contact with regard to contractual matters.

**I-19. Proposal Contents.** Proposals will be held in confidence and will not be revealed or discussed with competitors, unless disclosure is required to be made (i) under the provisions of any Commonwealth or United States statute or regulation; or (ii) by rule or order of any court of competent jurisdiction. All material submitted with the proposal becomes the property of the Pennsylvania Turnpike Commission and may be returned only at the Commission's option. Proposals submitted to the Commission may be reviewed and evaluated by any person other than competing Proposers at the discretion of the Commission. The Commission has the right to use any or all ideas presented in any proposal. Selection or rejection of the proposal does not affect this right.

In accordance with the Pennsylvania Right-to-Know Law (RTKL), 65 P.S. § 67.707 (Production of Certain Records), Proposers shall identify any and all portions of their Proposal that contains confidential proprietary information or is protected by a trade secret. Proposals shall include a written statement signed by a representative of the company/firm identifying the specific portion(s) of the Proposal that contains the trade secret or confidential proprietary information.

Proposers should note that "trade secrets" and "confidential proprietary information" are exempt from access under Section 708(b)(11) of the RTKL. Section 102 defines both "trade secrets" and "confidential proprietary information" as follows:

Confidential proprietary information: Commercial or financial information received by an agency: (1) which is privileged or confidential; **and** (2) the disclosure of which would cause substantial harm to the competitive position of the person that submitted the information.

Trade secret: Information, including a formula, drawing, pattern, compilation, including a customer list, program, device, method, technique or process that: (1) derives independent economic

value, actual or potential, from not being generally known to and not being readily ascertainable by proper means by other persons who can obtain economic value from its disclosure or use; **and** (2) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy. The term includes data processing software by an agency under a licensing agreement prohibiting disclosure.

65 P.S. §67.102 (emphasis added).

The Office of Open Records has determined that a third party must establish a trade secret based upon factors established by the appellate courts, which include the following:

- the extent to which the information is known outside of his business;
- the extent to which the information is known by employees and others in the business;
- the extent of measures taken to guard the secrecy of the information;
- the value of the information to his business and to competitors;
- the amount of effort or money expended in developing the information; and
- the ease of difficulty with which the information could be properly acquired or duplicated by others.

*See Crum v. Bridgestone/Firestone North Amer. Tire.*, 907 A.2d 578, 585 (Pa. Super. 2006).

The Office of Open Records also notes that with regard to “confidential proprietary information the standard is equally high and may only be established when the party asserting protection shows that the information at issue is either ‘commercial’ or ‘financial’ and is privileged or confidential, and the disclosure **would** cause substantial competitive harm.” (emphasis in original).

For more information regarding the RTKL, visit the Office of Open Records’ website at [www.openrecords.state.pa.us](http://www.openrecords.state.pa.us).

**I-20. Debriefing Conferences.** Proposers whose proposals are not selected will be notified of the name of the selected Proposer and given the opportunity to be debriefed, at the Proposer’s request. The Issuing Office will schedule the time and location of the debriefing. The Proposer will not be compared with other Proposers.

**I-21. News Releases.** News releases pertaining to this project will not be made without prior Commission approval, and then only in coordination with the Issuing Office.

**I-22. Commission Participation.** Unless specifically noted in this section, Proposers must provide all services to complete the identified work.

**I-23. Cost Submittal.** To be considered, the Workers’ Compensation Claims TPA Services Cost Proposal Worksheet, Appendix G, must be completed and used to identify all costs/expenses associated with the provision of the required services. The cost submittal (Appendix G) shall be placed in a separately sealed envelope within the sealed proposal and kept separate from the technical submittal.

**I-24. Term of Contract.** The term of the contract will commence on the Effective Date (as defined below) and will end after three (3) years with option to renew for two (2) additional one-year periods. The Commission shall fix the Effective Date after the contract has been fully executed by the Contractor and by the Commission and all approvals required by Commission contracting procedures have been obtained.



**I-25. Proposer's Representations and Authorizations.** Each Proposer by submitting its proposal understands, represents, and acknowledges that:

- a. All information provided by, and representations made by, the Proposer in the proposal are material and important and will be relied upon by the Issuing Office in awarding the contract(s). Any misstatement, omission or misrepresentation shall be treated as fraudulent concealment from the Issuing Office of the true facts relating to the submission of this proposal. A misrepresentation shall be punishable under 18 Pa. C.S. 4904.
- b. The price(s) and amount of this proposal have been arrived at independently and without consultation, communication or agreement with any other Proposer or potential Proposer.
- c. Neither the price(s) nor the amount of the proposal, and neither the approximate price(s) nor the approximate amount of this proposal, have been disclosed to any other firm or person who is a Proposer or potential Proposer, and they will not be disclosed on or before the proposal submission deadline specified in the response section of this RFP.
- d. No attempt has been made or will be made to induce any firm or person to refrain from submitting a proposal on this contract, or to submit a proposal higher than this proposal, or to submit any intentionally high or noncompetitive proposal or other form of complementary proposal.
- e. The proposal is made in good faith and not pursuant to any agreement or discussion with, or inducement from, any firm or person to submit a complementary or other noncompetitive proposal.
- f. To the best knowledge of the person signing the proposal for the Proposer, the Proposer, its affiliates, subsidiaries, officers, directors, and employees are not currently under investigation by any governmental agency and have not in the last four (4) years been convicted or found liable for any act prohibited by State or Federal law in any jurisdiction, involving conspiracy or collusion with respect to bidding or proposing on any public contract, except as disclosed by the Proposer in its proposal.
- g. To the best of the knowledge of the person signing the proposal for the Proposer and except as otherwise disclosed by the Proposer in its proposal, the Proposer has no outstanding, delinquent obligations to the Commonwealth including, but not limited to, any state tax liability not being contested on appeal or other obligation of the Proposer that is owed to the Commonwealth.
- h. The Proposer is not currently under suspension or debarment by the Commonwealth, or any other state, or the federal government, and if the Proposer cannot certify, then it shall submit along with the proposal a written explanation of why such certification cannot be made.
- i. The Proposer has not, under separate contract with the Issuing Office, made any recommendations to the Issuing Office concerning the need for the services described in the proposal or the specifications for the services described in the proposal.

- j. Each Proposer, by submitting its proposal, authorizes all Commonwealth agencies to release to the Commission information related to liabilities to the Commonwealth including, but not limited to, taxes, unemployment compensation, and workers' compensation liabilities.

**I-26. Indemnification.** The Proposer shall be responsible for, and shall indemnify, defend, and hold harmless the Commission and its Commissioners, officers, employees, and agents from any claim, liability, damages, losses, causes of action, and expenses, including reasonable attorneys' fees, arising from damage to life or bodily injury or real or tangible personal property caused by the negligence or other tortious acts, errors, and omissions of Proposer, its employees, or its subcontractors while engaged in performing the work of the Agreement or while present on the Commission's premises, and for breach of the Agreement regarding the use or disclosure of proprietary and confidential information where it is determined that Proposer is responsible for any use of such information not permitted by the Agreement. The indemnification obligation shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable by or for Contractor or its subcontractors under Workers' Compensation Acts, Disability Benefits Acts, or other Employee Benefit Act.

**I-27. Data/Information Security Breach Notification.** "Breach" shall mean any successful unauthorized acquisition, access, use, or disclosure of Commission data that compromises the security or privacy of such data.

"Commission Data" means Commission provided information and Commission related information acquired as a result of the services provided to Commission under this Agreement.

Proposer shall report to the Commission any Breach affecting Commission Data. The notice to be provided to the Commission by Proposer shall be provided without unreasonable delay and no later than within 48 hours of Proposer's discovery of any Breach. A Breach shall be deemed to be discovered on the first day on which the Proposer knows or reasonably should have known of the Breach. The notice to be provided to the Commission by Proposer shall be made in writing to the Commission's Information Security Officer and shall include the following content: (1) the nature of the Breach; (2) the specific Commission Data affected by the Breach; (3) the steps the Proposer is taking to remediate the Breach; and (4) steps the Proposer is taking to mitigate future Breaches. Following notification of the Breach, Proposer shall cooperate with the Commission's investigation of the Breach and provide any other information regarding the Breach or the Commission Data affected which the Commission may reasonably request. Should notice to individuals whose information was part of Commission Data be required under any applicable data privacy law, including, but not limited to, individual state data breach notice laws or federal laws such as HIPAA and Graham Leach Bliley Act, Proposer shall provide the Commission with copies of any template notification letters and draft regulatory correspondence for Commission's prior approval. Proposer shall provide any notifications required under the applicable data privacy laws on behalf of the Commission at the request of Commission. The Commission reserves the right to handle any notifications required and shall notify Proposer if the Commission will be handling the required notifications. Upon request, Proposer shall provide the Commission with its cyber-security policies and procedures. Proposer agrees to reimburse the Commission for any and all reasonable costs associated with the Commission's response to Proposer's Breach, including any fees associated with the Commission's investigation of Proposer's Breach, notification costs, and any reasonable offer of credit or identity monitoring product.

**I-28. Security Requirements.** Proposer will comply with the Security Requirements are described in Appendix D – Security Requirements.

**I-29. Insurance.** Proposer will comply with the Insurance requirements as described in Appendix E - Insurance Specification.

**I-30. Diverse Business (DB) Requirements.** Proposer will comply with the DB Requirements as described in Appendix F – Diverse Business (DB) Requirements.

## **PART II**

### **INFORMATION REQUIRED FROM PROPOSERS**

Proposals must be submitted in the format, including heading descriptions, outlined below. To be considered, the proposal must respond to all requirements in this part of the RFP. Any other information thought to be relevant, but not applicable to the enumerated categories, should be provided as an appendix to the proposal. All cost data relating to this proposal and all Diverse Business cost data should be kept separate from and not included in the Technical Submittal. Each proposal shall consist of three separately sealed submittals:

1. Technical Submittal, which shall be a response to RFP **Part II, Sections II-1A through G;**
2. Diverse Business Participation Submittal, in response to RFP **Part II, Section II-2;** and
3. Cost Submittal, in response to RFP **Part II, Section II-3.**

The Commission reserves the right to request additional information which, in the Commission's opinion, is necessary to assure that the Proposer's competence, number of qualified employees, business organization, and financial resources are adequate to perform according to the RFP.

The Commission may make such investigations as deemed necessary to determine the ability of the Proposer to perform the work, and the Proposer shall furnish to the Issuing Office all such information and data for this purpose as requested by the Commission. The Commission reserves the right to reject any proposal if the evidence submitted by, or investigation of, such Proposer fails to satisfy the Commission that such Proposer is properly qualified to carry out the obligations of the agreement and to complete the work specified.

#### **II-1 Technical Submittal.**

##### **A. Proposal Cover Sheet (See Appendix C)**

Show the name of your firm, Federal I.D. number, address, name of contact person, contact person's email and telephone number date and the subject: Workers' Compensation Claims Third Party Administrator (TPA) Services, RFP 18-10260-8300. Appendix C must be signed by an individual who is authorized to negotiate terms, render binding decisions and commit your firm's resources. In addition, it is required that all information requested in Appendix C be provided including information pertaining to location of office performing the work, contact information, listing of all Pennsylvania offices and total number of Pennsylvania employees, and location of company headquarters.

##### **B. Table of Contents**

Include a clear identification of the material by section and by page number.

##### **C. Executive Summary**

Summarize your understanding of the work to be done and make a positive commitment to perform the work necessary. This section should summarize the key points of your submittal. (Limit to two pages.) Include in this section or in a transmittal letter/cover page a statement regarding full disclosure of any potential conflict with the State Adverse Interest of State Advisor or Consultant Statute as instructed in Proposal Section 1.6 Contractor Integrity Provisions.

#### **D. Firm Overview**

Provide a brief history and description of your firm's business organization and its Workers' Compensation Claims Third Party Administrator (TPA) service expertise and experience as it relates to the requirements discussed in Part IV of this RFP. Include the location of offices and the number and types of claim professionals, consultants or other relevant professional staff in each office. Discuss your firm's presence in and commitment to the Commonwealth of Pennsylvania. Include a discussion of the specific expertise and services that distinguish your firm. Discuss your firm's experience handling Pennsylvania Workers' Compensation claims.

If you propose to subcontract any portion of the work described in your response, the subcontracted firm or firms must be identified in this section. The role of the firm or firms should be explained along with a description of the specific expertise and services that the firm or firms contribute to the overall value of your proposal.

#### **E. Personnel**

Provide the names, proposed roles, background and experience, current professional licenses, office location and availability of the personnel who will perform the Workers' Compensation Claims Third Party Administrator (TPA) services as described in Part IV of this RFP. Specifically identify the primary person(s) who will be responsible for managing the relationship with the Commission during this endeavor. Proposer must submit a current resume for all proposed staff listing relevant experience and applicable professional affiliations. Discuss designated personnel's experience handling Pennsylvania Workers' Compensation claims.

#### **F. Relevant Experience and Expertise**

Provide a narrative statement regarding your Workers' Compensation Claims Third Party Administrator (TPA) services, expertise and experience as it relates to Part IV of this RFP. Additionally, include a statement regarding your understanding of the requirements as outlined in this RFP and your ability to provide Workers' Compensation Claims Third Party Administrator (TPA) services in accordance with the same. Include experience handling Pennsylvania Workers' Compensation claims.

Describe your firm's experience in providing similar Workers' Compensation Claims Third Party Administrator (TPA) services to other clients, especially other governmental entities and/or similar public/private sector transportation organizations. Describe the business practices that enable you to complete these tasks in an efficient, timely and, at times, expeditious manner. Include experience handling Pennsylvania Workers' Compensation claims.

Provide a list of three references of clients for which your firm has performed similar work, as described in this RFP, within the past three years. References of clients with Pennsylvania Workers' Compensation claims are preferred.

Include a statement regarding any other specialized Workers' Compensation Claims Third Party Administrator (TPA) services your firm may offer.

## **G. Approach**

Provide a description of the proposed approach/methodology that will be used to administer the Commission's Workers' Compensation claims. Include a description of your claims management process including your firm's reserving philosophy and practice.

