

REQUEST FOR PROPOSAL

(JLARC 13-1)

Consulting Services Contract

**Workers' Compensation Claims Management
System Evaluation**

**Joint Legislative Audit and Review Committee
August 28, 2013**

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SECTION I – INTRODUCTION

I-1 PURPOSE

This Request for Proposal (RFP) is issued by the Joint Legislative Audit and Review Committee (JLARC), a performance audit and program evaluation committee of the Washington State Legislature. JLARC is a joint committee comprised of 16 members, with equal representation between the Senate and House, and the two major parties. The Committee’s mission is to evaluate programs and make recommendations to the Legislature and state agencies that result in cost savings and/or improved performance in state government.

As part of workers’ compensation reform legislation passed in 2011, Engrossed House Bill 2123 (EHB 2123), the Legislature directed JLARC to conduct a performance audit of the state’s workers’ compensation claims management system by 2015.

The legislation that directed this performance audit reads in part:

“The audit shall: (a) evaluate the extent to which the Department makes fair and timely decisions, and resolves complaints and disputes in a timely, fair, and effective manner; and communicates with employer and workers in a timely, responsive and accurate manner, including communication about review and appeal rights, and including the use of plain language and sufficient opportunities for face to face meetings; (b) determine if current claims management organization and service delivery models are the most efficient available; analyze organization and delivery for retrospective rating plan participants as compared to nonparticipants to identify differences and how those differences influence retrospective rating plan refunds; and determine whether current initiatives improve service delivery, meet the needs of current and future workers and employers, improve public education and outreach, and are otherwise measurable; and (c) make recommendations regarding administrative changes that should be made to improve efficiency while maintaining high levels of quality service to help address system costs, and any needed legislative changes to implement the recommendations.”

The study was broken into two phases. Phase I was to complete a study design and determine the resources necessary to complete the actual performance audit. The study design and request for funding to complete the claims management audit were submitted to the legislature in the 2013 legislative session and resulted in the funding for Phase II of the study.

JLARC is requesting proposals from qualified firms to assist in Phase II of this study within a total contract price of no more than **\$600,000**. The work of the successful bidder to this RFP will assist JLARC by providing quantitative and qualitative analysis consistent with the direction provided in this RFP. The contract will have fixed prices for the Department specified deliverables, and the amount of the contract will cover all expenses of the contractor. In addition to the fixed price deliverables, JLARC is requesting that bidders submit hourly rates to allow JLARC the option to request additional consulting assistance from the successful bidder on a per hour basis. Payment under the contract will be based on the successful completion of the tasks, work products, and deliverables specified in this RFP and the contract to JLARC’s satisfaction.

JLARC will retain overall management of the final report to the Legislature, including development of study findings and formal recommendations, and the presentation of study results. The contract will run from the date of execution through June 30, 2015 with the majority of the work to be completed by mid- April 2015.

I-2 BACKGROUND

For over 100 years, Washington has had workers’ compensation laws in place to protect workers and employers from financial and other hardships that result from work-related injuries and illnesses. Workers’ compensation insurance pays for eligible medical expenses, a portion of lost wages, permanent disability awards, and vocational services when a worker becomes injured or ill on the job. It also pays ongoing benefits to a surviving spouse or dependents when a work-related injury or illness results in death. In exchange for these benefits, workers cannot sue their employers for work-related injuries and illnesses, and employers are protected from potentially costly lawsuits.

Washington is one of four states in which workers' compensation is provided from a state-operated insurance program, commonly referred to as the "State Fund." The only alternative to the State Fund in Washington is for an employer to obtain the authority to self-insure. Some large employers who meet specific financial and other criteria are eligible to pay their own losses. Currently, almost 3.3 million workers in Washington have workers' compensation insurance, with 170,000 employers. About 73 percent (2.4 million) of the workforce in Washington is covered by the State Fund and 27 percent of the workforce (855,000) is covered by self-insured employers.

Claims management refers to a series of decisions the Department of Labor and Industries (L&I) and others make to help a worker recover from a work-related injury or illness, mitigate the economic impacts of that injury or illness, and assist in the worker's return to work. Staff at L&I are responsible for managing State Fund claims and regulating self-insured employers. L&I's claims managers determine eligibility for medical care costs and wage replacement, and coordinate with medical providers, employers, and vocational rehabilitation counselors to help injured and ill employees return to paid employment. For the self-insured, these tasks are performed by the employer's own claims managers or third party administrators. All workers, whether covered by the State Fund or self-insured employers, are entitled to the same level of workers' compensation benefits.

