



**Robert P. Astorino**  
County Executive

**Department of Finance**

**Ann Marie Berg**  
Commissioner

To: Board of Acquisition and Contract

From: Ann Marie Berg  
Commissioner of Finance

Date: April 9, 2010

Re: Resolution authorizing a ten-month renewal option to extend an Agreement with Triad Group, L.L.C. to provide On-The-Job Injury Claim Administration and Case Management Services in accordance with the Request for Proposals issued on October 15, 2005 for the period commencing January 1, 2010, and terminating October 31, 2010 in an amount not to exceed \$375,000, plus preparation of Workers' Compensation forms on behalf of the County in an amount not to exceed \$25,000, at a total cost not to exceed \$400,000 plus reimbursement of loss adjustment expense in an amount not to exceed \$366,667 and to provide certain additional work at no additional cost to the County

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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 October 15, 2005, the Department of Finance issued a Request for Proposals ("RFP") for Job Injury Claims Administration and Case Management Services for all County Employees which provided that a three-year contract would be awarded to the successful proposer, with an option on the part of the County to renew for two additional one-year terms.

Although the RFP originally authorized two one-year renewal options on the part of the County, reference to these options were not included in the resolutions approved for these

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agreements until November of 2008. Ten months of the second one-year option is currently being requested.

Your Honorable Board adopted a Resolution on December 29, 2005 authorizing the County to enter into a one-year Agreement with two one-year options to renew with Triad Group L.L.C. ("Triad") to provide on-the-job injury claim administration and case management services for the term January 1, 2006 through December 31, 2006 at a cost not to exceed \$450,000 plus reimbursement of loss adjustment expense at a cost not to exceed \$440,000 (the "Agreement") which includes documented loss adjustment expenses, such as fees for any necessary independent case management and medical examinations, claimant surveillances, rehabilitation or retraining programs, court stenographers, etc. The Agreement was executed as were two subsequent agreements with Triad for the years 2007 and 2008 at the same cost, as approved by Resolutions adopted December 7, 2006, November 20, 2007, February 7, 2008, and March 20, 2008. It is of note, that although three one-year agreements were entered into instead of one three-year agreement as provided in the RFP, the cost to the County for each year remained the same, so the cost of three one-year agreements and one three-year agreement were also equivalent.

Your Honorable Board adopted Resolutions on November 26, 2008 and on February 19, 2009 authorizing the County to exercise the first of a one-year renewal option to extend the Agreement with Triad for the term January 1, 2009 through December 31, 2009 at a total cost not to exceed \$450,000 plus preparation of Workers' Compensation forms on behalf of the County in an amount not to exceed \$30,000, at a total cost not to exceed \$480,000 plus reimbursement of loss adjustment expense in an amount not to exceed \$440,000. The agreement was subsequently executed.

Authority is now being requested to extend the Agreement with Triad for the term January 1, 2010 through October 31, 2010 at a cost not to exceed \$375,000 to be paid on a per claim basis at the rates contained in Schedule "B" attached hereto, plus preparation of Workers' Compensation forms on behalf of the County during the extension period in an amount not to exceed \$25,000, for a total cost not to exceed \$400,000, plus reimbursement of loss adjustment expense in an amount not to exceed \$366,667. A list of subcontractors to be utilized by Triad is annexed to the resolution as Schedule "A."

The delay in submitting this resolution for Your Honorable Board's approval was due to the need to analyze an audit of Triad's Administration of the County's Workers' Compensation Benefits Reserve Fund ("Fund 6J") conducted by Bennett Kielson at the County's request (the "Audit"). The audit was undertaken to determine Triad's efficiency and effectiveness and was received on January 22, 2010.

The Audit uncovered discrepancies in claims data for the period January 1, 1979 through May 31, 2009 between Triad and Pomco. During this time Pomco had been providing the check processing function of the Workers' Compensation program while Triad administered all other aspects of the program. The discrepancies detailed in the Audit related to the entry of open claim activity data and 207(c) arbitration payments made by the County both prior to 2001. The discrepancies were the result of a failure to upload the claims information in the Triad System,

and also resulted from a lack of integration of data between Pomco and Triad. Bennett Kielson recommended in the Audit that the County have one third-party to handle the administration of the Workers' Compensation program, including the check processing function.

Upon receiving the Audit, the Department of Finance, with your Honorable Board's approval seeks to adopt this recommendation, thereby eliminating the need to reconcile reports generated from two systems and eliminating duplicative administrative procedures. We conducted extensive negotiations with Triad and were able to obtain the additional services recommended by the Audit at no additional charge. In fact, Triad has agreed that beginning April 1, 2010, it will assume the responsibility for issuing payments by check for all workers compensation claims, including those Triad loss adjustment expenses which are charged as an expense to the file, at no additional cost to the County. Weekly payment registers will be reviewed and approved by the Department of Finance and the checks will be drawn upon an account opened by Triad, which will be funded by the County as the checks are generated. Triad will assume all costs related to banking and postage which relate to the check processing function. In addition, Triad will issue 1099 forms to eligible recipients where applicable for the term covered under the extension period. Beginning on April 1, 2010, Triad will also be responsible for the New York State Health Care Reform Act ("HCRA") reporting and payments on behalf of the County. These additional functions will be provided by Triad at no additional cost to the County.