Provide details on your transition and implementation process for the Commission's current claims. Describe in detail the timeline and work plan for this transition to meet the March 27, 2019 contract effective date.

Discuss the advantages of your firm's cost-containment strategies including the strength of its networks and bill review services, including pharmacy benefit management.

Provide a description of your firm's data management system including access to Risk Management for their claims administration and reporting needs.

## **II-2 Diverse Business (DB) Requirements (Appendix F).**

The Commission's Diverse Business (DB) Requirements for this procurement and a resulting contract are identified in Appendix F. There is no minimum participation level (MPL) for DBs established for this contract. However, the utilization of DBs are encouraged and will be considered as a criterion in the evaluation of proposals and may be considered as a factor in the Commission's selection of a firm for this contract.

The proposer must include in its DB participation submittal that it meets the requirements set forth in the Commission's DB Requirements - Appendix F. In particular, the proposer shall address the section of the DB Requirements labeled, "Actions Required by Proposer during the procurement/consultant selection phase". In addition, the DB participation submittal shall indicate the amount of DB participation incurred in the proposal in terms of dollars committed or percentage of total contract amount.

## **II-3 Cost Submittal.**

The information requested in this section shall constitute your cost submittal. **The cost submittal shall be placed in a separate sealed envelope within the sealed proposal and on a CD-ROM, separate from the technical submittal.**

Proposers should **not** include any assumptions in their cost submittals. If the proposer includes assumptions in its cost submittal, the Issuing Office may reject the proposal. Proposers should direct in writing to the Issuing Office pursuant to Part I-10, Questions and Answers of this RFP any questions about whether a cost or other component is included or applies. All Proposers will then have the benefit of the Issuing Office's written answer so that all proposals are submitted on the same basis.

The Proposer must complete Appendix G - Workers' Compensation Claims TPA Services Cost Proposal Worksheet. It is proposed that if a contract is entered into as a result of this RFP, it will be an annual fixed fee contract that includes the re-pricing of medical invoices in accordance with the Pennsylvania Workers' Compensation Act. Include any data transfer fees and be specific as to what the data transfer includes (adjuster notes, scanned documents, etc.).

In addition to the aforementioned annual fixed fee contract, an option to provide fixed fee with additional charge for medical bill re-pricing (per bill, per line, percentage of savings) will be considered.

Please be sure to identify all activities included within the pricing and all additional costs to be charged outside this price, including account management, any one-time transition or implementation fees, etc. Identify those costs billed as allocated expenses and those as program costs.

Proposers are required to make full disclosure of any financial arrangements or compensation that has been made with third party vendors such as managed care and bill repricing vendors.

Please note a continuing disclosure requirement during the length of any contract awarded to a proposer shall be mandatory.

Any costs not provided in the cost proposal will be assumed as no charge to the Commission.

The selected Proposer shall only perform work on the Contract after the Effective Date is affixed and the fully-executed contract sent to the selected Proposer. The Commission shall issue a written Notice to Proceed to the selected Proposer authorizing the work to begin on a date which is on or after the Effective Date. The selected Proposer shall not start the performance of any work prior to the date set forth in the Notice of Proceed and the Commission shall not be liable to pay the selected Proposer for any service or work performed or expenses incurred before the date set forth in the Notice to Proceed. No Commission employee has the authority to verbally direct the commencement of any work under the Contract.

## **PART III**

### **CRITERIA FOR SELECTION**

**III-1. Mandatory Responsiveness Requirements.** To be eligible for selection, a proposal shall be (a) timely received from a Proposer; and (b) properly signed by the Proposer.

**III-2. Technical Nonconforming Proposals.** The two (2) Mandatory Responsiveness Requirements set forth in Section III-1 above (a & b) are the only RFP requirements that the Commission will consider to be non-waivable. The Issuing Office reserves the right, in its sole discretion, to (1) waive any other technical or immaterial nonconformities in the proposal, (2) allow the Proposer to cure the nonconformity, or (3) consider the nonconformity in the evaluation of the proposal.

**III-3. Proposal Evaluation.** Proposals will be reviewed, evaluated, and rated by a Technical Evaluation Team (TET) of qualified personnel based on the evaluation criteria listed below. The TET will present the evaluations to the Professional Services Procurement Committee (PSPC). The PSPC will review the TET's evaluation and provide the Commission with the firm(s) determined to be highly recommended for this assignment.

The Commission will select the most highly qualified firm for the assignment or the firm whose proposal is determined to be most advantageous to the Commission by considering the TET's evaluation and the PSPC's determination as to each firm's rating. In making the PSPC's determination and the Commission's decision, additional selection factors may be considered taking into account the estimated value, scope, complexity and professional nature of the services to be rendered and any other relevant circumstances. Additional selection factors may include, when applicable, the following: geographic location and proximity of the firm, firm's Pennsylvania presence or utilization of Pennsylvania employees for the assignment; equitable distribution of work; diversity inclusion; and any other relevant factors as determined as appropriate by the Commission.

Award will only be made to a Proposer determined to be responsive and responsible in accordance with Commonwealth Management Directive 215.9, Contractor Responsibility Program.

**III-4. Evaluation Criteria.** The following criteria will be used, in order of relative importance from the highest to the lowest, in evaluating each proposal:

#### **1. Proposer and Personnel Qualifications and Experience**

- a. Proposer's relevant experience and expertise in conducting Workers' Compensation Third Party Claims Administrator Services as it relates to the requirements discussed in Part IV of this RFP and specifically handling Pennsylvania Workers' Compensation claims.
- b. Qualifications, experience and competency of professional personnel who will be assigned to the contract by the Proposer including tenure with firm, length of time in the industry and type of experience handling Pennsylvania Workers' Compensation claims.
- c. Financial ability of the Proposer to undertake a project of this size.
- d. Response of references if the Commission elects to solicit them.



## **2. Approach**

- a. Understanding of the Commission's needs and scope of work.
- b. Soundness of proposed approach, methodology, and deliverables for conducting Workers Compensation Third Party Claims Administrator Services as it relates to the requirements discussed in Part IV of this RFP.
- c. Approach to implementation project plan and transition.
- d. Responsiveness to the Commission's desire for implementation by the March 27, 2019 contract effective date.
- e. Strength of medical delivery network and cost-containment strategies.
- f. Responsiveness, organization, and clarity of Proposal.

## **3. Cost.**

While this area may be weighted heavily, it will not normally be the deciding factor in the selection process. The Commission reserves the right to select a proposal based upon all the factors listed above and will not necessarily choose the firm offering the best price. The Commission will select the firm with the proposal that best meets its needs, at the sole discretion of the Commission.

- 4. **Commitment to Diversity and Inclusion.** This refers to the inclusion of DB firms, as described in Part II-2. Participation may be measured in terms of total dollars committed or percentage of total contract amount to certified DB firms.

## PART IV

### WORK STATEMENT

#### IV-1. Objectives.

- a. **General.** The Commission is seeking an experienced TPA that has the systems and resources to provide complete, accurate, timely and efficient claims administration and medical bill repricing services for new, existing, and incurred but not yet reported (IBNR) claims and data management services.
- b. **Specific.** The Commission is soliciting competitive proposals from qualified vendors to effectively manage, control and adjudicate work-related injuries, to provide the highest level of customer service to the Commission and its injured employees, to ensure the highest quality of medical care is received and to expedite a quick and safe return of employees to their careers at the Commission. The Commission is seeking innovative alternatives, solutions and recommendations to drive the highest level of care while reducing Workers' Compensation costs which include the following:
  - i) Administer all aspects of existing and future claims, including but not limited to:
    - 1) Investigating, accepting and denying claims;
    - 2) issuing claim payments to injured employees, vendors and providers;
    - 3) maximizing medical bill repricing;
    - 4) filing forms required by law;
    - 5) coordinating litigated matters with the Commission's in-house counsel;
    - 6) managing subrogation;
    - 7) ensuring Medicare compliance and coordination;
    - 8) maintaining accurate claim data and computer systems;
    - 9) securing independent medical examinations, utilization reviews, independent rating evaluations, and
    - 10) providing surveillance when requested by the Commission and other loss adjustment services.
  - ii) Provide access to statewide health care provider networks that offer discounts below the established workers' compensation fee schedule.

- iii) Work with all designated parties, including other contractors, throughout the claims administration and data management process to support the administration of the benefits provided under applicable laws.

**Note** that the services do not include those duties covered by other existing or future contracts, including, but not limited to: surveillance when assigned to the Compliance Department Investigators and legal defense work.

#### **IV-2. Nature and Scope of the Project**

The Workers' Compensation program applies to all full time and part time Commission employees with benefits in accordance with the Pennsylvania Workers' Compensation Act. The Commission is self-insured for Workers' Compensation and currently does not purchase excess insurance. Workers' Compensation claims are currently handled by a third-party administrator. The contract expires on March 26, 2019.

The Pennsylvania Turnpike is a key transportation route within the Commonwealth of Pennsylvania and a vital link in the roadway network of the eastern United States. The Turnpike is 536 miles in length with 55 fare collection facilities, 20 maintenance facilities and five (5) tunnels ([www.paturnpike.com](http://www.paturnpike.com)). In addition, there are three administrative offices: Central Administration Building in Middletown, PA, Eastern Regional Office in King of Prussia, PA, and Western Regional Office in New Stanton, PA. Of the total 2,046 employees as of July 2018, there are 712 in Fare Collection, 716 in Maintenance and 618 Other employees. There are 1,523 Union and 523 Non-Union employees.

The Risk Management Department is responsible for managing the Commission's Workers' Compensation Claims. The Department is set up within Finance & Administration. A full time Workers' Compensation Coordinator is responsible for the day to day processing of employee injuries, the transitional duty program, and working with the TPA to develop solutions for timely claim resolution. The Workers' Compensation Coordinator reports to the Manager of Insurance and Risk Services. In addition, the Workers' Compensation Coordinator works closely with in house counsel within the Commission's Legal Department who is responsible for managing outside counsel with respect to employee injury claims that enter litigation.

Safety is one of the Commission's core values. As a result, employee injuries are taken extremely seriously and have significant visibility within the Commission. Teamwork and Communication are also Commission core values. For this reason, the Commission is seeking a Workers' Compensation TPA who values teamwork and an account who is actively engaged in each injury. The Commission requires a high level of communication, with timely updates on the status of its employee injuries. The Workers' Compensation Coordinator is in constant contact with the TPA, with multiple calls daily.

**IV-3. Requirements - Data Management.** The Worker's Compensation TPA shall provide and utilize an electronic, secure data system to receive, record, store, and report all claims documents, data, and information until such time as data is transferred in totality to a subsequent vendor and the Commission acknowledges satisfactory transfer. All data remains the property of the Commission. Upon termination of the contract, the TPA shall transfer the data to a new vendor or to the Commission directly and at no charge to the Commission.

- a. The Workers' Compensation TPA will be required to maintain all claim files in an electronic format.

- b. The Workers' Compensation TPA shall electronically maintain imaged claim documents including, but not limited to: BWC forms; legal documents; correspondence; medical bills; and explanations of reimbursements created when bills are paid. Data must be delivered to the Commission upon request in a non-proprietary format. The file types preferred are XML (.xml) or text files (.txt). Files can be sent unencrypted, Zipped or as PGP encrypted files. The nature of the data being transferred will determine if PGP encryption is required. Files should be sent or received over SFTP using SHA-2.
- c. Imaged claim documents shall be clearly and consistently labeled in easily identifiable categories. Reasonable efforts will be taken to avoid duplication of uploaded and stored imaged claim documents.
- d. With approval of the Commission's Risk Management Manager, provide designated Commission staff and appropriate other parties' access to the claims files in a manner that allows them real-time access to data, documents and information available to adjusters.
- e. Provide a secure web accessible system which allows standard and ad hoc reports based on user-defined queries. This includes the ability to value the financials as of a given point in time.
- f. The Workers' Compensation TPA shall conduct semi-annual user access reviews to identify individuals with access to Commission data within the TPA's electronic system.
- g. Ensure seamless coordination of data with subcontractors and other Commission contractors, including but not limited to the medical bill repricing company and the pharmacy benefit manager, when transferring/interfaces data to or from them. Data from this program may not be provided to any subcontractor without the written permission of the Commission's Risk Management Manager. The TPA shall ensure that required data, documentation, and payments are entered to each claim file in an accurate and timely manner.
- h. Timely process all paperwork forms and Electronic Data Interchange required by the Bureau of Workers' Compensation (BWC), including Workers' Compensation Automation & Integration System (WCAIS). Produce and file all forms required by the BWC in the formats prescribed by the Bureau.
- i. At all times claim files will be available for inspection and audit. The Workers' Compensation TPA will produce a paper or electronic copy of the file at the request of the Commission's Risk Management Manager.
- j. The Workers' Compensation TPA shall enter data on a prompt and timely basis. Coding and typographical accuracy in the claim file data is essential. Workers' Compensation TPA must conduct continuous audits of claim file data to assure accuracy. Any errors identified by the Commission will be promptly corrected.
- k. The Claim Management System is an integral part of the Workers Compensation program. Access to adjuster file notes and all documents related to the employee injury are required by the Commission.

- l. Specific Commission Claim Reports are required. Refer to Appendix H – Reporting and Meeting Requirements for the reports and delivery requirements. These reports may be amended as needed by the Commission with no additional charge required. Additional reports may be needed as the needs of the Commission change.
- m. Flexibility of location coding is required in order to sort data based on Commission Departments, Districts, Cost Centers(locations). Refer to Appendix I – Location Codes. This appendix will be provided to qualified Third Party Administrator vendors upon written request.
- n. Flexibility of cause of loss codes is required to track exposures unique to Commission including but not limited to: Injuries occurring in work zones, injuries involving guide rails, injuries from poison ivy and medical treatment due to ticks.
- o. Flexibility of coding to enter and sort data based on Commission employee number (ex.– 00001234.)
- p. The Commission’s Fiscal Year begins on 6/1 of each year. Flexibility of reporting is needed in order to run reports based on both Fiscal Year and Calendar Year.
- q. Incident Only claims should be coded so that they can either be included or excluded from analysis reports.
- r. Provide reports required to respond to the Annual Report of Compensation Paid in a given Calendar Year (LIBC-680), the Application for Renewal of Self-Insurance (LIBC-366R) and an Annual Actuarial Study done by an independent Accounting Firm.
- s. Provide Risk Management with access to Workers’ Compensation TPA claim system to permit the ability to view adjuster claim notes and all claim data. User access:
  - i. 4 users for adjuster note level
  - ii. 4 users for full reporting access
  - iii. 2 users for full reporting broker access

**IV-4. Specific Tasks -** The Workers’ Compensation TPA shall administer all aspects of existing and future claims, including but not limited to the following tasks:

#### **CUSTOMER SERVICE**

- a. Provide a toll-free phone number so that injured employees, vendors and the Commission may contact the Workers’ Compensation TPA without incurring a charge.
- b. Provide a designated adjusting team with a designated account manager.
- c. The Commission operates 24/7 and may require assistance after hours for emergency situations.
- d. Respond to inquiries from the Commission and injured employees by close of business same day, but no later than twenty-four (24) hours.

