

#76902

Date: May 21, 2020

To: Honorable Members of the Board of Acquisition and Contract

From: Ann Marie Berg
Commissioner of Finance

RE: Authority to enter into an agreement with Triad Group, LLC, for the provision of on-the-job injury claim administration and case management services, for the base period from November 1, 2020 through October 31, 2023, with the County having the sole option to renew the agreement for two (2) additional one year terms. For these services, inclusive of the reimbursement of allocated loss adjustment expenses (ALAE), the base period amount is not-to-exceed \$3,645,000. Authority is also being sought for two (2) additional one year terms in the amount not-to-exceed of \$1,225,000 for each additional option year, respectively for these services inclusive of ALAE.

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 February 3, 2020, 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 the County having the sole option to renew the contract for two (2) additional one-year terms.

A total of three (3) 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.

Accordingly, authority is respectfully requested for the County to enter into an agreement with Triad, pursuant to which Triad will provide on-the-job injury/illness claim administration and case management services, for the period from November 1, 2020 through October 31, 2023, for an annual total amount not to exceed of \$640,000 for each fiscal year to be paid on a per-claim basis at the rates contained in Schedule "B", and a total aggregate three year contract amount not to exceed \$1,920,000. The fees for Triad's services may increase depending on the

volume and type of workers compensation cases being incurred by the County, and future authority may be requested to increase the not to exceed annual amount, if necessary.

In addition, authority is respectively sought for the County to have sole options to renew the agreement for two (2) additional one-year terms in the total amount not-to-exceed of \$650,000 for each additional year, respectively.

Also, as in previous resolutions, authority is being requested to include in the Agreement reimbursement of allocated loss adjustment expenses (ALAE) in an annual amount not to exceed of \$575,000 for a three year cost not-to-exceed of \$1,725,000, with two (2) one year options on the part of the County to extend the agreement at an annual cost not-to-exceed of \$575,000 in ALAE. The ALAE portion of the proposed agreement is based on the Finance Department's historical review of such expense and its estimate of these costs going forward. This cost may also increase depending on the volume and type of workers compensation cases being incurred by the County, and future authority may be requested to increase the not to exceed annual amount, if necessary.

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 goal and objective of the proposed agreement is to provide a cost effective solutions to monitor, track and administer these cases.

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

The goal and objective 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 meetings 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 enter into an agreement 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 from November 1, 2020 through October 31, 2023, for an annual total amount not-to-exceed of \$640,000 for each fiscal year to be paid on a per-claim basis at the rates contained in Schedule “B”, and a total aggregate three year contract amount not to exceed \$1,920,000; and be it further

RESOLVED, the County has sole options to renew the agreement for two (2) additional one-year terms in the total amount not-to- exceed of \$650,000 for each additional option year, respectively; and be it further

RESOLVED, that the County is further authorized to include in the Agreement the reimbursement of allocated loss adjustment expenses (ALAE) in an annual amount not-to-exceed of \$575,000 for a three year cost not to exceed of \$1,725,000, with two (2) one year options on the part of the County to extend the agreement at an annual cost not-to-exceed of \$575,000 in ALAE; 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 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
	2020	613	57	0008	4280	N/A	N/A	\$ 202,500.
	2021	613	57	0008	4280	N/A	N/A	\$ 1,215,000
	2022	613	57	0008	4280	N/A	N/A	\$ 1,215,000
	2023	613	57	0008	4280	N/A	N/A	\$ 1,012,500

Budget Funding Year(s): 2020, 2021, 2022 & 2023 Start Date 11/1/20 End Date 10/31/23

Tax Dollars _____
 State Aid _____
 Federal Aid _____
 Other- 6 J Fund _____
\$3,645,000
 (Must match resolution)