Over 146,000 new workers' compensation claims were filed by injured and ill workers in Fiscal Year 2012 and almost \$2 billion was spent for medical bills, a portion of lost wages, permanent disability awards, and vocational retraining assistance. In Fiscal Year 2012, L&I spent over \$69 million to manage State Fund claims. L&I spent additional resources to oversee self-insured claims.

With its focus on claims management, this study will not evaluate employment outcomes for injured and ill workers in-depth, nor will it evaluate the state's workers' compensation benefits structure or rate setting practices, other than the claim handling comparisons between retrospective and non-retrospective (traditional) accounts and how that affects premium refunds.

The Legislature directed JLARC to address the following topics related to the workers' compensation claims management system:

1. Fairness and timeliness of decision-making;
2. Fairness, timeliness, and effectiveness of complaint and dispute resolution;
3. Timeliness, responsiveness, and accuracy of communication with employers and workers;
4. Efficiency of current claims management organization and service delivery models;
5. Differences in claims organization and service delivery for retrospective rating plan participants and non-retrospective accounts;
6. Differences in rating plan refunds based on the differences in organization and delivery for retrospective and non-retrospective accounts; and
7. Whether current initiatives improve service delivery, meet the needs of current and future workers and employers, improve public education and outreach, and are otherwise measurable.

The Legislature also asked JLARC to identify administrative changes that potentially could improve efficiency and address system costs, while maintaining high levels of quality service.

SECTION II - STATEMENT OF WORK

II-1 SCOPE OF WORK

The Firm shall assist JLARC by gathering data (both qualitative and quantitative) that will answer a set of research questions designed to provide an objective and meaningful analysis of the claims management performance of the “State Fund” (for both insured and self-insured claims) and determine if there are recommendations that could be made to improve injured and ill worker outcomes and reduce costs for employers in the State of Washington.

II-2 SERVICES TO BE PROVIDED

The claims management audit was designed to answer the following research questions within each of the seven topic areas to be studied. The Firm will be required to address/answer the following questions:

Research Questions for Topic 1: Fairness and timeliness of decision making (for claim management decisions only)

(1F) Fairness of claims decision making: It is expected that the Department will make decisions that are free from favoritism or bias; are consistent with the law; and are consistent in application from claim to claim.¹

1. Are claim decisions made without favoritism or bias?
 - a. Do workers and employers believe the process and claim decisions made were fair?
 - b. Are claim decisions consistent on claims with similar issues in dispute?
 - c. Are decisions consistent on claims with similar issues for different genders and different age groups?
2. Are claim decisions consistent with statutory provisions, case law, administrative rules, and Department policies and procedures?
3. Are claim decisions consistent for state fund and self-insured claims; and for claims handled under retrospective and non-retrospective accounts when the Department:
 - a. Issues a wage order?
 - b. Issues a segregation order?
 - c. Issues a closing order?
 - d. Issues a reopening order?
 - e. Accepts jurisdiction on an appeal filed with the Board of industrial Insurance Appeals (BIIA)?

(1T) Timeliness of claim management decision making: Workers are used to income on a regular basis; delays in decisions related to benefits and services can create additional stress for workers and jeopardize access to necessary medical care, recovery, and return to work assistance.

1. How long does it take for workers to get a decision about coverage of their workers’ compensation claim?
 - a. What is the difference in this time when comparing self-insured claims and state fund claims? Is the process for decision making by the Department different?
 - b. What is the difference in this time when comparing claims under retrospective accounts and non-retrospective accounts? Is the process for decision making different?
 - c. How does this compare to the statutory requirements in RCW 51.32.160; RCW 51.32.190; and RCW 51.32.210?
 - d. How does this compare to industry best practices and other recommended timeframes for decisions about compensability of workers’ compensation claims?
 - e. How does this compare to other like workers compensation systems?
 - f. How does this compare to data available for other U.S. jurisdictions?