- e. Maintain an average claims case load per full-time adjuster not to exceed 140 cases. The Commission reserves the right to adjust the number of cases if it determines that a full-time adjuster cannot efficiently handle the number of cases assigned.
- f. Proactively inform the Commission when problems or issues are identified.
- g. Investigate, track and address complaints against adjusters. After receiving complaints that show negligence on the part of the adjuster or staff person, the Commission may require removal of the adjuster or staff person from the account.
- h. Agree to be available for occasional, in-person meetings as requested by the Commission. Most in-person meetings will be held at the Central Administration Building in Harrisburg. Otherwise, meetings shall occur through a conference call or webinar. The TPA shall not charge for these meetings/calls.
- i. Claim Reviews will be held at the Central Administration Building in Harrisburg with a total of four (4) reviews per year.
- j. An annual Stewardship Review will be held at the Central Administration Building in Harrisburg to review program results at the end of each fiscal year.

**NEW CLAIMS & INITIAL CLAIMS REVIEW INVESTIGATIONS**  
**(Excluding Incident Only Claims)**

- a. Claims are currently reported to Risk Management by the employee's Supervisor. The claims are then checked by the Commission for personal and location coding and then forwarded to the TPA. Online claim reporting capability is desired.
- b. Claims shall be assigned to a designated Adjuster with Supervisor review.
- c. All new claims, including medical only claims, must be investigated and reviewed for compensability.
- d. Document the initial claim review and establish reserves in the system.
- e. All new claims shall be submitted to the Index Bureau at initial setup, when claim goes into suit, and semiannually as long as the claim is open.
- f. A 3-point contact on all indemnity claims must include: employee interview (including a recorded statement upon request of the Commission), employer interview (including the supervisor as required), and medical provider to confirm the injury description, initial diagnosis, estimated length of disability, treatment plan and employee physical capabilities (work status)
- g. A 2-point contact on all medical only claims must include employer interview and medical provider interview.
- h. Record only claims must be identified for reporting purposes only.

- i. Controls must be in place to ensure approval or denial of claims within the statutory timeframe of 21 days.
- j. Consult with the Commission prior to denying a claim. Upon acceptance or denial of each claim, file the necessary forms with the BWC in accordance with their procedures and send notification to the Commission. Notification should also be provided for medical only and recurrence claims as appropriate.

## **CLAIMS MANAGEMENT**

- a. Claims shall be managed aggressively so that the injured employee can be returned to work as soon as medically possible or the claim can be properly closed.
- b. Continually maintain claim files with appropriate documentation of status, industry standard diary dates, claims management efforts and strategy as well as reserves and reserve justifications.
- c. Keep the Commission informed of all developments on a claim.
- d. Maintain ongoing medical and indemnity claim reserves.
- e. Direct injured employees to use the Commission's approved posted medical panels for pharmacy, DME and physical therapy.
- f. Claims shall be investigated, approved and initial indemnity payments made within the statutory timeframe of 21 days.
- g. The average weekly wages for injured employees will be calculated by the TPA based on data supplied by the Commission. The TPA shall submit the required forms to the BWC.
- h. Follow the Commission's Special Claim Handling Instructions.
- i. Any medical only claim reaching a paid of \$5,0000 will be transitioned to the lost time adjuster and treated for the purposes of claim handling as a lost time claim.
- j. Diary all indemnity claims (or medical only claims reaching \$5,000 paid) for 30 days or less.
- k. Claim diary notes shall consist of the following items to be designed as a template when entering:
  - i. Date of Injury
  - ii. Description of Injury
  - iii. Controlling Bureau Document/Accepted Injury
  - iv. Average Weekly Wage/Temporary Total Disability/Pension Offset/Social Security Age Offset
  - v. Current Medical Status
  - vi. Current Work or Disability Status
  - vii. Litigation or Settlement Status
  - viii. Subrogation
  - ix. Excess
  - x. Other Benefits/Offsets/IME/Surveillance
  - xi. Reserve Rationale

xii. Plan of Action  
xiii. Concerns

- l. Maintain contact with injured employees with emphasis on the first 30, 90 & 180 days of the date of injury.
- m. Continually assess medical treatment against established standards.
- n. Monitor claims to ensure employees are not out of work longer than what is ordinarily expected based on the injury type and severity.
- o. Notify Risk Management when an employee is out of work longer than would be customary.
- p. Approve and monitor the frequency, quantity and type of pharmacy benefits used by claimants in coordination with the activities of the PBM vendor, if applicable.
- q. Review and audit all non-medical bills/invoices prior to payment.
- r. File utilization review (as recommended or as necessary) with the Bureau.
- s. Minimize transfer of claims from adjuster to adjuster as much as possible. The Commission reserves the right to require changes in assignments. When a claim is received, it may not yet be known if the claim will require indemnity payments.
- t. Obtain claim information and files, as well as any claim data from prior TPA in order to avoid any gaps in payments and payment history of claims or claims that re-open.
- u. Inform Risk Management and investigate all cases of suspected fraud/abuse related to injured employees, providers, or others.
- v. The TPA will act as the Agent on behalf of the Responsible Reporting Entity (RRE) under Section 111 of the Medicare, Medicaid & SCHIP Extension Act of 2007 (MMSEA).
- w. Complete, process and transmit all Bureau forms for the WCAIS system submitting the TPA name, address, and other processing information to assure that the BWC notices are directed to the TPA, Commission and assigned outside counsel and provide a copy of the LIBC-344 to the claimant.
- x. Track all refunds, voids, and recoveries which includes but is not limited to subrogation, supersedeas, reimbursements, restitution recoveries, and other payments/credits to the claim files. Timely post recoveries.
- y. Medical and expense payments shall be authorized daily to ensure payment within the statutorily mandated timeframes. All bills not related to the compensable injury shall be properly denied.
- z. The TPA shall be responsible for any interest or penalty assessed that is the fault of the adjuster, the system or process, or the medical repricer. In addition, the TPA is responsible for any amount paid by stipulation to avoid an award of interest or penalties.



## **CLAIM FILE SUPERVISION**

- a. Initial supervisory review must be made within 72 hours of receipt of all new claims.
- b. Directional supervision is required on all indemnity claims every 30 days.

## **LOSS ADJUSTMENT SERVICES**

- a. Loss adjustment services are required for each of the following: independent medical examinations, peer reviews, utilization reviews, impairment ratings, fraud investigation, field medical case management, surveillance, vocational rehabilitation, labor market surveys, durable medical equipment, or similar services.
- b. Risk Management must approve all loss adjustment services before costs are incurred.
- c. Risk Management and TPA will collaborate on the need for investigations/surveillance.
- d. The Commission reserves the right to assign investigations/surveillance to Investigators within its Compliance Department.
- e. Risk Management and TPA will collaborate on the need for Nurse Case Management assignments.
- f. Loss adjustment services will be scheduled within 24 hours after the date of securing Risk Management's approval. However, in some cases investigation/surveillance and Nurse Case Management services may be required immediately.
- g. IME's should be scheduled to take place within 45 calendar days of the approval date with written reports received no more than 30 calendar days of the IME.
- h. All reports received by the TPA will be shared with Risk Management.

## **LEGAL**

- a. Prior to initiating any litigation, the TPA will consult and recommend approval from the Commission that Counsel will be required.
- b. The Commission will designate assignment of outside counsel and inform the TPA.
- c. The TPA will be responsible for providing the outside law firm with the claim file immediately upon notice.
- d. Upon assignment of counsel, the TPA shall ensure that a litigation budget and opening litigation plan is submitted within 30 days from counsel assignment.
- e. All legal invoicing will be sent directly to in-house counsel for review, approval and sending to TPA for payment.

- f. Any IME reports received by the TPA will immediately be shared with Risk Management and in-house counsel.
- g. All findings of fact, legal briefs, position papers and hearing/deposition summaries will be drafted by outside counsel and submitted to both the TPA and in-house counsel.
- h. A Settlement Authorization Request form must be completed and submitted to Risk Management two weeks in advance of estimated need.
- i. Settlement recommendations greater than \$1.00 must be submitted to Risk Management.
- j. Prior to entering negotiations to settle any claim, outside counsel and TPA must request authority from the Commission.
- k. Investigate, pursue and monitor all recoveries and restitutions and record the payment history of the specific claim file.
- l. Calculate offsets for receipt of unemployment compensation, Old Age Social Security, and pensions. Agree to work with the State Employees' Retirement System to calculate allowable pension offsets.
- m. Every file must have a comment regarding subrogation (as it applies). The TPA shall pursue all subrogation opportunities.
- n. When appropriate, the TPA will submit lien letters quarterly in support of subrogation to inside counsel, claimant and claimant's counsel.
- o. Upon approval of settlement of any claim, TPA is to ensure timely payment.
- p. The TPA assumes responsibility for all components of Medicare Set Aside Agreements in cooperation with outside counsel.

## **RESERVES**

- a. Establish and maintain estimated reserve figures for each claim file and consult with Risk Management.
- b. Each estimate will consist of a separate reserve value for indemnity, medical and expense.
- c. Reserve evaluations should be done after the initial investigation and throughout the life of the claim by the claim adjuster.
- d. Manage each claim to ensure reduction of loss exposure, cost control, adequate claim reserves, accurate loss payments and strict administrative expense supervision.
- e. Advise Risk Management of initial reserves of \$10,000 or more.
- f. Submit written request to Risk Management for reserve increase of \$50,000 or more.

## **BANK REGISTER**

- a. Establish a non-interest-bearing checking account to process claims and expense payments which will be funded by the Commission but which the TPA will administer for purpose of paying qualified claims and allocated loss adjustment expenses.
- b. Provide Risk Management with a monthly Payment Register outlining all claims payments, allocated loss adjustment expenses, month end reconciliation sheet, void register, reimbursement register, and correction items funded by TPA. The Payment Register will contain the name of the payee, department, date of payment, amount of payment and claim number for all funding transactions which occurred during the prior month.
- c. Maintain a positive balance always. The TPA will notify Risk Management when the balance reaches or goes below \$75k.
- d. Upon realization of any payment error, even if not due to the fault of the TPA, the TPA agrees to immediately notify Risk Management via email.

## **RETURN TO WORK PROGRAM**

- a. Monitor the ability of injured employees to return to work and take steps to decrease the duration of absences.
- b. The Commission initiated a Transitional Duty/Light duty Program and continues to identify temporary return to work opportunities for employee injured on the job.
- c. The program provides for a fixed time to perform less strenuous job duties in the employee's current position (up to 90 days) before returning full duty to his/her pre-injury position.
- d. Prompt notification of restrictions and abilities is required to be provided to Risk Management by the TPA so return to work opportunities can be identified.
- e. Transitional Duty is not guaranteed to every injured employee. It is assigned at the option of the Commission, based on medical restrictions, availability and business needs.
- f. Risk Management and TPA will collaborate to determine whether a Transitional Duty assignment is appropriate based on the Return to Work Status Report.
- g. Follow-up with Risk Management is required to ensure that an injured employee has returned to work when expected and to stop ongoing indemnity payments timely to avoid overpayments.
- h. Continue to monitor employee's progress while on Transitional Duty to ensure return to work within 90-day window.
- i. Complete all required BWC forms upon employee's return to work, obtain signatures from employees when necessary on such forms and transmit the forms to the BWC in accordance with those procedures.

## **MEDICAL COST MANAGEMENT/MEDICAL BILL REPRICING**

- a. Reducing medical expenses by utilizing a health care provider network that yields discounts below the workers' compensation fee schedule is essential to the Commission.
- b. Ensure the presence of a statewide network that includes numerous qualified providers in an appropriate variety of specialties.
- c. The TPA is required to establish panels as needed/requested by the Commission in accordance with the WC Statutes of PA and the Collective Bargaining Agreement (CBA).
- d. The Commission presently has thirty-two approved panels covering most counties in Pennsylvania.
- e. If the existing lists will be phased out or if significant changes are expected, time will be required to discuss and communicate those changes.
- f. Constantly monitor the services of the providers and agree to remove providers from the network for poor service.
- g. Ensure that medical bills are repriced and paid in accordance with the Pennsylvania workers' compensation fee schedules or the network provider discounted rates, whichever is lower.
- h. Medical Bill Repricing (MBR) shall be conducted in accordance with the Workers' Compensation Act.
- i. In no instance will the Commission pay more than Fee Schedule.
- j. Data maintained shall include the actual charges, workers' compensation fee schedule amount, and actual payment. A savings report shall be submitted to Risk Management monthly.
- k. Should the TPA fail to authorize payment at the lowest available rate or pays a bill more than once, it shall be held responsible for reimbursement of the difference to the Commission.

## **PHARMACY BENEFIT COST MANAGEMENT**

- a. Provide prescription drug benefits to claimants for first fills and ongoing medications.
- b. Ensure the presence of a statewide network that includes numerous pharmacies for easy access by injured employees.
- c. Provide a first fill form/card to ensure new claimants access to prescription services.
- d. Provide constant monitoring to identify over-use and abuse.
- e. Provide monthly report to Risk Management of prescriptions filled, generic, narcotic and non-narcotic, length of use, and cost.