APPROVED BOARD OF ACQUISITION & CONTRACT - 06/18/2022 - LISA MUMFORD, SECRETARY

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
Arthur Riegel Esq.	1 Willow Lane, Hewlett NY 11557	Legal Representative Workers C.
Marlene A. Gold Esq.	27 Prospect Park West Apt 6A, New York, NY 11215	Legal Representative Workers C.
Rehabilitation Medicine Associates	P.O. Box 8205, Glen Cove, NY 11542	Independent Medical Exams
UMC Medical Consultants PC	2975 Westchester Avenue Ste #101, Purchase NY	Independent Medical Exams
Precision Health Resources, Inc.	6800 Jericho Tpke, Ste 112, Syosset NY	Independent Medical Exams
Medical Audits Bureau	925 Hempstead Tpke, Franklin Square, NY	Hospital DRG audits
MSA Advocates, Inc.	505 E. Fayette St, Ste 214, Syracuse NY	Medicare Set Aside Agreements
Martor Case Management LLC	P.O. Box 836, Armonk NY	Durable Medical Equipment (DME) Discounts
Global Investigative Services Inc.	998 Old County Road, #317 Plainview NY	Surveillance Investigations
Ferrier Claims Services, Inc.	141 Tompkins Avenue Pleasantville NY	Surveillance Investigations
Advanced Investigations, LLC	P.O. Box 24, Thornwood NY	Surveillance Investigations
AWP RX	P.O. Box 85001, Orlando FL	Prescription PPO discount
G4S Compliance & Investigations	910 Paverstone Drive, Raleigh, NC	Surveillance Investigations
EBS Group	1 Freeland Street, Monroe NY	Investigations
Pagones & O'Neill Investigations	355 Main Street, Beacon, N.Y.	Investigations
Lombardi Associates	277 Fairfield Road, Fairfield NJ	Earning Capacity/Vocational Evaluations
One Call Care Management	P.O. Box 822534, Philadelphia Pa	Diagnostic testing, PPO discount
I CON Cost Recovery	185 Jordan Road, Troy, New York	207-c payroll tax refund services
Align Networks	P.O.Box 530601, Atlanta, GA	PT & Chiropractic PPO discount

SCHEDULE "A" (Continued)

TRIAD GROUP, LLC
SUBCONTRACTOR LIST FOR WESTCHESTER COUNTY

<u>NAME</u>	<u>ADDRESS</u>	<u>SERVICE</u>
First Choice Evaluations	3343 Harlem Road, Buffalo, N.Y.	Independent Medical Evaluations
Delta Group	1397 Buford Business Blvd., Buford, Ga.30518	Investigations
Utopia IME	58-47 Francis Lewis Blvd, Flushing N.Y. 11364	Independent Medical Evaluations
DDCUES	P.O.Box 57, West Point, N.Y. 10996	Investigations (Disabled Veteran