¹ See <http://www.thefreedictionary.com/Fairness>

2. How long does it take injured workers' to get paid for their lost wages when their claims are accepted?
 - a. What is the difference in this time when comparing self-insured claims and state fund claims? Is the process for decision making different?
 - b. What is the difference in this time when comparing claims under retrospective accounts and non-retrospective state fund accounts? Is the process for decision making different?
 - c. How does this compare to the statutory requirements in RCW 51.32.190, RCW 51.32.210, and RCW 51.32.215?
 - d. How does this compare to industry standards, best practices and other national resources on timeliness of initial payment of indemnity benefits?
 - e. How does this compare to other like workers compensation systems?
 - f. How does this compare to data available for other U.S. jurisdictions?
 - g. How does the self-insured timeframe and process compare to self-insured claims in other states?
3. How long does it take for the initial treating provider to get paid for treating an injured worker?
 - a. What is the difference in this time when comparing self-insured claims and state fund claims?
 - b. What is the difference in this time when comparing claims under retrospective accounts and non-retrospective accounts?
 - c. How does this compare to the statutory requirements in RCW 51.36.080 and RCW 51.36.085?
 - d. How does this compare to industry standards and best practices?
 - e. How does this compare to other like workers compensation systems?
 - f. How does this compare to data available for other U.S. jurisdictions?
4. How long do workers receive workers' compensation temporary total disability benefits?
 - a. What is the difference in this time when comparing self-insured claims and state fund claims? How does this differ for self-insured claims in other states? Is the result different for different industries or different size employers?
 - b. What is the difference in this time when comparing claims under retrospective accounts and non-retrospective accounts?
 - c. How does this compare to other like workers compensation systems?
 - d. How does this compare to data available for other U.S. jurisdictions?
 - e. How does this compare to disability durations by diagnosis published in disability duration guidelines used most often in workers' compensation cases.
5. How long does it take for the Department to make permanent partial disability awards from the time one is requested or from the Department's notice of the physician's rating?
 - a. What is the difference in this time when comparing self-insured claims and state fund claims? Is the process different? If so, describe the differences in the process and how it may affect differences in the outcomes.
 - b. What is the difference in this time when comparing claims under retrospective accounts and non-retrospective accounts? Is the process different? If so, describe the differences in the process and how it may affect differences in the outcomes.
6. How long does it take for workers to be approved for permanent total disability benefits?
 - a. What is the difference in this time when comparing self-insured claims and state fund claims? Is the process different? If so, describe the differences in the process and how it may affect differences in the outcomes.
 - b. What is the difference in this time when comparing claims under retrospective accounts and non-retrospective accounts? Is the process different? If so, describe the differences in the process and how it may affect differences in the outcomes.

7. How long have workers been disabled before being referred for vocational rehabilitation?
 - a. What is the difference in this time when comparing self-insured claims and state fund claims? Is the process different? If so, describe the differences in the process and how it may affect differences in the outcomes.
 - b. What is the difference in this time when comparing claims under retrospective accounts and non-retrospective accounts? Is the process different? If so, describe the differences in the process and how it may affect differences in the outcomes.
 - c. Is the result different for different industries or different size employers? Does this explain any differences between self-insured and state fund claims rather than differences in claims management processes?
 - d. How does the result for self-insurers and the Department compare to best practices?
8. How long from referral for vocational assessment is a plan approved or the worker found ineligible for services?
 - a. How does this compare to the statutory requirements in RCW 51.32.098 and RCW 51.32.099?
 - b. What is the difference in this time when comparing self-insured claims and state fund claims? Is the process different?
 - c. What is the difference in this time when comparing claims under retrospective accounts and non-retrospective accounts? Is the process different? If so, describe the differences in the process and how it may affect differences in the outcomes.
9. How long from the date of vocational rehab plan approval to plan completion or closure?
 - a. How does this compare to the statutory requirements in RCW 51.32.098 and RCW 51.32.099?
 - b. What is the difference in this time when comparing self-insured claims and state fund claims? Is the process different? If so, describe the differences in the process and how it may affect differences in the outcomes.
 - c. What is the difference in this result when comparing claims under retrospective accounts and non-retrospective accounts? Is the process different? If so, describe the differences in the process and how it may affect differences in the outcomes.
 - d. Is the result different for different industries or different size employers? Does this explain any differences in outcomes rather than any differences in claim management processes?
10. How many workers referred for vocational services actually return to work?
 - a. What is the difference in this time when comparing self-insured claims and state fund claims? Is the process different? If so, describe the differences in the process and how it may affect differences in the outcomes.
 - b. What is the difference in this time when comparing claims under retrospective accounts and non-retrospective accounts? Is the process different?
 - c. Is the result different if you sort the injuries by industry code or by different size employers? Does this explain any differences in outcomes rather than any differences in claim management processes?
11. How long does it take for a worker to get a decision when they request their workers' compensation claim be reopened?
 - a. What is the difference in this time when comparing self-insured claims and state fund claims? Is the process different? If so, describe the differences in the process and how it may affect differences in the outcomes.
 - b. What is the difference in this time when comparing claims under retrospective accounts and non-retrospective accounts? Is the process different? If so, describe the differences in the process and how it may affect differences in the outcomes.

- c. Is the result different for different industries or different size employers? Does this explain any differences in outcomes rather than any differences in claim management processes?
12. How long is a claim open?
- a. What is the difference in this time when comparing self-insured claims and state fund claims? Is the process different?
 - b. What is the difference in this time when comparing claims under retrospective accounts and non-retrospective accounts? Is the process different?
 - c. Is the result different for different industries or different size employers? Does this explain any differences in outcomes rather than any differences in claim management processes?
 - d. How does this compare to other like workers compensation systems?
 - e. How does this compare to data available for other U.S. jurisdictions?