## **MSA SERVICES**

- a. Generate and submit MSA estimates in accordance with CMS Guidelines and procedures established with the Commission.
- b. Secure MSA estimates from a firm with at least six years of experience in preparing MSAs.

## **AUDITS**

- a. The Commission reserves the right to conduct independent claim audits as deemed necessary. The TPA agrees to cooperate with providing the data needed for completion of the audit and to cooperate with recommendations contained in it.
- b. The Commission will bear the cost of retaining the claim audit firm.

## **EXCESS WORKER'S COMPENSATION INSURANCE**

- a. The Commission does not presently purchase excess insurance.
- b. If during the course of this contract excess insurance is purchased, the Commission will notify the TPA.
- c. At that time, the TPA will notify Risk Management of any new claim(s) that may impact an excess insurance policy.

## **TRANSITION/IMPLEMENTATION OF SERVICES**

- a. Propose an implementation project plan to be utilized to implement the Contract. The start date of the plan may precede March 27, 2019 (insofar as the date of full execution of the Contract precedes March 27, 2019); however, the administration of claims shall not begin until March 27, 2019.
- b. Submit a weekly status report of project plan activities completed and pending. Reports must include, but not be limited to, summary of activity since the prior reporting period, deliverables completed, issues/problems/remedies, activities for the next reporting period, responsible parties, anticipated deliverables for the next reporting period, and a summary of the deliverables completed.
- c. Transfer all electronic claims data from current TPA.
- d. Map every data element and information type from current TPA to a location in the Proposer's system.
- e. All existing open and closed data claims, including imaged documents, must be assimilated.
- f. Full cooperation from the current TPA is expected throughout the transfer process.
- g. The Commission will sign-off on the plan for the transfer of the claims data before the transfer shall occur and at the conclusion of the transfer when verification of all data has been transferred.
- h. Notify claimants and providers of the transfer of the claim.

- i. Agree to continue to pay indemnity benefits during transfer operations and complete an initial claims review on all open claims within four weeks of transfer.

## **END OF CONTRACT DATA TRANSFER**

- a. Prior to closeout or termination of the Contract, the TPA shall cooperate with the Commission and any successor TPA and help facilitate activities related to the turnover/transition of responsibilities to the successor TPA. This shall include, but is not limited to, data migration and knowledge transfer activities.
- b. All records, file information, data and images will be transferred at no additional cost to the Commission or the successor TPA.
- c. Failure to cooperate shall constitute a material breach of the Contract, subjecting the TPA to liability for all damages incurred by the Commission because of such failure.
- d. The Commission may request advance payment of indemnity payments to ensure employees are paid during the transition period. The TPA will be reimbursed for the advance payment.
- e. At the conclusion of the records transfer activities, the TPA shall certify in writing the return or destruction (destruction should only occur after written consent is received from the Commission) of all Commission data after transfer and upon Contract cessation.
- f. Provide a final report addressing at a minimum the following key areas: A status of the open and closed claims to include reserves and amounts paid; the specific number of open and closed claims; and detailed information as to the transfer of claims information to any subsequent TPA.

## **LOSS HISTORY**

- a. A five-year loss history (Appendix J) will be provided to qualified Third Party Administrator vendors upon written request.

## AGREEMENT

This **AGREEMENT** is made this \_\_\_\_\_ day of \_\_\_\_\_, 2018, between the **Pennsylvania Turnpike Commission** (“**COMMISSION**”), an instrumentality of the Commonwealth of Pennsylvania, with principal offices at 700 South Eisenhower, Blvd., Middletown, Pennsylvania 17057 (mailing address: P. O. Box 67676, Harrisburg, PA 17106-7676);

### AND

**(name of contractor)** (“**CONTRACTOR**”), a **(state)** corporation, with its principal office at **(address)**.

### WITNESSETH:

**WHEREAS**, the **COMMISSION** desires to satisfy a need for the **(name of solicitation)**;

**WHEREAS**, by Act No. 211 of the General Assembly of the Commonwealth of Pennsylvania, approved May 21, 1937, and its amendments, the **COMMISSION** is authorized and empowered to enter into an Agreement with the **CONTRACTOR**;

**WHEREAS**, the **COMMISSION** desires to retain the services of **CONTRACTOR** upon the following terms; and

**NOW, THEREFORE**, in consideration of these mutual covenants, and intending to be legally bound, the parties agree as follows:

#### Contractor’s Scope of Work

The **CONTRACTOR** will perform the work described in **(solicitation identification, i.e. RFP number)** dated **(date of solicitation)**, titled **(Title of solicitation)** and the **CONTRACTOR’S** proposal dated **(date of contractor’s proposal)**. These documents are made a part of this Agreement by reference.

#### Commission’s Responsibilities

**(As defined in Section I of the RFP, “Commission Participation”)**

The **COMMISSION** shall furnish the **CONTRACTOR** access to key personnel, relevant documents, and adequate workspace for completing the work.

#### Compensation

For the work, services, and material as defined in this Agreement, the **CONTRACTOR** shall be paid a not-to-exceed amount of **(agreement dollar value)**.

The **CONTRACTOR** agrees that the **COMMISSION** may set off the amount of any state tax liability or other obligation of the **CONTRACTOR** or its subsidiaries to the Commonwealth against any payments due the **CONTRACTOR** under any contract with the **COMMISSION**.

#### Duration of Agreement

The term of this Agreement shall be for a period of **(agreement term)** and shall commence on the Effective Date as defined below.

The Effective Date shall be fixed by the **COMMISSION** after the Agreement has been fully executed by the **CONTRACTOR** and by the **COMMISSION**, and after all approvals required by the **COMMISSION** contracting procedures have been obtained.

This Agreement will not terminate until the **COMMISSION** accepts all work as complete and tenders final payment to the **CONTRACTOR**.

#### Termination

Either party may terminate this Agreement at any time upon thirty- (30) calendar days written notice. If this notice is given, the **CONTRACTOR** shall be paid only for the services already rendered upon the date of the notice and for the services rendered to the date of termination, subject to all provisions of this Agreement. The notice will be effective on the date of receipt. The right to cancel may be exercised as to the entire project, or as to any particular phase or phases, part or parts, and upon one or upon several occasions, but any termination may not be revoked except upon written consent of the parties through a supplemental Agreement to this Agreement.

#### Insurance

The **CONTRACTOR**, prior to execution of this Agreement, shall furnish to the **COMMISSION** the certificates of insurances as required in attached **Exhibit "X"** and made a part of this Agreement.

#### Diverse Business (DB) Requirements

The **CONTRACTOR** agrees to comply with the requirements set forth in the **COMMISSION'S** DB Requirements - **Exhibit X**, attached and made part of this Agreement. In particular, the **CONTRACTOR** agrees to comply with section (d) Consultant Requirements During Performance of Services.

#### Assignment and Delegation

The **CONTRACTOR** may not transfer, assign, or delegate any terms of this Agreement, in whole or in part, without prior written permission from the **COMMISSION**.

The **CONTRACTOR** shall not engage the services of any person or persons currently employed by



the **COMMISSION**, except with the **COMMISSION's** approval.

The **CONTRACTOR** shall neither assign this contract, in part or in whole, nor the right to any monies due it under this Agreement. Any part of the work to be done or material furnished under the contract shall not be sublet except to those firms indicated as part of the team in the initial Proposal, without the **COMMISSION's** prior consent in the form of a letter signed by the *Department Head* (update accordingly).

#### Governing Law

This Agreement will be interpreted according to the laws of the Commonwealth of Pennsylvania.

#### Observance of Laws

The **CONTRACTOR** agrees to observe all relevant federal, state, and local laws and to obtain in its name all necessary permits and licenses.

#### Work for Hire

Except for hardware, third party licensed software, and software previously developed by **CONTRACTOR**, all Deliverables, including but not limited to source code, software, specifications, plans, designs and engineering, drawings, data, information or other written, recorded, photographic, or visual materials, trademarks, service marks, copyrights or other Deliverables produced by **CONTRACTOR** or any supplier in the performance of this Agreement shall be deemed "Work Product". All Work Product shall be considered services for hire. Accordingly, except as set forth earlier in this paragraph, all Work Product shall be the exclusive property of the **COMMISSION**.

The **CONTRACTOR** agrees to notify the **COMMISSION** in writing before using any of **CONTRACTOR's** previously developed software for services provided under this Agreement.

The **CONTRACTOR** and the **COMMISSION** will honor all applicable preexisting licenses, copyrights, trademarks, service marks, and patents. If as part of an expense item under this Agreement, the **CONTRACTOR** purchases the right to any license, the agreements for the use or ownership of such license will be placed in the name of the **COMMISSION** along with all other rights and obligations. In addition, the **CONTRACTOR** will mark all **COMMISSION** content or previously unprotected work product designated by the **COMMISSION** with a notice as follows: "Pennsylvania Turnpike Commission, (Year)".

#### Audit/Retention of Records

**CONTRACTOR** and its subcontractors shall maintain books and records related to performance of this Agreement or subcontract and necessary to support amounts charged to the **COMMISSION** in accordance with applicable law, terms and conditions of this Agreement, and generally accepted accounting practice. **CONTRACTOR** shall maintain these books and records for a minimum of three (3) years after the completion of the Agreement, final payment, or completion of any contract, audit or litigation, whichever is later. All books and records shall be available for review or audit by

the **COMMISSION**, its representatives, and other governmental entities with monitoring authority upon reasonable notice and during normal business hours. **CONTRACTOR** agrees to cooperate fully with any such review or audit. If any audit indicates overpayment to **CONTRACTOR**, or subcontractor, the **COMMISSION** shall adjust future or final payments otherwise due. If no payments are due and owing to **CONTRACTOR**, or if the overpayment exceeds the amount otherwise due, **CONTRACTOR** shall immediately refund all amounts which may be due to the **COMMISSION**. Failure to maintain the books and records required by this Section shall establish a presumption in favor of the **COMMISSION** for the recovery of any funds paid by the **COMMISSION** under this Agreement for which adequate books and records are not available to support the purported disbursement.

#### Dispute Resolution

All questions or disputes regarding any matter involving this Agreement or its breach shall be referred to the Board of Claims of the Commonwealth of Pennsylvania pursuant to 62 Pa.C.S.A. § 1701 *et seq.* If the Board of Claims either refuses or lacks jurisdiction, these questions or disputes shall proceed as provided in 42 Pa.C.S.A. § 7301 *et seq.* (Statutory Arbitration).

The panel of arbitrators will consist of a representative of each of the parties and a third party chosen by the representatives, or if the representatives are unable to choose, by the American Arbitration Association.

#### Indemnification

The **CONTRACTOR** shall be responsible for, and shall indemnify, defend, and hold harmless the **COMMISSION** and its Commissioners, officers, employees, and agents from any claim, liability, damages, losses, causes of action, and expenses, including reasonable attorneys' fees, arising from damage to life or bodily injury or real or tangible personal property caused by the negligence or other tortious acts, errors, and omissions of **CONTRACTOR**, its employees, or its subcontractors while engaged in performing the work of this Agreement or while present on the **COMMISSION's** premises, and for breach of this Agreement regarding the use or disclosure of proprietary and confidential information where it is determined that **CONTRACTOR** is responsible for any use of such information not permitted by this Agreement. The indemnification obligation shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable by or for Contractor or its subcontractors under Workmen's Compensation Acts, Disability Benefits Acts, or other Employee Benefit Act.

#### Data/Information Security Breach Notification

"Breach" shall mean any successful unauthorized acquisition, access, use, or disclosure of **COMMISSION** data that compromises the security or privacy of such data.

"Commission Data" means **COMMISSION** provided information and **COMMISSION** related information acquired as a result of the services provided to **COMMISSION** under this Agreement.

**CONTRACTOR** shall report to the **COMMISSION** any Breach affecting **COMMISSION** Data. The notice to be provided to the **COMMISSION** by **CONTRACTOR** shall be provided without unreasonable delay and no later than within 48 hours of **CONTRACTOR**'s discovery of any Breach. A Breach shall be deemed to be discovered on the first day on which the **CONTRACTOR** knows or reasonably should have known of the Breach. The notice to be provided to the **COMMISSION** by **CONTRACTOR** shall be made in writing to the **COMMISSION**'s Information Security Officer and shall include the following content: (i) the nature of the Breach; (2) the specific Commission Data affected by the Breach; (3) the steps the **CONTRACTOR** is taking to remediate the Breach; and (4) steps the **CONTRACTOR** is taking to mitigate future Breaches. Following notification of the Breach, **CONTRACTOR** shall cooperate with the **COMMISSION**'s investigation of the Breach and provide any other information regarding the Breach or the Commission Data affected which the **COMMISSION** may reasonably request. Should notice to individuals whose information was part of Commission Data be required under any applicable data privacy law, including, but not limited to, individual state data breach notice laws or federal laws such as HIPAA and Graham Leach Bliley Act, **CONTRACTOR** shall provide the **COMMISSION** with copies of any template notification letters and draft regulatory correspondence for **COMMISSION**'s prior approval. **CONTRACTOR** shall provide any notifications required under the applicable data privacy laws on behalf of the **COMMISSION** at the request of **COMMISSION**. The **COMMISSION** reserves the right to handle any notifications required and shall notify **CONTRACTOR** if the **COMMISSION** will be handling the required notifications. Upon request, **CONTRACTOR** shall provide the **COMMISSION** with its cyber-security policies and procedures. **CONTRACTOR** agrees to reimburse the **COMMISSION** for any and all reasonable costs associated with the **COMMISSION**'s response to **CONTRACTOR**'s Breach, including any fees associated with the **COMMISSION**'s investigation of **CONTRACTOR**'s Breach, notification costs, and any reasonable offer of credit or identity monitoring product.

#### Security Requirements

The Security Requirements are attached as **Exhibit X** and made a part of this Agreement.

#### Contractor Integrity Provisions

The Contractor Integrity Provisions are attached as **Exhibit X** and made a part of this Agreement.

