

**42687**

Date: October 15, 2014

To: Honorable Members of the Board of Acquisition and Contract

From: Ann Marie Berg  
Commissioner of Finance

RE: Authority to exercise second renewal option with Triad Group, LLC, for the provision of on-the-job injury claim administration and case management services, for the period November 1, 2014 through October 31, 2015, for a total aggregate amount not to exceed of \$1,016,000.

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The County of Westchester provides Worker's Compensation/Job Injury benefits through a self-insured job injury program financed under Section 6J of the New York State General Municipal Law. On July 12, 2010, the Department of Finance (the "Department") issued a Request for Proposals ("RFP") for on-the-job injury claim administration and case management services for all County employees. The RFP sought proposals as the basis for a three-year contract, with an option on the part of the County to renew the contract for two additional one-year terms.

A total of five (5) proposals were received in response to the RFP. After careful review of each proposal with reference to the evaluation criteria set forth in the RFP, Triad Group, LLC ("Triad") was selected. Subsequent negotiations with Triad lead to additional reductions in their prices from those submitted in the original proposal. The agreements for the three-year period November 1, 2010 through October 31, 2013 and for the first additional one-year option period November 1, 2013 through October 31, 2014 were subsequently executed.

Accordingly, authority is respectfully requested for the County to renew the contract with Triad for the second option period, pursuant to which Triad will continue to provide on-the-job injury/illness claim administration and case management services, for the period November 1, 2014 through October 31, 2015, to be paid on a per-claim basis at the rates contained in Schedule "B", and a total amount not to exceed of \$576,000. The loss adjustment expense portion of the first option period, which are expenses for any necessary independent case management and

medical examinations, claimant surveillances, rehabilitation or retraining programs, court stenographers, etc., remains at the previously established contract price of \$440,000.

A list of subcontractors to be utilized by Triad for specified services, for which your Honorable Board's approval is respectfully requested, is provided in Schedule "A".

The proposed agreement will serve a public purpose by helping enhance the efficiency and effectiveness of the County's on-the-job injury claim administration and case management services as well as its Workers' Compensation program.

The goals and objectives of the proposed agreement are to provide a cost effective solutions to monitor, track and administer these cases.

The goals and objectives of the proposed agreement are in the best interests of the County in terms of fiscal responsibility, as the County having more efficient and effective on-the-job injury claim administration and case management services will ultimately reduce the County's Workers' Compensation-related costs.

The goals and objectives of the proposed agreement will be tracked and monitored by the Department of Finance on a monthly basis through regular consultations with, and briefings by, Triad on various topics covering such issues as their effort in reducing County expenses associated with medical treatment; their successes in controlling costs and exposing fraud and abuse; and their delivery of appropriate benefits fairly, promptly, and accurately. The proposed agreement will also require quarterly meeting to discuss settlements of ongoing cases in an effort to reduce the exposure of the County's self-insurance program.

I recommend for your favorable consideration the annexed proposed Resolution.

**RESOLUTION**

Upon a communication from the Commissioner of Finance, be it hereby

**RESOLVED**, that the County of Westchester (“the County”) is hereby authorized to its second renewal option with Triad Group, LLC (“Triad”), pursuant to which Triad will provide on-the-job injury/illness claim administration and case management services, for the period November 1, 2014 through October 31, 2015, to be paid on a per-claim basis at the rates contained in Schedule “B”, for a total amount not to exceed of \$576,000 and loss adjustment expense of \$440,000 for an aggregate amount of \$1,016,000; and be it further

**RESOLVED**, that the list of subcontractors to be utilized by Triad for specified services provided in Schedule “A” is hereby approved; and be it further

**RESOLVED**, that all other terms and conditions of the original agreement, as previously amended by this Board, shall remain the same; and be it further

**RESOLVED**, that this Agreement is also subject to further financial analysis of the impact of any New York State Budget (the “State Budget”) proposed and adopted during the term of this Agreement. The County shall retain the right, upon the occurrence of any release by the Governor of a proposed State Budget and/or the adoption of a State Budget or any amendments thereto, and for a reasonable period of time after such release(s) or adoption(s), to conduct an analysis of the impacts of any such State Budget on County finances. After such analysis, the County shall retain the right to either terminate this Agreement or to renegotiate the amounts and rates approved herein. If the County subsequently offers to pay a reduced amount to the Contractor, then the Contractor shall have the right to terminate this Agreement upon reasonable prior written notice; and be it further

**RESOLVED**, that the County Executive or his duly authorized designee is authorized and empowered to execute all documents and to take all action necessary to accomplish the purposes hereof.