APPROVED BOARD OF ACQUISITION & CONTRACT - 06/18/2020 - LISA MBIJAJ, SECRETARY

SERVICE FEES

BASE- THREE YEAR PERIOD

	Estimated	11/1/2020-			11/1/2021-			11/1/2022-		
		Quantity	10/31/2021		10/31/2022		10/31/2023			
			price	total	price	total	price	total		
Medical Only	160	\$ 150.00	\$ 24,000.00	\$ 150.00	\$ 24,000.00	\$ 150.00	\$ 24,000.00	\$ 150.00	\$ 24,000.00	
Lost Time	220	\$ 675.00	148,500.00	\$ 675.00	148,500.00	\$ 695.00	152,900.00	\$ 695.00	152,900.00	
Incident Only	155	\$ 35.00	5,425.00	\$ 35.00	5,425.00	\$ 35.00	5,425.00	\$ 35.00	5,425.00	
			<u>177,925.00</u>		<u>177,925.00</u>		<u>182,325.00</u>		<u>182,325.00</u>	
Medical Bill Review	10,000	\$ 10.00	100,000.00	\$ 10.00	100,000.00	\$ 10.00	100,000.00	\$ 10.00	100,000.00	
MG-2s	145	\$ 118.50	17,182.50	\$ 118.50	17,182.50	\$ 125.00	18,125.00	\$ 125.00	18,125.00	
Nurse Care Management- Initial	175	\$ 285.00	49,875.00	\$ 285.00	49,875.00	\$ 285.00	49,875.00	\$ 285.00	49,875.00	
Nurse Care Management- Follow Up	1,860	\$ 150.00	279,000.00	\$ 150.00	279,000.00	\$ 150.00	279,000.00	\$ 150.00	279,000.00	
Total NCM			<u>328,875.00</u>		<u>328,875.00</u>		<u>328,875.00</u>		<u>328,875.00</u>	
Corrections Department Data			<u>15,000.00</u>		<u>15,000.00</u>		<u>15,000.00</u>		<u>15,000.00</u>	
Bank Fee			<u>10,000.00</u>		<u>10,000.00</u>		<u>12,500.00</u>		<u>12,500.00</u>	
Total			<u>\$ 648,982.50</u>		<u>\$ 648,982.50</u>		<u>\$ 656,825.00</u>		<u>\$ 656,825.00</u>	
	NOT TO EXCEED	USE	<u>\$ 640,000.00</u>		<u>\$ 640,000.00</u>		<u>\$ 640,000.00</u>		<u>\$ 640,000.00</u>	

OPTION PERIODS

	Estimated	11/1/2023-			11/1/2024-		
		Quantity	10/31/2024		10/31/2025		
			price	total	price	total	
Medical Only	160	\$ 150.00	\$ 24,000.00	\$ 150.00	\$ 24,000.00	\$ 150.00	\$ 24,000.00
Lost Time	220	\$ 695.00	152,900.00	\$ 695.00	152,900.00	\$ 695.00	152,900.00
Incident Only	155	\$ 35.00	5,425.00	\$ 35.00	5,425.00	\$ 35.00	5,425.00
			<u>182,325.00</u>		<u>182,325.00</u>		<u>182,325.00</u>
Medical Bill Review	10,000	\$ 10.00	100,000.00	\$ 10.00	100,000.00	\$ 10.00	100,000.00
MG-2s	145	\$ 125.00	18,125.00	\$ 125.00	18,125.00	\$ 125.00	18,125.00
Nurse Care Management- Initial	175	\$ 285.00	49,875.00	\$ 285.00	49,875.00	\$ 285.00	49,875.00
Nurse Care Management- Follow Up	1,860	\$ 150.00	279,000.00	\$ 150.00	279,000.00	\$ 150.00	279,000.00
Total NCM			<u>328,875.00</u>		<u>328,875.00</u>		<u>328,875.00</u>
Corrections Department Data			<u>15,000.00</u>		<u>15,000.00</u>		<u>15,000.00</u>
Bank Fee			<u>12,500.00</u>		<u>12,500.00</u>		<u>12,500.00</u>
Total			<u>\$ 656,825.00</u>		<u>\$ 656,825.00</u>		<u>\$ 656,825.00</u>
	NOT TO EXCEED	USE	<u>\$ 650,000.00</u>		<u>\$ 650,000.00</u>		<u>\$ 650,000.00</u>

ALAE CLAIM EXPENDITURES DEFINED BELOW INCLUDE CASE MANAGEMENT

Allocated Loss Adjustment Expense:

Allocated loss adjustment 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; (x) the cost of Independent Medical Exams; (xi) the cost of other audit and review services;(xii) the cost of DRG audits; (xiii) 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.

ALAE NOT to Exceed Amounts for:

<u>Period</u>	<u>Amount</u>
11/1/2020 – 10/31/2021	\$575,000
11/1/2021 – 10/31/2022	\$575,000
11/1/2022 – 10/31/2023	\$575,000
11/1/2023 – 10/31/2024	\$575,000
11/1/2024 – 10/31/2025	\$575,000