#### Confidentiality Provisions

1. As a consequence of the performance of its duties with the **COMMISSION**, **CONTRACTOR** may learn, be given, or become aware of certain information, including, but not limited to, matters pertaining to internal communications, information, proprietary information, individually identifiable health information, trade practices, business operations, or other sensitive information collectively known as Confidential Information. Regardless of how transmitted or received by **CONTRACTOR**, whether by receipt, sending, or merely becoming available to

**CONTRACTOR** through its relationship to the **COMMISSION**, **CONTRACTOR** agrees to maintain and treat as proprietary and confidential to the **COMMISSION** all such Commission Confidential Information, and shall not discuss, reveal, or use for any purpose outside the performance of its contract with the **COMMISSION** such Commission Confidential Information. Confidential Information shall not include any information that (i) is or becomes available to the public other than as a consequence of a breach by any individual, a partnership, a corporation, an association, a limited liability company, a joint stock company, a trust, a joint venture, an unincorporated organization (each a "Person") of any fiduciary duty or obligation of confidentiality, including, without limitation, catalogues, publications, product descriptions and sales literature that the **COMMISSION** has distributed to the public generally; or (ii) information which at the time of disclosure to the **CONTRACTOR** is in the public domain; or (iii) is disclosed as required by a final, unappealable court order and no suitable protective order, or equivalent remedy, is available, or (iv) the **CONTRACTOR** was aware of prior to its disclosure to the **CONTRACTOR** by the **COMMISSION** from a source not bound by a confidential obligation and the **CONTRACTOR** provides the **COMMISSION** written notice of such fact prior to the execution of this Agreement or promptly upon the **CONTRACTOR**'s learning that the information was Confidential Information; or (v) information which the **CONTRACTOR** can demonstrate with competent written evidence was independently developed by or for the **CONTRACTOR** without use of or reliance on the Confidential Information.

2. With respect to its employees, **CONTRACTOR** agrees to:

- a) require all of its employees to maintain such confidentiality;
- b) take appropriate action against its employees, officers, and subcontractors for any and all violations of this Agreement.

3. With respect to any subcontractors that **CONTRACTOR** wishes to employ to perform any of its obligations under any agreement with the **COMMISSION**, **CONTRACTOR** agrees to require any such approved subcontractor to execute written confidentiality agreements that require each such **CONTRACTOR** and its employees to comply with all the requirements set forth above.

4. **CONTRACTOR** agrees that any breach of these Confidentiality Provisions may result in civil and/or criminal penalties, for **CONTRACTOR**, its officers and employees, and subcontractors.

5. Notwithstanding any other provision to the contrary, **CONTRACTOR** agrees that these provisions shall survive the termination of this and any and all agreements between the **CONTRACTOR** and the **COMMISSION**.

6. **CONTRACTOR** agrees to treat the information in the same way **CONTRACTOR** treats its own most confidential information and to inform each such person of these provisions.

7. **CONTRACTOR** agrees to immediately notify the **COMMISSION** of any information which comes to its attention which does or might indicate that there has been any loss of confidentiality or information.

8. **CONTRACTOR** shall return to the **COMMISSION** upon demand any and all Confidential Information entrusted to it by the **COMMISSION** pursuant to this Agreement (including any and all copies, abstracts, compilations or analyses thereof and memoranda related thereto or incorporating the Confidential Information) or the **CONTRACTOR** may request permission from the **COMMISSION**, which permission may be granted or denied in the **COMMISSION**'s sole discretion, to destroy all such Confidential Information and provide a certificate of destruction to the **COMMISSION** signed by the **CONTRACTOR**. The **CONTRACTOR** further agrees that neither itself nor its employees or representatives will copy, in whole or in part, any such Confidential Information without the prior written consent of the **COMMISSION**.

9. **CONTRACTOR** agrees that if they have had or will have an SSAE16 audit that they will comply with and abide by the findings of such audit to protect **COMMISSION** information.

#### Entire Agreement

This Agreement, together with any writings either attached as exhibits or incorporated by reference, constitutes the entire understanding between the parties and there are no other oral or extrinsic understandings of any kind between the parties.

#### Modification

This Agreement may be modified only by a writing signed by both parties.

**[SIGNATURES ARE SET FORTH ON THE NEXT PAGE]**

IN WITNESS WHEREOF, the **Pennsylvania Turnpike Commission** and **(Contractor Name)** have executed this Agreement by their duly authorized officers on the date written above.

ATTEST:

PENNSYLVANIA TURNPIKE COMMISSION

\_\_\_\_\_  
Ann Louise Edmunds  
Assistant Secretary-Treasurer

\_\_\_\_\_  
Date

\_\_\_\_\_  
Leslie S. Richards  
Chair

\_\_\_\_\_  
Date

APPROVED AS TO FORM AND LEGALITY:

\_\_\_\_\_  
Albert C. Peters II  
General Litigation & Contracts Counsel

\_\_\_\_\_  
Date

\_\_\_\_\_  
Pennsylvania Attorney General

\_\_\_\_\_  
Date

ATTEST:

**(Contractor Name)**

Signature\_\_\_\_\_

\_\_\_\_\_  
Date

Signature\_\_\_\_\_

\_\_\_\_\_  
Date

Name\_\_\_\_\_

Name\_\_\_\_\_

Title\_\_\_\_\_

Title\_\_\_\_\_

Federal Tax ID No.\_\_\_\_\_

## CONTRACTOR INTEGRITY PROVISIONS

It is essential that those who seek to contract with the Pennsylvania Turnpike Commission (“Commission”) observe high standards of honesty and integrity. They must conduct themselves in a manner that fosters public confidence in the integrity of the Commission contracting and procurement process.

**I. DEFINITIONS.** For purposes of these Contractor Integrity Provisions, the following terms shall have the meanings found in this Section:

- a. “Affiliate”** means two or more entities where (a) a parent entity owns more than fifty percent of the voting stock of each of the entities; or (b) a common shareholder or group of shareholders owns more than fifty percent of the voting stock of each of the entities; or (c) the entities have a common proprietor or general partner.
- b. “Consent”** means written permission signed by a duly authorized officer or employee of the Commission, provided that where the material facts have been disclosed, in writing, by prequalification, bid, proposal, or contractual terms, the Commission shall be deemed to have consented by virtue of the execution of this contract.
- c. “Contractor”** means the individual or entity, that has entered into this contract with the Commission, and “Contractor Related Parties” means any affiliates of the Contractor and the Contractor’s executive officers, Pennsylvania officers and directors, or owners of 5% or more interest in the Contractor
- d. “Financial Interest”** means either:
  - i. Ownership of more than a five percent interest in any business; or
  - ii. Holding a position as an officer, director, trustee, partner, employee, or holding any position of management.
- e. “Gratuity”** means tendering, giving, or providing anything of monetary value including, but not limited to, cash, travel, entertainment, gifts, meals, lodging, loans, subscriptions, advances, deposits of money, services, employment, or contracts of any kind. See Commission Policy 3.10, Code of Conduct.
- f. “Non-bid Basis”** means a contract awarded or executed by the Commission with Contractor without seeking bids or proposals from any other potential bidder or offeror.

**II.** In furtherance of this policy, Contractor agrees to the following:

- 1.** Contractor shall maintain the highest standards of honesty and integrity during the performance of this contract and shall take no action in violation of state or federal laws or regulations or any other applicable laws or regulations, or other requirements applicable to Contractor or that govern contracting or procurement with the Commission.

2. Contractor shall establish and implement a written business integrity policy, which includes, at a minimum, the requirements of these provisions as they relate to Contractor activity with the Commission and Commission employees and which is made known to all Contractor employees. Posting these Contractor Integrity Provisions conspicuously in easily-accessible and well-lighted places customarily frequented by employees and at or near where the contract services are performed shall satisfy this requirement.
3. Contractor, its affiliates, agents, employees and anyone in privity with Contractor shall not accept, agree to give, offer, confer, or agree to confer or promise to confer, directly or indirectly, any gratuity or pecuniary benefit to any person, or to influence or attempt to influence any person in violation of the Public Official and Employees Ethics Act, 65 Pa.C.S. §§1101 et seq.; the State Adverse Interest Act, 71 P.S. §776.1 et seq.; Commission Policy 3.10, Code of Conduct or in violation of any other federal or state law in connection with performance of work under this contract, except as provided in this contract.
4. Contractor shall not have a financial interest in any other contractor, subcontractor, or supplier providing services, labor, or material under this contract, unless the financial interest is disclosed to the Commission in writing and the Commission consents to Contractor's financial interest prior to Commission execution of the contract. Contractor shall disclose the financial interest to the Commission at the time of bid or proposal submission, or if no bids or proposals are solicited, no later than Contractor's submission of the contract signed by Contractor.
5. Contractor certifies to the best of its knowledge and belief that within the last five (5) years Contractor or Contractor Related Entities have not:
  - a. been indicted or convicted of a crime involving moral turpitude or business honesty or integrity in any jurisdiction;
  - b. been suspended, debarred or otherwise disqualified from entering into any contract with any governmental agency;
  - c. had any business license or professional license suspended or revoked;
  - d. had any sanction or finding of fact imposed as a result of a judicial or administrative proceeding related to fraud, extortion, bribery, bid rigging, embezzlement, misrepresentation or anti-trust; and
  - e. been, and is not currently, the subject of a criminal investigation by any federal, state or local prosecuting or investigative agency and/or civil anti-trust investigation by any federal, state or local prosecuting or investigative agency.

If Contractor cannot so certify to the above, then it must submit along with its bid, proposal or contract a written explanation of why such certification cannot be made and the Commission will determine whether a contract may be entered into with the Contractor. The Contractor's obligation pursuant to this certification is ongoing from and after the effective date of the contract through the termination date thereof. Accordingly, the Contractor shall have an obligation to immediately notify the Commission in writing if at any time during the term of the contract it becomes aware of any event which would cause the Contractor's certification or explanation to change. Contractor acknowledges that the



Commission may, in its sole discretion, terminate the contract for cause if it learns that any of the certifications made herein are currently false due to intervening factual circumstances or were false or should have been known to be false when entering into the contract.

6. Contractor shall comply with the requirements of the Lobbying Disclosure Act (65 Pa.C.S. §13A01 et seq.) regardless of the method of award. If this contract was awarded on a Non-bid Basis, Contractor must also comply with the requirements of the Section 1641 of the Pennsylvania Election Code (25 P.S. §3260a).
7. When Contractor has reason to believe that any breach of ethical standards as set forth in law, Commission Policy 3.10, Code of Conduct, or these Contractor Integrity Provisions has occurred or may occur, including but not limited to contact by a Commission officer or employee which, if acted upon, would violate such ethical standards, Contractor shall immediately notify the Commission contracting officer or the Chief Compliance Officer in writing.
8. Contractor, by submission of its bid or proposal and/or execution of this contract and by the submission of any bills, invoices or requests for payment pursuant to the contract, certifies and represents that it has not violated any of these Contractor Integrity Provisions in connection with the submission of the bid or proposal, during any contract negotiations or during the term of the contract, to include any extensions thereof. Contractor shall immediately notify the Commission in writing of any actions for occurrences that would result in a violation of these Contractor Integrity Provisions. Contractor agrees to reimburse the Commission for the reasonable costs of investigation incurred by the Chief Compliance Officer for investigations of the Contractor's compliance with the terms of this or any other agreement between the Contractor and the Commission that results in the suspension or debarment of the Contractor. Contractor shall not be responsible for investigative costs for investigations that do not result in the Contractor's suspension or debarment.
9. Contractor shall cooperate with the Chief Compliance Officer in investigating any alleged Commission agency or employee breach of ethical standards and any alleged Contractor non-compliance with these Contractor Integrity Provisions. Contractor agrees to make identified Contractor employees available for interviews at reasonable times and places. Contractor, upon the inquiry or request of the Chief Compliance Officer, shall provide, or if appropriate, make promptly available for inspection or copying, any information of any type or form deemed relevant by the Chief Compliance Officer to Contractor's integrity and compliance with these provisions. Such information may include, but shall not be limited to, Contractor's business or financial records, documents or files of any type or form that refer to or concern this contract. Contractor shall incorporate this paragraph in any agreement, contract or subcontract it enters into in the course of the performance of this contract/agreement solely for the purpose of obtaining subcontractor compliance with this provision. The incorporation of this provision in a subcontract shall not create privity of contract between the Commission and any such subcontractor, and no third party beneficiaries shall be created thereby.
10. For violation of any of these Contractor Integrity Provisions, the Commission may terminate this and any other contract with Contractor, claim liquidated damages in an

amount equal to the value of anything received in breach of these Provisions, claim damages for all additional costs and expenses incurred in obtaining another contractor to complete performance under this contract, and debar and suspend Contractor from doing business with the Commonwealth. These rights and remedies are cumulative, and the use or non-use of any one shall not preclude the use of all or any other. These rights and remedies are in addition to those the Commission may have under law, statute, regulation, or otherwise.

Proposer Questions			Pennsylvania Turnpike Commission (PTC)		
			Proposer Name:		
#	Page	Section	Section Description	Proposer Question	Commission Response
1.					
2.					
3.					
4.					
5.					
6.					
7.					
8.					