Account to be Charged/credited	Year	Fund	Dept.	Major Program Program & Phase Or Unit	Object/ Sub Object	Trust Account	Activity	Dollars
	2014	613	57	0008	4280	N/A	N/A	\$169,333.00
	2015	613	57	0008	4280	N/A	N/A	\$846,667.00

Budget Funding Year(s): 2015 Start Date 11/1/14 End Date 10/31/15

Tax Dollars \_\_\_\_\_  
 State Aid \_\_\_\_\_  
 Federal Aid \_\_\_\_\_  
 Other- 6 J Fund X

\$ 1,016,000.  
 (Must match resolution)

**SCHEDULE "A"**

**TRIAD GROUP, LLC**

**SUBCONTRACTOR LIST FOR WESTCHESTER COUNTY**

<u>NAME</u>	<u>ADDRESS</u>	<u>SERVICE</u>
Manes & Manes	P.O. Box 629 Armonk NY 10504	Legal representation Workers Com Compensation Hearings
Cherry Edson & Kelly	150 White Plains Road Tarrytown NY	Legal Representation Workers Compensation Hearings
UMC Medical Consultants PC	2975 Westchester Avenue #101 Purchase NY	Independent Medical Exams
Precision Health Resources, Inc	6800 Jericho Tpke Ste 112 Syosset NY	Independent Medical Exams
Medical Audit Bureau	925 Hempstead Tpke Franklin Square	Hospital DRG audits
Medical Claims Review, Inc.	P.O. Box 3525 No. New Hyde Park New York	Hospital drug audits
MSA Advocates, Inc	505 E. Fayette St ste 214 Syracuse NY	Medicare Set Aside Agreements
Martor Case Management LLC	P.O. Box 836 Armony NY	Durable Medical Equipment Discounts
Global Investigative Services Inc	998 Old County Road 317 Plainview	Surveillance Investigations
Terrier Claims Services, Inc	141 Tompkins Avenue Pleasantville NY	Surveillance Investigations
Advanced Investigations, LLC	P.O. Box 24 Thornwood NY	Surveillance Investigations
PMSI Inc	P.O. Box 850001 dept#0570 Orlando FL	Prescription PPO discount
G4S Compliance & Investigations	Redding CT	Surveillance Investigations
EBS Group	1 Freeland Street Monroe NY	Investigations
Pagones and O'Neill Investigations	355 Main Street Beacon, NY 12508	

Lombardi Associates	277 Fairfield Road	Earning Capacity/Vocational Evaluations
	Suite 305A	
	Fairfield, NJ 07004	
One Call Care Management	P.O. Box 822534 Philadelphia Pa	Radiological PPO

**SCHEDULE "B"  
TRIAD GROUP, LLC  
SERVICE FEES**

**November 1, 2014 – October 31, 2015- Second Renewal Option**

**Per Claim Admin Cost LIFE OF CONTRACT**

**207 - C Covered Employees:**

Pay & Close (incident only)	\$ 25
Medical Only	\$110
Indemnity	\$600

**All other County Employees:**

Pay & Close (incident only)	\$ 25
Medical Only	\$110
Indemnity	\$600

**Case management per claim - first month \$275.00  
each additional month \$150.00**

**Employee in corrections for cform completion data entry –  
\$12,000.00 annual fee.**

**Banking fee - \$10,000.00 annual fee**

**Total Annual Maximum (Not to exceed amount) \$576,000**

**ALAE CLAIM EXPENDITURES DEFINED BELOW**

**Allocated Loss Expense:**

**Allocated loss expense shall mean all Court costs and expenses including, but not limited to (i) service of process; (ii) fees to attorneys for the institution or prosecution of any subrogation recovery or contribution action; (iii) fees to attorneys and licensed representatives for services in connection with any Workers' Compensation proceedings or Workers' Compensation Appeal Board actions or as awarded by the Workers' Compensation Board; (iv) fees to physicians and surgeons, laboratories, clinics and hospitals for examination or treatment of employees; (v) the cost of surveillance; (vi) the cost of employing experts for the purpose of appraisals, survey, map preparation, diagrams, chemical or physical analysis or the solicitation of expert advice or opinions in**

**involved chemical, physical or legal questions; (vii) the cost of copies of transcripts or proceedings; (viii) the cost of depositions and court reporter or recorded statements and other similar costs and expenses which are properly chargeable to a recorded claim file. (viii) the cost of copying of hospital and medical records (ix) the cost of nurse case management (third party) (x) the cost of Independent Medical Exams (xi) the cost of DRG audits, (xii) the cost of Medicare Set Aside agreements on Section 32 settlements, With respect to (iii), (iv), (v) and (vii), and (xi) all appointments shall be made by TRIAD from a list of individuals and firms submitted to our client for comment and/or approval.**

APPROVED BOARD OF ACQUISITION & CONTRACT - 11/13/2014 - JONATHAN M. HUBBARD, SECRETARY