



# City of Cambridge

## PURCHASING DEPARTMENT

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**TO:** All Bidders  
**FROM:** City of Cambridge  
**DATE:** March 28, 2019  
**RE:** File No. 8471- Workers Compensation Utilization Review and Related Services -  
Addendum No. 1

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This addendum is comprised of:

1. Questions and Answers

**The Following questions were asked and answered:**

**Question:** It is understood that the term of the contract is for one (1) year, with a one (1) year option to renew at the discretion of the City. How many times can the City conduct one-year renewal options before it is required to go back out to bid?

**Answer:** The City would only be able to renew the contract once before going back out to bid.

**Question:** Who is the City's current utilization review, surgical negotiations, and bill review service provider(s) today?

**Answer:** Stephenson & Brook, 86 Highland Ave, Salem, MA 01970

**Question:** Under the Massachusetts Public Records Law, can the City provide its current pricing arrangement(s) with its current utilization review, surgical negotiations, and bill review service provider(s)? Or provide a copy(s) of its current pricing contract(s), or direct us where we may find it?

**Answer:** \$150.00 per Initial Surgical Fee Negotiation

\$80.00 for Prospective Utilization Review

\$40.00 for Concurrent Utilization Review

\$75.00 for Surgical Fee Renegotiation

\$90.00 for Retrospective Utilization Review

\$200.00 for Peer Utilization Review

20% of Medical Bill Review/Audit Savings that City will pay to bidder (bills \$3,000 and over)

\$5.00 fee per line for re-pricing submitted bills that City will pay to bidder (bills under \$3,000)

**Question:** Can the City provide a high-level outline of its current bill review process today, from bill receipt to bill payment? What steps of that process / workflow would the City like to change, if any?

**Answer:** Upon receipt of a bill it would like re-priced, the City mails the bill with any supporting medical documentation to the bill review service provider. The provider re-prices the bill and scans



and emails it back to the City along with the medical documentation and an Explanation of Benefits cover sheet. The City then processes the payment through internal channels. The City would be open to considering changes in the process to increase efficiency.

**Question:** For bill review, how does the City currently send its bills to its service provider (e.g. mail, bill image transmission to an FTP folder, claims system data exchange)?

**Answer:** Mail

**Question:** Does the City require a claims system integration? If so, what claims systems does the City use?

**Answer:** No

**Question:** On RFP page 5, it provides the following requirement “Medical bill review and re-pricing services to be provided by Contractor within three (3) days of receipt of bill.” Is there any additional latitude to extend the timeframe in order to maximize savings, particularly for complex, large billings (e.g. complex coding reviews, nurse audits, and/or provider negotiations)?

**Answer:** Yes, the timeframe could be extended in those situations by a reasonable period, i.e. 5 business days.

**Question:** Will the City allow the application of PPO contracts?

**Answer:** The City typically does not allow the application of such contracts; however, the City may be willing to consider them on a case by case basis.

**Question:** Does the City have any existing contracts with medical or ancillary providers? If so, can you describe the arrangements?

**Answer:** The City currently has a contract for Utilization Review, surgical negotiations, and bill review as described in responses to questions 2, 3, 4, and 5.

**Question:** Does the City currently access a PBM? If so, via what company?

**Answer:** No

**Question:** On Page 5, requirement 1, the requirement includes a reference to reimbursement rates being in compliance with MRSC Medicaid Rate. Should we interpret that to mean that regardless of the type of service billed (hospital, professional, pharmacy...), reimbursement should be in accordance with the applicable workers’ compensation medical payment rates defined by the Commonwealth of Massachusetts?

**Answer:** Yes, all bills/codes should be paid according to Massachusetts IAB/DIA rates.

**Question:** On Page 5, requirement 4 indicates the Contractor shall calculate pharmacy bills (3) three ways...”. Can the City elaborate on the associated benchmarks and what types of bills (pharmacy, physician, hospital, ASC, etc.)? this requirement applies?

**Answer:** As stated, the requirement only applies to pharmacy bills. The three calculations used are the Federal Upper Limit, Mass Upper Limit and Estimated Acquisition Cost. Payment will be the lowest of the three calculations.

**Question:** On Page 6, requirement 14, Can the City summarize what special handling needs to apply for the payment of work injury/illness related medical bills you would require to comply with M.G.L.c.,41-100?

**Answer:** The handling process would be similar but may involve different City staff as a point of contact.

**Question:** Would the City be willing share, using 2018 data, the total medical charges you incurred for workers' compensation claims and the associated amount paid for those bills?

**Answer:** In 2018 the City's bill review service provider re-priced bills originally totaling approximately \$1.25 million. The total re-priced amount was approximately \$490,000.

**Question:** Does the estimated 1,400 to 1,700 bills annually include duplicate and denied bills? Are there any medical bills which would not be sent to the Contractor? If so, please define.

**Answer:** No, denied or duplicate bills were not included in this estimate. Any bills on denied claims or which are unrelated to the work injury would be denied by the adjuster. The City will determine which bills are sent to the contractor for re-pricing. There are several reasons the City may decide to re-price bills on its own rather than send them to the contractor, including but not limited to cost and time considerations.

**Question:** On Page 5, requirement 11, the City indicates that for services billed for which there is not an established value under by the MRSC, the Contractor shall discuss the billing with the provider to determine what code would be the most appropriate to bill. In cases such as this would the City allow additional time beyond the 3-day TAT standard? Also, would the City agree to use of standard gap fill approaches such as application of the PAF on hospital bills and application of a percentage of the Medicare allowable on other services?

**Answer:** Yes, a reasonable extension of the 3-day standard would be allowed in these cases. Yes, those approaches would be acceptable in those situations.

**Question:** The law in Massachusetts allows a company/employer/municipality to approve all treatments for the first 12 weeks of a claim. Utilization review is required after 12 weeks of treatment. Does the City wish to utilize UR services prior to the required twelve weeks?

**Answer:** Yes, we typically send all claims directly to UR upon report of an injury.

**Question:** With regard to Question 5, a nurse can review a request to determine whether they can approve a submitted request within the stated time frame, but the nurse cannot deny the treatment. Any approval that cannot be made by a nurse must be forwarded to a peer reviewer of same specialty / same school. The referral to a peer reviewer will extend the time frame of the decision for another day. This would still keep the time frame under the state rule of two (2) business days. Is this consistent with your understanding?

**Answer:** Yes

**Question:** With regard to Question 8. By Utilization Review Approval Determination letter, we assume you mean a Utilization Review Determination letter as it is our experience that all requests will not be "approved"?

**Answer:** Yes

**Question:** Whether companies from Outside USA can apply for this?  
(like, from India or Canada)

**Answer:** Responsive Bidders need to meet all the requirements listed in the scope of services, including they must be an approved Utilization Review Agent authorized by the Massachusetts Department of Industrial Accidents.

**Question:** Whether they need to come over there for meetings?

**Answer:** Yes

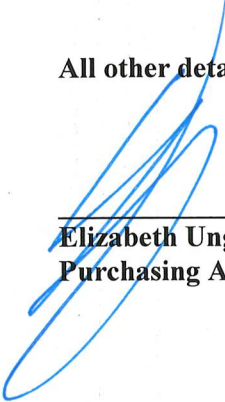
**Question:** Can we perform the tasks (related to RFP) outside USA?

**Answer: Responsive bidders must meet all requirements listed in the Invitation to Bid, as stated above.**

**Question: Can we submit the proposal via email?**

**Answer: No**

**All other details remain the same.**



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**Elizabeth Unger  
Purchasing Agent**

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