**APPENDIX C – PROPOSAL COVER SHEET**  
**Pennsylvania Turnpike Commission**  
**Workers' Compensation Claims Third Party Administrator (TPA) Services**  
**RFP# 18-10260-8300**

**Enclosed in three separately sealed submittals is the proposal for the Proposer identified below for the above referenced RFP:**

<b>Proposer Information:</b>	
Proposer Company Name	
Proposer Mailing Address	
Proposer Website	
Proposer Contact Person/Title	
Contact Person's Phone Number	
Contact Person's Fax Number	
Contact Person's Email Address	
Proposer Federal ID Number	
Location of Headquarters	
Location of Office(s) Performing the Work	
Listing of all Pennsylvania Offices and Total Number of Pennsylvania Employees	

<b>Submittals Enclosed and Separately Sealed:</b>
---

<input type="checkbox"/> Technical Submittal <input type="checkbox"/> Diverse Business Participation Submittal <input type="checkbox"/> Cost Submittal
<b>Signature</b>
Signature of an official authorized to bind the Proposer to the provisions contained in the Proposer's proposal: _____
Print Name
Title

**An official authorized to bind the Proposer to its provisions must sign the proposal. If the official signs this Proposal Cover Sheet and the Proposal Cover Sheet is attached to the proposal, the requirement will be met.**

**APPENDIX D**  
**RFP#18-10260-8300**

**COMMISSION SECURITY REQUIREMENTS**





## Security Requirements

Equipment Installations, Changes, and Access	<ul style="list-style-type: none"><li>• The Commission's IT Security Team must be allowed to scan, for security vulnerabilities, any new equipment and/or changes to existing equipment before implementation.</li><li>• The vendor is responsible for hardening all devices to run only the services required to support the application. All unnecessary services must be disabled (for example, UPnP, SLP, etc.).</li><li>• The Commission's IT Security team must be given administrator-level access to all installed equipment for incident response and security assessment.</li><li>• If Commission user service disruptions are expected, the change must be approved by the Change Review Board (CRB) before implementation.</li></ul>
Vulnerability Management	<ul style="list-style-type: none"><li>• All Windows-based systems, connected to the Commission's network, will be joined to the Commission's Active Directory domain and will be patched by the Commission's IT staff on a monthly-basis at a minimum.</li><li>• The vendor is responsible for updating all non-Windows systems, not operated or administered by the Commission, to the vendors' latest recommended level.</li></ul>
Vendor Remote Access and Accounts	<ul style="list-style-type: none"><li>• All vendors shall use the Commission's VMWare's HorizonView infrastructure for remote access.</li><li>• No generic user accounts for shared resources will be permitted. Every technician/engineer will have their own unique user account.</li></ul>



Incident Response	<ul style="list-style-type: none"><li>• Vendors must have a plan for compliance with all applicable breach notification laws, including Pennsylvania’s Breach of Personal Information Notification.</li><li>• The Commission must be notified in writing within 48 hours of the earliest indication or report of a potential breach or unintended disclosure of confidential information.</li><li>• Incident response actions that may affect confidential information must be conducted quickly and with ample resources. Vendor must hire a professional third-party incident response team if its inhouse resources do not have sufficient skill or availability.</li><li>• The Commission shall have the right to view all incident response evidence, reports, communications, and related materials upon request.</li><li>• If requested by the Commission, or if required by law, the vendor, at its own cost and expense, shall notify in writing all persons affected by the incident.</li></ul>
Information Security Policies	<ul style="list-style-type: none"><li>• Vendors must have, and upon request by the Commission, shall provide copies of its information security policies that cover the following elements:<ul style="list-style-type: none"><li>– Data classification and privacy</li><li>– Security training and awareness</li><li>– Systems administration, patching, and configuration</li><li>– Application development and code review</li><li>– Incident response</li><li>– Workstation management, mobile devices, and antivirus</li><li>– Backups, disaster recovery, and business continuity</li><li>– Regular audits and testing</li><li>– Requirements for third-party business partners and contractors</li><li>– Compliance with information security or privacy laws, regulations, or standards</li></ul></li></ul>



<p>Audit &amp; Inspection</p>	<ul style="list-style-type: none"><li>• The vendor shall allow the Commission, or an agreed upon third party, to perform security assessments, vulnerability assessments, or audits of systems that contain Commission data.</li><li>• In the event of adverse risk findings through an audit or assessment, the vendor shall cooperate with the Commission in remediating any risks to the system, including complying with requests to temporarily take the system offline or otherwise limit access to the system during remediation.</li><li>• Audit logs must be implemented for all systems on the Commission's network. All attempted violations of system security must generate an audit log. Audit logs must be secured against unauthorized access or modification.</li></ul>
<p>Malware</p>	<ul style="list-style-type: none"><li>• The vendor shall warrant all software/applications to be delivered free of malware or other malicious or destructive code.</li><li>• For software hosted on the Commission's network:<ul style="list-style-type: none"><li>– The vendor's software must co-exist with all industry accepted endpoint software. Endpoint protection must run on all Commission servers.</li><li>– The vendor must provide the necessary directory and file exclusions to allow the software to operate as intended.</li></ul></li><li>• For software hosted off the Commission's network:<ul style="list-style-type: none"><li>– An industry-accepted endpoint protection solution must be operated on all hosting servers.</li></ul></li></ul>





Off-Premises Systems Hosting Requirements

- Vendor shall supply all hosting equipment (hardware and software) required for performance of the contract and ensure maintenance and replacement as necessary to maintain compliance with the Service Level Agreement(s).
- Vendor shall use commercially reasonable resources and efforts to maintain adequate internet connection bandwidth, service capacity, and ensure its data center and/or other vendors performing subcontracted services have industry standard physical, technical, human, and administrative controls at all times.
- Vendor shall house all services and equipment in an operational environment that meets industry standards including climate control, fire and safety hazard detection, redundancy, electrical needs, and physical security
- If systems are located off the Commission's network and Commission employee access is required, then the latest version of ADFS (Active Directory Federated Services), using the latest version of SAML, must be used for authentication and authorization
- All off-premises systems using HTTP, or any other protocol using SSL/TLS, must use TLS 1.2 or later with a key size no smaller than 2048 bits.
- For public-facing systems, the vendor shall utilize a third- party certificate provider who is a recognized and trusted authority in the industry.

Before starting any work and until completion and final payment is made for the work, or final acceptance of the work, the Proposer will provide and maintain the following minimum levels of insurance at Proposer's own expense. The cost of the required insurance shall be included in the Proposer's cost proposal and no adjustment shall be made to the contract price on account of such costs. Proposer shall furnish Certificates of Insurance showing the effective date of coverage as outlined below. No work may be performed until the required evidence of Insurance is provided in accordance with the terms of the contract. Proposer shall be responsible for ensuring that all Subcontractors hired by the Proposer are properly insured. Proposer shall not permit any such Subcontractors to start work until such evidence has been provided to the Proposer.

- a) All insurance shall be procured from insurers permitted to do business in the State in which the project is taking place and having an A.M. Best Rating of at least "A-, Class VIII".
- b) Proposer shall not have a Self-Insured Retention (SIR) on any policy greater than \$50,000, which is the responsibility of the Proposer. If Proposer's policy(ies) has a Self-Insured Retention exceeding this amount, approval must be received from the Commission prior to starting work. In the event any policy includes an SIR, the Proposer is responsible for payment within the SIR of their policy(ies) and the Additional Insured requirements specified herein shall be offered within the SIR amount(s).
- c) All insurance required herein, except for Professional Liability Insurance, shall be written on an "occurrence" basis.
- d) The Proposer's insurance carrier(s) shall agree to provide at least thirty (30) days prior written notice to the Commission in the event coverage is canceled or non-renewed, unless cancellation is for non-payment of premium. In the event of cancellation or non-renewal of coverage(s) for any reason, it is the Proposer's responsibility to replace coverage to comply with the Contract requirements so there is no lapse of coverage for any time period.

If the insurance carriers will not issue or endorse their policy(s) to comply with the above it is the responsibility of the Proposer to report any notice of cancellation or non-renewal at least thirty (30) days prior to the effective date of this notice.

- e) Proposer shall provide the Commission with Certificates of Insurance, showing the insurance coverages listed below, ten days prior to the start of work of this Project and thereafter upon renewal or replacement of each coverage. The Proposer shall not begin any work until the Commission has reviewed and approved the Certificate of Insurance.

Failure of the Commission to demand such certificate or other evidence of full compliance with these insurance requirements or failure of the Commission to identify a deficiency from evidence that is provided shall not be construed as a waiver of contt's obligation to maintain such insurance.

Upon completion of the contract, an additional certificate(s) of insurance evidencing coverage shall be provided to the Commission with final application for payment.

- f) The Commission, and its Commissioners, officers, employees and agents shall be added as ADDITIONAL INSUREDS on all required liability policies (except Workers' Compensation and Professional Liability) for ongoing operations and completed operations on a primary noncontributory basis.

There shall be no "Insured versus Insured Exclusion" on any policies; all policies will provide for "cross liability coverage".

- g) Waiver of Rights of Subrogation: Proposer shall waive all rights of recovery against the Commission and all the additional insureds for loss or damage covered by any of the required insurance (except Professional Liability).
- h) The amount of insurance in the required coverages shall not be construed to be a limitation of the liability on the part of the Proposer.
- i) The carrying of insurance described below shall in no way be interpreted as relieving the Proposer of any responsibility or liability under the contract.
- j) Any type of insurance or any increase in limits of liability which the Proposer requires for its own protection or on account of statute shall be its own responsibility and at its own expense.
- k) Proposer shall promptly notify the Commission and the appropriate insurance company(ies) in writing of any accident(s) as well as any claim, suit or process received by the insured Proposer arising in the course of operations under the contract. The Proposer shall forward such documents received to its insurance company(ies), as soon as practicable, or as required by its insurance policy(ies).

**REQUIRED COVERAGES - the following may be provided through a combination of primary and excess policies in order to meet the minimum limits set forth below:**

1. **Workers' Compensation and Employer's Liability:**

Provided in the State in which the work is to be performed and elsewhere as may be required and shall include:

- a) Workers' Compensation Coverage: Statutory Requirements
  - b) Employers Liability Limits not less than:
    - Bodily Injury by Accident: \$500,000 Each Accident
    - Bodily Injury by Disease: \$500,000 Each Employee
    - Bodily Injury by Disease: \$500,000 Policy Limit
  - c) Includes sole proprietorships and officers of corporation who will be performing the work.
2. **Commercial General Liability:**  
Provided on standard ISO forms or an equivalent form including Premises - Operations, Independent Proposers, Products/Completed Operations, Broad Form Property Damage, Contractual Liability, and Personal Injury and Advertising Injury.
- a) Occurrence Form with the following minimum limits:
    - (1) General Aggregate: \$2,000,000
    - (2) Products/Completed Operations Aggregate: \$2,000,000
    - (3) Each Occurrence: \$1,000,000
    - (4) Personal and Advertising Injury: \$1,000,000
3. **Automobile Liability:**
- a) Coverage to include All Owned, Hired and Non-Owned Vehicles (or "Any Auto"). If Proposer does not have any Owned Vehicles, Proposer is still required to maintain coverage for Hired and Non-Owned Vehicles as either a stand-alone policy or endorsed onto the Commercial General Liability policy above
  - b) Minimum Per Accident Combined Single Limit \$1,000,000
4. **Commercial Umbrella Liability:**
- a) Policy(ies) to apply on a Following Form Basis of the following:
    - (1) Commercial General Liability,
    - (2) Automobile Liability, and
    - (3) Employers Liability Coverage.
  - b) Minimum Limits of Liability
    - Occurrence Limit: \$4,000,000
    - Aggregate Limit (where applicable): \$4,000,000
5. **Professional Liability:**
- a) The definition of "Covered Services" shall include the services required in the scope of this contract.
  - b) Minimum Limits of Liability:

Per Claim:	\$2,000,000
Aggregate:	\$2,000,000

c) If the policy is issued on a claims-made form, the following requirements will apply:

1. The retroactive date must be on or before the start of work under this contract;
2. In the event of policy termination, cancellation or non-renewal, the Proposer must purchase "tail coverage/an extended reporting period" or maintain coverage for a period of three (3) years after the completion of their work/final payment.

6. **Network Security and Privacy Liability:**

- a) Proposer shall maintain the following coverage including but not limited to:
- (1) Network Security Liability for third party liability arising out of hacking, network system intrusions, unauthorized access/use to data or systems, distribution of malicious code, denial of service and cyber extortion.
  - (2) Privacy Liability for third party liability arising out of breach of privacy, inclusive of confidential and proprietary business information, HIPAA violations and other breaches of personally identifiable information and /or protected health information that may arise from their work with this contract.

b) Minimum Limits of Liability:

Per Claim:	\$2,000,000
Aggregate:	\$2,000,000

c) Minimum Limits of Liability:  
Privacy Breach Notification and Credit Monitoring: \$2,000,000 Per Occurrence

7. **Crime Insurance:**

- a) Include the Employee Theft and Theft, Disappearance and Destruction coverage parts. The Employee Theft Coverage part shall include the Clients' Property Endorsement (ISO Form CR 04 01, or its equivalent).
- b) Minimum Limits of Liability: Per Occurrence: \$2,000,000

## **APPENDIX F – RFP18-10260-8300**

### **Pennsylvania Turnpike Commission**

### **DIVERSE BUSINESS (DB) REQUIREMENTS**

**Diverse Business Participation.** The Commission is committed to Diverse Business (DB) participation on competitive contracting opportunities. Firms or entities that have not previously performed work or provided services to the Commission are encouraged to respond to the solicitations. RFPs may include DB participation as part of the criteria for the evaluation of proposals, and the Commission may consider DB participation as a selection factor.

**Minimum Participation Level (MPL).** The minimum participation level (MPL) for the inclusion of DBs will be established in the RFP/advertisement as a percentage.

**(a) General Requirements.** Section 303 of Title 74 of the Pennsylvania Consolidated Statutes, 74 Pa.C.S. § 303, requires proposer on contracts funded pursuant to the provisions of Title 74 (Transportation) and 75 (Vehicle Code) administered and issued by the Commission to make Good Faith Efforts to solicit subconsultants that are Diverse Businesses (DBs) as defined in Section 303. The DB requirements of Section 303 apply to this contract.

Section 303 requires proposers to make Good Faith Efforts, as described below, to solicit subconsultants that are DBs during the proposal process to maximize participation of DBs in competitive contracting opportunities.

The Commission is committed to participation by DBs and will enforce the requirements of Section 303 and this section. Failure to make Good Faith Efforts and demonstrate such Good Faith Efforts in the solicitation of subconsultants may result in the proposer being declared ineligible for the contract.

Proposers shall document and submit to the Commission all Good Faith Efforts, as described in this section, to solicit subconsultants that are DBs during the solicitation process.

Proposers are encouraged to utilize and give consideration to consultants offering to utilize DBs in the selection and award of contracts.

Proposers shall not discriminate on the basis of gender, race, creed or color in the award and performance of contracts in accordance with 62 Pa.C.S. §3701.

Failure to comply with the requirements of Section 303 or this specification may result in the imposition of sanctions as appropriate under section 531 of the Procurement Code, 62 Pa.C.S. § 531 relating to debarment and suspension.