The public purpose of the proposed Agreement is to enhance 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 this agreement are to provide cost effective solutions to monitor, track and administer these cases. The agreement will be monitored and tracked 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 fair delivery of appropriate benefits.

I recommend for your favorable consideration adoption of the annexed proposed Resolution.

AMB/DT  
Attachment

## RESOLUTION

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

**RESOLVED**, that the County is hereby authorized to extend an Agreement with Triad Group, L.L.C. ("Triad") for the provision of on-the-job injury/illness claim administration and case management services (the "Agreement") for a ten-month term from January 1, 2010 through October 31, 2010 in an amount not to exceed \$375,000 to be paid on a per claim basis at the rates contained in Schedule "B" attached hereto, plus preparation of Workers Compensation forms on behalf of the County during the extension period in an amount not to exceed \$25,000.00, for a total amount not to exceed \$400,000.00; plus reimbursement of loss adjustment expense in a total amount not to exceed \$366,667; and be it further

**RESOLVED**, that the list of subcontractors annexed hereto as Schedule "A" is hereby approved; and be it further

**RESOLVED**, that beginning April 1, 2010, Triad will provide check processing functions for the provision of on-the-job injury/illness claim administration and case management services, including the opening of necessary bank accounts and all costs of postage and banking. Triad will issue 1099 forms to eligible recipients covered by the extension period where applicable and beginning April 1, 2010, will be responsible for the New York State Health Care Reform Act ("HCRA") reporting and payments on behalf of the County. These additional services will be provided as part of the Agreement and will be at no additional cost to the County; and be it further

**RESOLVED**, that the agreement with the Triad is subject to County appropriations; and be it further

**RESOLVED**, that the County shall retain the right, upon the occurrence of any release by the Governor of a proposed budget of the State of New York and/or the adoption of the State budget or any amendments thereto, and after the County has a reasonable period of time to conduct an analysis of the impacts of such budget(s) on County finances, to terminate the agreement authorized herein or to renegotiate the amounts and rates approved herein. If the County subsequently offers to pay a reduced amount to Triad, then Triad shall have the right to terminate the 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 thereof.

Account to be Charged/credited	Fund	Dept.	Major Program Program & Phase Or Unit	Object/ Sub Object	Trust Account	Activity	Dollars
2010 :6J Fund	613	57	0009	4280	N/A	N/A	\$400,000

Budget Funding Year(s): 2010 Start Date 1/1/10 End Date 10/31/10

Tax Dollars: \$400,000.00.  
 State Aid: \_\_\_\_\_  
 Federal Aid: \_\_\_\_\_  
\$400,000  
 (Must match resolution) Other- 6 J Fund: X

SCHEDULE "A"

TRIAD GROUP, LLP

SUBCONTRACTORS LIST FOR WESTCHESTER COUNTY

CONTRACT PERIOD: JANUARY 1 THROUGH October 31, 2010

LEGAL SERVICES

CHERRY, EDSON & KELLY  
MANES & MANES

MEDICAL AND DENTAL

UMC MEDICAL CONSULTANTS  
JJ MOBILIA, DDS

HOSPITAL BILL AUDIT

MEDICAL AUDIT BUREAU  
MEDICAL CLAIMS REVIEW

RADIOLOGY, PRESCRIPTION DRUGS, MEDICARE SET-ASIDE

ONE CALL MEDICAL  
PMSI /TIMESYS  
MSA ADVOCATES

INVESTIGATIONS

A.F. INVESTIGATIONS  
TRACE AMERICA  
ISO  
ADVANCED INVESTIGATIONS  
GLOBAL INVESTIGATIONS  
TERRIER CLAIMS/INVESTIGATIONS  
PREMIER INVESTIGATIONS

APPROVED BOARD OF ACQUISITION & CONTRACT - 4-29-2010 - JOMARY VIEIRA, SECRETARY

## SCHEDULE "B"

**TRIAD GROUP, LLP**

### FEES AND CHARGES FOR WESTCHESTER COUNTY

**CONTRACT PERIOD JANUARY 1 THROUGH October 31, 2010**

#### Non-Correction County Employees

<b>1 - First Aid or Incident Only (Pay and Close)</b>	<b>\$25.00</b>
<b>2 - Medical Only</b>	<b>\$105.00</b>
<b>3 - Lost Time</b>	<b>\$585.00</b>

#### Medical Case Management and Return to Work On lost time Case or by Request of client

<b>First 30 days</b>	<b>\$175.00</b>
<b>Each subsequent 30 days</b>	<b>\$125.00</b>
<b>DRG Audits</b>	<b>18% of savings</b>
<b>Medical Bill Review</b>	<b>\$6.00 per bill or 15% of savings, Whichever is less.</b>

#### Correction Employees

<b>1- First Aid or Incident Only (Pay and Close)</b>	<b>\$25.00</b>
<b>2- Medical Only</b>	<b>\$110.00</b>
<b>3- Lost Time</b>	<b>\$600.00</b>

#### 207 C Medico-Legal Reviews and Management

<b>Initial Triage including medico legal review and first 30 days</b>	<b>\$275.00</b>
<b>Each subsequent 30 days</b>	<b>\$135.00</b>

**Subrogation ( Loss Transfer) 35% of Recovery as requested by County.**