

REQUEST FOR PROPOSALS FOR PERSONAL SERVICES CONTRACT

NOVEMBER 2000

The Commonwealth of Kentucky, Commissioner of the Department of Workers Claims, requests proposals from qualified vendors for a personal services contract to revise and update the 1998 Kentucky Workers' Compensation Medical Fee Schedule for Physicians in accordance with KRS 342.035 as well as evaluate reimbursement mechanisms established by existing Hospital and Pharmacy Fee Schedules under 803 KAR 25:091 and 803 KAR 25:092.

I. DESCRIPTION OF SERVICES REQUIRED

1. Validation and update of physicians' current procedural terminology (CPT) codes and descriptions to reflect 2001 codes and descriptions, including all relevant additions and revisions made since the 1998 Workers' Compensation Medical Fee Schedules for Physicians was incorporated in 803 KAR 25:089 with a final effective date of January 1, 1999. The validation and update of CPT codes and descriptions shall include the following areas: Evaluation and Management; General Medicine; Surgery; Anesthesia; Pathology; Radiology; Physical Medicine; and Office Based Supplies and Injectables.
2. Determination of unit values and conversion factors to reflect a current level of reimbursement for all services listed in the Kentucky Workers' Compensation Medical Fee Schedule for Physicians. New CPT codes shall be added to the Medical Fee Schedule for Physicians by the vendor in the course of the revision. Unit values and conversion factors shall be calculated to limit charges to a level that is fair, current and reasonable for similar treatment of injured persons in the same community for like services where treatment is paid for by general health insurers as required by KRS 342.035.
3. Review the existing fee schedules governing hospital reimbursement (803 KAR 25:091) and pharmacy reimbursement (803 KAR 25:092) to evaluate the effectiveness of these schedules in controlling medical costs while guaranteeing patient accessibility. Make recommendations for changes to the current reimbursement system.
4. Preparation of the preliminary draft of the revised Workers' Compensation Medical Fee Schedule for Physicians is to be provided to the Commissioner in printed form, with the final draft of the revised Medical Fee Schedule to be provided to the Commissioner in both printed form and on magnetic disc(s); the magnetic disc(s) to be provided in a Microsoft office based format.

5. Delivery of a complete preliminary draft of the revised Workers' Compensation Medical Fee Schedule for Physicians to the Commissioner not later than six weeks after the vendor is given written notice that a personal services contract with the vendor has received final approval by the Commonwealth of Kentucky Finance and Administration Cabinet.
6. Delivery of report regarding hospital and pharmacy reimbursement shall occur no later than March 3, 2001.
7. Up to 20 hours of consultation services, by telephone, with members or agents of the Department of Workers' Claims concerning both the preliminary and final drafts of the revised Workers' Compensation Medical Fee Schedule for Physicians and any revisions of the hospital and pharmacy fee schedules.
8. Expert testimony by a witness to be provided by the vendor for a period of up to four days at a location within the Commonwealth of Kentucky, if necessary, to explain and justify the methods used in determining the unit values and conversion factors.
9. Delivery of the final draft of the Workers' Compensation Medical Fee Schedule for Physicians not later than two weeks after the Commissioner approves final changes.

II. INFORMATION REQUIRED FROM EACH VENDOR SUBMITTING A PROPOSAL

Interested vendors should submit a written, signed proposal to the Department of Workers Claims that specifies the following:

1. **MANDATORY REQUIREMENT.** Vendors must demonstrate familiarity with CPT codes and descriptions, and the ability to determine unit values and conversion factors to reflect a current level of reimbursement for medical services in the manner required by KRS 342.035.
2. **QUALIFICATION AND EXPERTISE.** Include resumes for all professional personnel who will provide services under the contract, the tasks to be performed by each, and their qualifications for performing the assigned tasks. References must be included.
3. **LOCATION AND AVAILABILITY.** Include the location of principal place of business and any branch offices if possible. Also, include information relative to other personal services contracts, business or employment with the Commonwealth of Kentucky.

4. PREVIOUS EXPERIENCE WITH SUBJECT MATTER. Include any information relative to past experience or work history as it relates to the services described in the “description of services” section.
5. PRICING. Include a price or a flat fee to be paid for all services to be provided in the revision and update of the Workers’ Compensation Medical Fee Schedule for Physicians. Include a price or flat fee to be paid for all services to be provided in the review and evaluation of hospital and pharmacy reimbursement. A separate amount should be estimated for travel expense, reflecting the maximum total amount that may be reimbursed for travel expenses and the specific travel expenses that are anticipated.

III. RELATIVE IMPORTANCE OF PARTICULAR QUALIFICATIONS

After determining that a proposal satisfies the mandatory requirements of this request for proposals (RFP), the Commissioner of the Department of Workers’ Claims will evaluate the proposal based upon the following subjective evaluation factors:

1. Previous work history and experience in the validation and update of CPT codes and descriptions, and determination of unit values and conversion factors to reflect a current level of reimbursement appropriate for a particular state under a given standard.....40%.
2. Qualifications and expertise.....40%.
3. Ability to provide services, including preparation of drafts and consultation services, in a timely manner.....10%.
4. Location and price.....10%.

The Commissioner reserves the right to conduct discussions with any vendor who submits a proposal to determine the vendor’s qualifications for further consideration. Discussions shall not disclose any information obtained from proposals submitted by potential vendors.

After determining the best proposal received, the Commissioner or Commissioner’s designee may negotiate a fair and reasonable final contract price based upon the pricing information submitted in the vendor’s proposal.

IV. GENERAL INFORMATION

Potential vendors are advised that any personal services contract resulting from this request for proposals must comply with all applicable provisions of KRS Chapter 45A prior to becoming effective.

The Commissioner of the Department of Workers Claims reserves the right to cancel this request for proposals at any time for any reason.

The successful vendor shall agree that the revised and updated Workers' Compensation Medical Fee Schedule for Physicians and any revisions to the hospital and pharmacy fee schedule shall be the property of the Commonwealth of Kentucky, Department of Workers' Claims, with the Department to have all title and exclusive rights concerning publication, sale and distribution of same.

The Department of Workers' Claims does not discriminate against any employee, applicant, and/or contractor on the basis of race, color, national origin, sex, religion, age or disability in employment or the provision of services. The successful vendor shall likewise agree.

Copies of the current Workers' Compensation Medical Fee Schedule for Physicians may be obtained by contacting the Department of Workers Claims, Administrative Services Section, at (502) 564-5550, ext. 470. The charge for a copy of the 1998 Kentucky Workers' Compensation Medical Fee Schedule for Physicians is \$35.00.

V. RESPONSES

Any questions regarding this request for proposals for personal services contract are to be directed to Walter W. Turner, Commissioner, or Donna Elsen Floyd, Staff Attorney, at (502) 564-5550, Ext 488. Proposals must be received in writing not later than December 11, 2000, and addressed to Walter W. Turner, Commissioner, Kentucky Department of Workers' Claims, 1270 Louisville Road, Perimeter Park West, Frankfort, Kentucky 40601.