The Commission's Director of the Office of Diversity and Inclusion, or designee, is designated the Responsible Official who shall supervise the DB program and ensure that the Commission complies with the DB program.

**(b) Definitions.** The following definitions apply to terms used in this specification:

**1. Disadvantaged Business** – A business that is owned or controlled by a majority of persons, not limited to members of minority groups, who are subject to racial, social, ethnic prejudice or cultural bias.

**2. Diverse Business** – A disadvantaged business, minority-owned or women-owned business or service-disabled veteran-owned or veteran-owned small business that has been certified by a third-party certifying organization.

**3. Minority-owned Business** – A business owned and controlled by a majority of individuals who are African Americans, Hispanic Americans, Native Americans, Asian Americans, Alaskans or Pacific Islanders.

**4. Professional Services** – An industry of infrequent, technical or unique functions performed by independent contractors or consultants whose occupation is the rendering of the services, including: (1) design professional services as defined in 62 Pa.C.S. § 901 (relating to definitions); (2) legal services; (3) advertising or public relations services; (4) accounting, auditing or actuarial services; (5) security consultant services; (6) computer and information technology services; and (7) insurance underwriting services.

**5. Pro Forma Effort**-The act of completing a form or document identifying efforts to solicit DBs for a project in order to satisfy criteria with little or no expectation that the DBs contacted or identified will perform any of the work.

**6. Service-Disabled Veteran-Owned Small Business** – A business in the United States which is independently owned and controlled by a service-disabled veteran(s), not dominant in its field of operation, and employs 100 or fewer employees.

**7. Subconsultant**- Any individual, partnership, firm, or corporation entering into a contract with the prime consultant for work under the contract, including those providing professional and other services.

**8. Third-party Certifying Organization** – An organization that certifies a small business, minority-owned business, women-owned business or veteran-owned small business as a diverse business. The term includes: (1) the National Minority Supplier Development Council; (2) the Women’s Business Development Enterprise National Council; (3) the Small Business Administration; (4) The Department of Veteran Affairs; (5) the Pennsylvania Unified Certification Program.

**9. Veteran-owned Small Business** –A small business owned and controlled by a veteran or veterans.

**10. Women-Owned Business** – A business owned and controlled by a majority of individuals who are women.

**(c) Actions Required by Proposer during the procurement/consultant selection phase**

**1. Submission Requirements – Consultant Responsiveness.**

- a. **Minimum Participation Level (MPL) Documentation** - If the documentation submitted with the proposal demonstrates that the proposer has identified DBs sufficient to meet the MPL established for this contract, the proposer will be deemed to have satisfied the DB requirement during this phase. The proposer is required to provide the business name and business address of each DB and supporting documentation that includes proof of certification.

If the consultant’s proposal demonstrates the consultant’s inability to meet the MPL established for this contract, the proposer shall demonstrate Good Faith Efforts with its proposal. Failure to submit the required documentation demonstrating Good Faith Efforts as further described below with the proposal may result in a rejection of the proposal.

- b. If no MPL has been established for this contract, the proposer is required to either provide a statement of intent that it will self-perform 100% of the work for the agreement, or demonstrate Good Faith Efforts to solicit subconsultants that are DBs. In either case documentation shall be provided with the proposal.

Failure to submit the required information identified above with the proposal may result in a rejection of the proposal.

**2. Good Faith Effort Requirements:** The documentation of Good Faith Efforts must include the business name and business address of each DB considered. Supporting documentation must also include proof of certification and any explanation of Good Faith Efforts the proposer would like the Commission to consider. Any services to be performed by a DB are required to be readily identifiable to the agreement. Good Faith efforts are demonstrated by seeking out DB participation in the project given all relevant circumstances. The Commission requires the proposer to demonstrate more than Pro Forma Efforts. Evidence of Good Faith Efforts includes, but is not limited to:

- a. Consultant solicits through all reasonable and available means the interest of all certified DBs with the capacity to perform the scope of work set forth in the agreement.
- b. The proposer must provide written notification at least 5 business days before proposals are due to allow the DBs to respond to the solicitation.
- c. The proposer must determine with certainty if DBs are interested by taking appropriate steps to follow up initial solicitations.
- d. The proposer must make efforts to select portions of the work to be performed by DBs to include, where appropriate, breaking out contract work into economically feasible units to facilitate DB participation;
- e. It is the proposer's responsibility to make a portion of the work available to DBs and, to select those portions of the work, so as to facilitate DB participation.
- f. The proposer shall provide evidence of such negotiations that include the names, addresses, and telephone numbers of DBs considered; A description of the information provided regarding the required work and services for the work selected for subconsultants; and evidence as to why additional agreements could not be reached for DBs to perform the work.
- g. Proposers cannot reject or withhold solicitation of DBs as being unqualified without sound reasons based on a thorough investigation of their capabilities.
- h. The DB's standing within its industry, membership in specific groups, organizations or associations and political or social affiliations (for example union v. non-union employee status) are not legitimate causes for the rejection or non-solicitation of proposals in the proposer's efforts to meet the Good Faith Efforts requirement.
- i. Efforts to assist interested DBs in obtaining bonding, lines of credit or insurance.

**3. Actions Taken by the Commission.** As part of the proposal review process, the Commission will review the submissions to determine whether the proposer has complied with Section 303 and this requirement in the selection of DB subconsultants. The Commission will determine whether the proposer has either met the MPL or provided acceptable documentation as noted above. The Commission reserves the right to contact proposers for clarification during the review and negotiation process.

If the Commission determines that the proposer has failed to either meet the MPL or provide acceptable documentation as noted above, the proposal may be rejected.

**(d) Consultant Requirements During Performance of Services.**

**1. Replacement of a DB Subconsultant.** Consultant must continue good faith efforts through completion of the contract. The obligation to make Good Faith Efforts to solicit subconsultants for any type of service extends to additional work required for any service which is identified to be performed by a DB. If at any time during the performance of the work, it becomes necessary to replace or add a subconsultant that is a DB, the consultant, as appropriate, shall immediately notify the Commission and seek approval in



writing in accordance with the Agreement of the need to replace the DB, which notice shall include the reasons for the replacement. If a prime consultant who originally indicated that it would self-perform all work subsequently decides to use a subconsultant for any work under the contract, the consultant must submit documentation of all Good Faith Efforts as to the work for which a subconsultant is obtained.

**2. Records.** Maintain project records as are necessary to evaluate DB compliance and as necessary to perform the reporting function addressed below. Maintain all records for a period of 3 years following acceptance of final payment. Make these records available for inspection by the Commission, its designees or agents. These records should indicate:

**2.a.** The number of DB and non-DB subconsultants and the type of services performed on or incorporated in this project.

**2.b.** The progress and efforts made in seeking out DB subconsultant organizations and individual DB consultants for work on this project to increase the amount of DB participation and/or to maintain the commitments made at the time of the proposal to DBs.

**2.c.** Documentation of all correspondence, contacts, telephone calls, and other contacts made to obtain the service of DBs on this project.

**3. Reports.** Maintain monthly reports and submit reports as required by the Commission concerning those contracts and other business executed with DBs with respect to the records referred to in subsection (e)2. above in such form and manner as prescribed by the Commission. At a minimum, the Reports shall contain the following:

**3.a** The number of Contracts with DBs noting the type of services provided, including the execution date of each contract.

**3.b** The amounts paid to each DB during the month, the dates of payment, and the overall amounts paid to date. If no payments are made to a DB during the month, enter a zero (\$0) payment.

**3.c** Upon request and upon completion of individual DB firm's work, submit paid invoices or a certification attesting to the actual amount paid. In the event the actual amount paid is less than the award amount, a complete explanation of difference is required.

#### **4. Subconsultant Contracts**

**4.a.** Subcontracts with DB firms will not contain provisions waiving legal rights or remedies provided by laws or regulations of the Federal Government or the Commonwealth of Pennsylvania or the Commission through contract provisions or regulations.

**4.b.** Prime consultant will not impose provisions on DB subconsultants that are more onerous or restrictive than the terms of the prime's contract with non-DBs.

**4.c.** Executed copies of subcontracts/purchase orders are to be received by the Commission before the commencement of work by the DB.

**5. Payments to DB Subconsultants.** Payments to DBs are to be made in accordance with the prompt payment requirements of Chapter 39, Subchapter D of the Procurement Code, 62 Pa.C.S. §3931 et seq. Performance of services by a DB subconsultant in accordance with the terms of the contract entitles the subconsultant to payment.

**(e) Actions to be Taken by Commission After Performance of Services.** Following completion of the Consultant's services, the Director of the Commission's Office of Diversity and Inclusion or his/her designee will review the overall DB participation to assess the Consultant's compliance with Section 303 and this contract. Appropriate sanctions may be imposed under 62 Pa.C.S. § 531 (relating to debarment or suspension) for a Consultant's failure to comply with Section 303 and the requirements of the contract.

**APPENDIX G - RFP18-10260-8300  
WORKERS' COMPENSATION CLAIMS  
THIRD PARTY ADMINISTRATOR (TPA) SERVICES  
COST PROPOSAL WORKSHEET**

Option 1: Flat Fee (Preferred Option)	Year 1 Fee	Year 2 Fee	Year 3 Fee	3 Year Total	Explanation/Comments
Claims Handling/Administration, Bill Review (Medical Provider/Pharmacy/Hospital), PPO Access Fees for all new, existing and incurred but not reported (IBNR) Workers' Compensation claims on a flat fee basis					
	\$0	\$0	\$0	\$0	

Option 2: Annual Fixed Cost with Medical Bill Repricing	Year 1 Fee	Year 2 Fee	Year 3 Fee	3 Year Total	Explanation/Comments
Claims Management/Program Support Fee (All Inclusive)	\$0	\$0	\$0	\$0	
Program Transition	\$0	NA	NA	\$0	
Take over Claims to Conclusion of Contract (Lost Time Open Claims)	\$0	NA	NA	\$0	
Take over Claims to Conclusion of Contract (Medical Only Open Claims)	\$0	NA	NA	\$0	
Take over Claims to Conclusion of Contract (Incident/Record Only Claims)	\$0	NA	NA	\$0	

Bill Review (Medical Provider/Pharmacy/Hospital)	\$0	Flat rate per bill (Preferred Option) Per Line, identify maximum % of PPO Savings - Must be below State of Pa Fee Schedule	
Bill Review (Medical Provider/Pharmacy/Hospital)	\$0		
PPO Savings	\$0		

Data Management	Year 1 Fee	Year 2 Fee	Year 3 Fee	3 Year Total	Explanation/Comments
Data Management/RMIS/System Access/Reporting (including training)	\$0	\$0	\$0	\$0	

Other Services	Hourly	Per Service	Included in Fee (Y/N)	Charged to Claim (Y/N)	Explanation/Comments*
Indexing Fee	\$0	\$0			
Field Nurse Case Manager	\$0	\$0			
Telephonic Nurse Case Management	\$0	\$0			
Field Investigation/Accident Investigation	\$0	\$0			
Special Investigation Unit/Surveillance	\$0	\$0			
Medical Director Outreach	\$0	\$0			
Subrogation	\$0	\$0			
Independent Medical Examinations-Orthopedic	\$0	\$0			
Independent Medical Examinations-Psychiatric	\$0	\$0			
Independent Medical Examinations-Pain Management	\$0	\$0			
Independent Medical Examinations-Neurosurgical	\$0	\$0			
Independent Medical Examinations-Psychological	\$0	\$0			
Vocational Rehab	\$0	\$0			
Labor Market Surveys	\$0	\$0			
Functional Capacity Evaluations	\$0	\$0			
Medicare, Medicaid, SCHIP Extension Act of 2007 (MMSEA)	\$0	\$0			
Job Analysis	\$0	\$0			
Workplace Safety & Risk Control Consulting	\$0	\$0			

Others - (All Program Expenses Must Be Disclosed):					

\*Explanation/Comments - If service is provided by a vendor, please identify firm(s). If service is provided internally, please note.  
Please use separate sheet to provide any additional details for each option.

## Appendix H – RFP 18-10260-8300

### Reporting and Meeting Requirements

Due Date	Report	How	Notes
Immediate	New Reserve over \$10,000	Email to WC Coordinator	
Immediate	Change in Reserve over \$50,000	Claim Summary Report emailed to WC Coordinator	
Immediate	Serious Claim/Loss of Life	Call to WC Coordinator	
Immediate	Transitional Duty/Full Duty Release	Email to WC Coordinator with Work Status Report	
1 <sup>st</sup> of Each Month	WC Summary/Safety Dashboard	Monthly Report	
1 <sup>st</sup> of Each Month	WC Metric	Monthly Report	
1 <sup>st</sup> of Each Month	WC Dashboard	Monthly Report	
1 <sup>st</sup> of Each Month	# of Lost Time Days	Monthly Report	
1 <sup>st</sup> of Each Month	# of Transitional Duty Days	Monthly Report	
Quarterly	Safety Performance Coaching/Accident Repeater	Quarterly Report	
Start 1/1	PA Self-Insurance Application (LIBC-366R)	Annual Report Start 1/1 Due to BWC by 3/1	
Annual	WC Administration Fund	Annual Report	
Annual	Annual Compensation Paid (LIBC-680)	Annual Report	
As Needed	Safety Reports	As requested	
1 <sup>st</sup> of Each Month	Loss Fund Replenishment - Check Register of Payments Made in Prior Month	Monthly Report	
Data Due - April Report Due - June	Actuarial Report	Annual Report	

Meeting	Occurrence
WC Claim Reviews	Quarterly
Stewardship Report	Annual
Individual Claim Conference Calls	As Needed
Settlement Discussions	As Needed

**Note: Additional Reports and Meetings May Be Required**

## Addendum No. 1

RFP # 18-10260-8300

### Workers' Compensation Claims Third Party Administrator (TPA) Services

**Prospective Respondents: You are hereby notified of the following information in regard to the referenced RFP:**

#### **REVISIONS**

1. Appendix J has been amended to add the number of claims referred for medical case management titled Addendum #1 10-17-18 -Medical Case Management - and will be sent to all qualified proposers.
2. Appendix J has been amended to add the Pharmacy bill volume titled Addendum #1 10-17-18 Pharmacy Bill Volume and will be sent to all qualified proposers.

