

**#71860**

Date: October 2, 2019

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/illness claim administration and case management services, for the second option period from November 1, 2019 through October 31, 2020. For these services, inclusive of the reimbursement of allocated loss adjustment expenses (ALAE), the second option period amount is not-to-exceed \$1,190,000.

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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 June 29, 2015, 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 six (6) 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 for the second option period, pursuant to which Triad will provide on-the-job injury/illness claim administration and case management services, for the period from November 1, 2019 through October 31, 2020, to be paid on a per-claim basis at the rates contained in Schedule "B" for an amount not to exceed of \$650,000, which was established by the previous contract. The loss adjustment expense portion of the second option period, which are expenses for any necessary independent case management and medical examinations, claimant surveillances, rehabilitation or retraining programs, court stenographers, etc., remains also at the previously established contract price of \$540,000. The total aggregate amount of not to exceed for the second option period will be \$1,190,000. It should be noted that 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.

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 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 renew the contract with Triad Group, LLC (“Triad”) for the second option period, pursuant to which Triad will provide on-the-job injury/illness claim administration and case management services, for the period from November 1, 2019 through October 31, 2020, to be paid on a per-claim basis at the rates contained in Schedule “B”, for an amount not to exceed of \$650,000 and loss adjustment expense amount not to exceed of \$540,000 for a total aggregate amount of \$1,190,000; 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 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
	2019	613	57	0008	4280	N/A	N/A	\$ 198,333.
	2020	613	57	0008	4280	N/A	N/A	\$ 991,667

Budget Funding Year(s): 2019 & 2020    Start Date 11/1/19    End Date    10/31/20

Tax Dollars \_\_\_\_\_  
 State Aid \_\_\_\_\_  
 Federal Aid \_\_\_\_\_  
 Other- 6 J Fund \_\_\_\_\_  
\$1,190,000  
 (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 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
Terrier 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
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 Private Investigator)

SCHEDULE "B"								
TRIAD GROUP, LLC								
SERVICE FEES								
BASE- THREE YEAR PERIOD								
			11/1/2015-		11/1/2016-		11/1/2017-	
Estimated			10/31/2016		10/31/2017		10/31/2018	
Quantity			price	total	price	total	price	total
Medical Only	160	\$ 120.00	\$ 19,200.00	\$ 130.00	\$ 20,800.00	\$ 130.00	\$ 20,800.00	
Lost Time	220	\$ 600.00	132,000.00	\$ 650.00	143,000.00	\$ 650.00	143,000.00	
Incident Only	155	\$ 25.00	3,875.00	\$ 35.00	5,425.00	\$ 35.00	5,425.00	
			155,075.00		169,225.00		169,225.00	
Medical Bill Review	10,000	\$ 7.00	70,000.00	\$ 8.00	80,000.00	\$ 10.00	100,000.00	
MG-2s	145	\$ 97.50	14,137.50	\$ 110.00	15,950.00	\$ 110.00	15,950.00	
Nurse Care Management- Initial	175	\$ 275.00	48,125.00	\$ 275.00	48,125.00	\$ 275.00	48,125.00	
Nurse Care Management- Follow Up	1,860	\$ 140.00	260,400.00	\$ 140.00	260,400.00	\$ 150.00	279,000.00	
Total NCM			308,525.00		308,525.00		327,125.00	
Corrections Department Data			12,000.00		12,000.00		15,000.00	
Bank Fee			10,000.00		10,000.00		10,000.00	
		Total	\$ 569,737.50		\$ 595,700.00		\$ 637,300.00	
		NOT TO EXCEED	USE	\$ 570,000.00	\$ 600,000.00		\$ 640,000.00	
OPTION PERIODS								
			11/1/2018-		11/1/2019-			
Estimated			10/31/2019		10/31/2020			
Quantity			price	total	price	total		
Medical Only	160	\$ 140.00	\$ 22,400.00	\$ 150.00	\$ 24,000.00			
Lost Time	220	\$ 675.00	148,500.00	\$ 675.00	148,500.00			
Incident Only	155	\$ 35.00	5,425.00	\$ 35.00	5,425.00			
			176,325.00		177,925.00			
Medical Bill Review	10,000	\$ 10.00	100,000.00	\$ 10.00	100,000.00			
MG-2s	145	\$ 112.50	16,312.50	\$ 112.50	16,312.50			
Nurse Care Management- Initial	175	\$ 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			
Total NCM			328,875.00		328,875.00			
Corrections Department Data			15,000.00		15,000.00			
Bank Fee			10,000.00		10,000.00			
		Total	\$ 646,512.50		\$ 648,112.50			
		NOT TO EXCEED	USE	\$ 650,000.00	\$ 650,000.00			

**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; (ix) the cost of copying of hospital and medical records (x) the cost of nurse case management; (xi) the cost of Independent Medical Exams; (xii) the cost of other audit and review services; (xiii) the cost of DRG audits; (xiv) 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.**