#### **QUESTIONS AND ANSWERS**

Following are the answers to questions submitted in response to the above referenced RFP as of October 11, 2018. All of the questions have been listed verbatim, as received by the Pennsylvania Turnpike Commission.

Proposer Questions			Pennsylvania Turnpike Commission (PTC)		
			RFP#18-10260-8300		
#	Page	Section	Section Description	Proposer Question	Commission Response
1.				Whether companies from Outside USA can apply for this? (like, from India or Canada)	The RFP does not prohibit non-US firms from submitting proposals.

Proposer Questions			Pennsylvania Turnpike Commission (PTC)		
			RFP#18-10260-8300		
#	Page	Section	Section Description	Proposer Question	Commission Response
2.				Whether we need to come over there for meetings?	We reserve the right to request in-person demonstrations during the proposal process. Other proposal related work may be performed offsite. A successful proposer will be expected to meet and perform work on-site during implementation as requested by the PTC and defined in the RFP.
3.				Can we perform the tasks (related to RFP) outside USA? (like, from India or Canada)	See response to question 1.
4.				Can we submit the proposals via email?	No, refer to the RFP Part I-13 – Response.
5.	3	I-12	Response	The RFP indicates proposal submission to two (2) different addresses. Please confirm if proposal is delivered to Middleton one day before due it will be received and accepted by procurement.	RFP Section I-13 indicates the overnight delivery address or US Mail Delivery. As stated in the RFP “To be considered, proposals must be delivered to the <u>Pennsylvania Turnpike Commission’s Contracts Administration Department</u> , Attention: Wanda Metzger or before the date and time provided on the Calendar of Events”. The US Mail Delivery address is a PO Box which is not located at our building. Proposals must be in the Contracts Administration Department before the date and time provided on the Calendar of Events.

Proposer Questions			Pennsylvania Turnpike Commission (PTC)		
			RFP#18-10260-8300		
#	Page	Section	Section Description	Proposer Question	Commission Response
6.	16	IV-1.a	Objectives - General	Who is the current Third Party Administrator (TPA)?	The current TPA is UPMC Benefit Management Services, Inc., d/b/a WorkPartners.
7.	16	IV-1.a	Objectives – General	Who is the TPA's Medical Bill Review (MBR) vendor?	This information will be provided to the awarded proposer.
8.	16	IV-1.a	Objectives – General	Who is the TPA's Pharmacy Benefit Manager (PBM)?	This information will be provided to the awarded proposer.
9.	17	IV-3	Requirements – Data Management	It is understood that a new TPA shall transfer the data from the incumbent. Please indicate the claim system used by the incumbent.	This information will be provided to the awarded proposer.
10.	9	I-30	Diverse Business Requirements	Who is the current Small Diverse Business service provider?	This information will be provided to the awarded proposer.
11.	20	IV-4.e	Specific Tasks – Customer Service	The RFP indicates 140 case load. Please confirm the caseload of 140 is for indemnity claims adjuster and not a medical only claims adjuster.	The 140-case load maximum is for the indemnity claims adjuster.
12.	20	IV-4.e	Specific Tasks – Customer Service	How many adjusters by type of adjuster (indemnity vs. medical only) are assigned to the Commission? Please describe by adjuster per FTE.	The following TPA team is assigned to the Commission: 1 Account Manager, 1 Sr. Claims Manager, 1 Claims Supervisor, 1 Indemnity Claims Adjuster (FTE), 1 Medical Only Claims Adjuster and 1 Data Entry. All are designated to the Commission.
13.	23	IV-4	Specific Tasks - Loss Adjustment Services	Who does the Commission use for surveillance activities?	Refer to RFP Part IV-4 – Specific Tasks, Loss Adjustment Services, item d. The Commission uses multiple vendors, there is no specific list of approved vendors.

Proposer Questions			Pennsylvania Turnpike Commission (PTC)		
			RFP#18-10260-8300		
#	Page	Section	Section Description	Proposer Question	Commission Response
14.	23	IV-4	Specific Tasks – Legal	Who does the Commission use for outside legal defense?	The Commission reserves the right to assign counsel on a case by case basis.
15.	25	IV-4	Specific Tasks – Return to Work	Does the Commission provide wage or salary continuation? If yes, please describe or provide written policy.	The Commission does not provide wage or salary continuation. Indemnity is paid by the TPA. The Commission resumes wages when an employee returns to Full Duty or Transitional Duty.
16.	26	IV-4	Specific Tasks – Medical Cost Containment/Medical Bill Repricing	Who does the Commission use for medical case management?	Risk Management and TPA will collaborate on the need for and selection of medical case management.
17.	26	IV-4	Specific Tasks – Medical Cost Containment/Medical Bill Repricing	How many cases are referred for medical case management annually including telephonic and field case management?	The Commission is not currently using telephonic case management. Refer to Revision No.1 for the number of annual field case management referrals.
18.	25	IV-4	Specific Tasks - Medical Cost Containment/Medical Bill Repricing	How many cases are currently open for medical case management? Will the cases be transferred to the new TPA's nurse case managers?	As of September 30, 2018, there are 9 open claims with medical case management. Claims will remain with the assigned nurse case managers.
19.	25	IV-4.d.	Specific Tasks - Medical Cost Containment/Medical Bill Repricing	Please provide the list of thirty-two (32) approved panels in excel including Tax ID numbers.	This information will be provided to the awarded proposer.
20.	25	IV-4.g	Specific Tasks - Medical Cost Containment/Medical Bill Repricing	Please indicate which PPO Networks the incumbent is using for the Commission.	This information will be provided to the awarded proposer.



Proposer Questions			Pennsylvania Turnpike Commission (PTC)		
			RFP#18-10260-8300		
#	Page	Section	Section Description	Proposer Question	Commission Response
21.	28	IV-4.d	Specific Tasks – End of Contract Data Transfer	It is standard for the outgoing TPA to provide advance payment of indemnity payments to help ensure a smooth transition for employees. Please confirm this is a requirement for the incumbent should the Commission award the contract to a new TPA.	This is not a requirement of the incumbent but would be considered by the Commission as a best practice should the contract be awarded to a new TPA.
22.	12	11-3	Cost Submittal	What is the current annual contract value for claims administration?	This information can be found on the Commissions website. <a href="http://www.paturndpike.com">www.paturndpike.com</a> Doing Business with the PTC General Information Contract/Purchase Order Search
23.	12	11-3	Cost Submittal	What is the current annual contract value for medical bill re-pricing?	Refer to Question 22.
24.	19	IV-3.s	Requirements – Data Management	Who is the brokerage firm that will require on-line access for reporting for the Commission?	This information will be provided to the awarded proposer.
25.	5 of 10	Appendix E.b.	Insurance Requirements	Most of our retentions are higher than \$50,000 (going up to \$350,000 - \$400,000 depending on the line of business). What do we need to provide to secure Commission permission for the same? When and how does this need to be provided?	This relates to SIR's only and is not applicable to deductibles. If Proposer's SIR's are greater than \$50,000, a list of the coverages and amount of SIR for each will need to be submitted in writing to the Commission for approval.

Proposer Questions			Pennsylvania Turnpike Commission (PTC)		
			RFP#18-10260-8300		
#	Page	Section	Section Description	Proposer Question	Commission Response
26.	1. 4	2. I-14	3. Proposals	The RFP specifies five (5) hard copies of the Technical Submittal, five (5) hard copies of the Diverse Business (DB), and five (5) hard copies of the Cost Submittal, to be separately sealed. Is it permissible to enclose the two (2) copies of the CD-ROM/Flash Drive in each of the sealed Submittal containers (Technical, Diverse Business, and Cost)? Or, should the CD-ROMS/Flash Drives also be submitted separately?	The two copies of the CD-ROM/Flash Drive can be included in each of the sealed submittal containers (Technical, DB, and Cost)
27.	6	I-23	Cost Submittal	Please explain I-23 Cost Submittal on Page 6 - "The cost submittal (Appendix G) shall be placed in a separately sealed envelope within the sealed proposal and kept separate from the technical submittal." Are you indicating that the sealed envelopes containing the Cost Submittal and the Diverse Business Submittal, with the accompanying 2 electronic media should be placed in a sealed container, separate from the 5 hard copy and 2 electronic copy Technical Submittals?	Yes. The RFP specifies five (5) hard copies of the Technical Submittal, five (5) hard copies of the Diverse Business (DB), and five (5) hard copies of the Cost Submittal, <b>to be separately sealed.</b>
28.	13	II-3	Cost Submittal	What is the current price you pay for Bill Review and TPA services?	Refer to Question 22.

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29.	12	II-3	Cost Submittal	Section II-3 Cost Submittal (Page 12 of the RFP) indicates a proposed annual fixed fee contract that includes the re-pricing of medical invoices in accordance with the Pennsylvania Workers' Compensation Act. However, on page 13, the RFP indicates that an optional fixed fee with additional charge for medical bill re-pricing (per bill, per line, percentage of savings) will be considered.	Both options will be evaluated by the Commission.
30.		Appendix G	Cost Proposal Worksheet	When completing Appendix G (Cost Proposal Worksheet), is it necessary to complete both Option 1: Flat Fee (Preferred Option), as well as Option2: Annual Fixed Cost with Medical Bill Repricing? Or, is it acceptable to complete only Option 2, if that is our preference?	It is acceptable to complete only Option 2.
31.		General	General	Who are the current TPA, PBM, and Bill Review vendors?	Refer to Questions 6,7 & 8.
32.	17	IV-2	Nature and Scope of Project	The RFP specifies 2,046 total Turnpike employees as of July 2018. How many active claims currently exist? What is the yearly claim volume for calendar years 2016, 2017, and 2018 to date? How many Medical Only and Lost Time claims did you have for those same periods?	Refer to RFP IV-4 Specific Tasks – Loss History a. “A five-year loss history (Appendix J) will be provided to qualified Third Party Administrator vendors upon written request.”

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33.	26	a.	Medical Bill / PBM Cost Management	For the year 2017, what was the medical bill volume for the following:  > a. Part B > b. Part A > c. Pharmacy	a. & b. - Refer to RFP IV-4 Specific Tasks – Loss History a. “A five-year loss history (Appendix J) will be provided to qualified Third Party Administrator vendors upon written request.”  c. – Refer to Revision #2 above.
34.	N/A			Please provide a copy of your current contract for Workers’ Compensation Claims Third Party Administrator (TPA) Services	Refer to Question 22.
35.	23 of 28	IV-4. Specific Tasks	Loss Adjustment Services, letter F.	When/how is Telephonic Case Management (TCM) currently assigned to claims?	Refer to Question 17.
36.	12 of 28	II-3 Cost Submittal		Is TCM to be included in the Flat Annual Fee or is this an allocated expense based on authorization from the Commission? for referral	Refer to Question 17. Refer to RFP Appendix G – Cost Proposal Worksheet.
37.	N/A	Appendix J	Loss History Report and 5 year history	How many claims (or what % of the INDEMNITY claim count) are open more than 90 days?	This information will be provided to the awarded proposer.
38.	N/A			How many claims per year are resolved by “Compromise & Release”?	This information will be provided to the awarded proposer.
39.	10 of 28	II-1 Technical Submittal	A. Proposal Cover Sheet (See Appendix C)	Does the Commission have a preference for whether or not the claims office is located in Pennsylvania?	See RFP Section II-1, Item D – Firm Overview.

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40.	59 of 60	Appendix G	Cost Proposal Worksheet	If Bill Review fees are to be included in flat annual fee, how many medical bills, including hospital & pharmacy, were processed per year, for the last three (3) years?	Refer to RFP IV-4 Specific Tasks – Loss History a. “A five-year loss history (Appendix J) will be provided to qualified Third Party Administrator vendors upon written request.”
41.	N/A			What has the Commission paid in bill review fees to include: per bill, % of savings (inclusive of PPO), flat fee, and/or per line charges?	Refer to Question 22.
42.	N/A			Please provide total amount billed, the total fee schedule savings, total PPO and other savings, as well as net paid per year for the Commission for the past three (3) years.	Refer to Question 40.
43.	59 of 60	Appendix G		Since all-inclusive pricing includes run-in fees for the data conversion, does current TPA charge a fee to transfer data? If a fee is charged per policy year, how many years of data will be in the transfer?	All-inclusive pricing shall include run in fees for the transfer of data and conversion. The Commission does not anticipate any additional charges for transfer of data from the current TPA. In the current data base, there are approximately 6,692 claims.
44.	21	IV-4. Specific Tasks, Claims Management, e.	e. Direct injured employees to use the Commission’s approved posted medical panels for pharmacy, DME and physical therapy.	Are there any concerns or wanted change(s) regarding the current panels for the Pennsylvania Turnpike Commission?	There are no concerns or wanted change(s) regarding the current panels.

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45.	23	IV-4. Specific Tasks, Loss Adjustment Services, a.	a. Loss adjustment services are required for each of the following: independent medical examinations, peer reviews, utilization reviews, impairment ratings, fraud investigation, field medical case management, surveillance, vocational rehabilitation, labor market surveys, durable medical equipment, or similar services.	Is approval needed from the Pennsylvania Turnpike Commission for all DME? If no, is/ae there thresholds or other criteria specifying what approval is needed?	There are no threshold requirements for DME. Collaboration is required between the TPA and Risk Management.
46.	26	IV-4. Specific Tasks, Medical Cost Management/Medical Bill Repricing, c.,	The TPA is required to establish panels as needed/requested by the Commission in accordance with the WC statutes of PA and the Collective Bargaining Agreement (CBA).	Please provide the Collective Bargaining Agreement referenced on page 23, in regard to establishing panels.	This information will be shared upon contract award.
47.		General question		Are there any concerns or wanted change(s) for the overall program management of the PTC Worker's Compensation Administration contract?	There are no concerns or wanted change(s) for the overall program management of the PTC Workers' Compensation Administration contract.

All other terms, conditions and requirements of the original RFP dated September 26, 2018 remain unchanged unless modified by this Addendum.