Research Questions for Topic 2: Fairness, timeliness, and effectiveness of complaint and dispute resolution -

Workers' compensation systems implement complaint and dispute resolutions processes to resolve misunderstandings and disagreements between parties to a claim. Their public policy objective is usually to reduce delays and costs resulting from disputes by providing a cost effective and efficient administrative process to resolve them or to avoid them. In using administrative complaint and dispute resolutions systems instead of depending on the usual state court systems, they strive to ensure timely, consistent, cost effective resolutions which participants believe are fair. The longer the dispute continues and the number of dispute forums used to resolve cases, the more costly is the dispute resolution process for both the worker and employer. Effectiveness of complaint and dispute resolution and cost effectiveness of complaint resolution can be measured by where in the process most of the disputes are resolved.

(2F) Fairness of complaint and dispute resolution: It is expected that the Department will make decisions that are free from favoritism or bias; are consistent with the law and are consistent in application from claim to claim.²

1. What is the entire workers' compensation dispute resolution process; how many cases go to each forum; how many cases are resolved in each forum; and how long does it generally take for those cases to be resolved?
2. Is the Department's complaint and dispute resolution system without favoritism or bias? Do workers and employers believe the complaint and dispute resolution systems are fair? How does this differ for self-insured vs. state fund and retrospective vs. non-retrospective plan employers and workers?
3. Are the Department's complaint and dispute resolution processes applied the same for state fund and self-insured workers and for workers whose employers are insured under retrospective and non-retrospective plans?
4. Are decisions made consistently across claims and consistent with statutory provisions, case law, administrative procedures, and Department policies and procedures? Are decisions made on self-insured vs. state fund claims and retrospective vs. non-retrospective account claims applied similarly on similar issues?

(2T) Timeliness of complaint and dispute resolution: When a worker or employer has a complaint or disagrees with a decision of the Department, they should be able to get a response to their complaint or request for reconsideration of the decision within a reasonable timeframe.

1. Do workers and employers who have had complaints or disagreements filed with the Department asking them to reconsider those decisions feel the complaint/disagreement was addressed in a "reasonable" timeframe?
2. How long does it take for the Department to respond to a protest or request for reconsideration of a claim decision?
 - a. Do requestors believe this is timely?
 - b. Is this different for self-insured vs. state fund claims and retrospective vs. non-retrospective claims?

² See <http://www.thefreedictionary.com/Fairness>

3. How long does it take for the Department to make a decision whether they will reconsider a disputed claim or not when the BIIA sends them the copy of an appeal?

(2E) Effectiveness of complaint and dispute resolution: According to research on dispute resolution systems, effectiveness of dispute resolution systems are generally measured by: (1) Disposition rate (defined as the ratio of cases resolved in a given forum to the number of cases referred to that forum); (2) Speed of resolution (defined as the interval from case filing to resolution); (3) Disputant's costs (this is difficult to measure, but is most commonly determined by the amount of attorney fees paid or total number of hours spent by each party's attorneys); (4) Administrative costs (this has historically been difficult to measure in part due to the inability of agencies to identify and separate all the costs associated with ONLY resolving disputes as opposed to other functions); (5) Participants' satisfaction and perceptions of fairness (usually measured by survey of participants asking about both the process and the outcomes; and (6) Equity (defined as the extent to which a procedure yields outcomes that are fair according to some objective standard. In workers' compensation this usually means does the process yield similar results for similarly situated claimants).

1. What are the most litigious issues in the Washington system?
2. What percentage of disagreements of all disagreements filed within each forum are resolved in each of the following forums:
 - a. By the Department after a request for reconsideration is filed
 - b. By the claims consultant after the filing of an appeal to the BIIA?
 - c. By the BIIA?
 - d. By the Superior Court?
 - e. By the Court of Appeals?
 - f. By the Supreme Court?
1. How long does it take for a case to be resolved within each of the above forums from the time of the filing of a complaint, protest, and request for reconsideration or appeal?
2. Do participants believe the dispute resolution process was fair?
3. Do the participants believe the dispute resolution outcome was fair?

Research Questions for Topic 3: Timeliness, responsiveness, and accuracy of communication with employers and workers-including communication about review and appeal rights, sufficient opportunities for face to face meetings, and use of plain language (for claims management related communications only) Washington State government strives to provide exceptional customer service, and recognizes that clear easy-to-understand communications are essential to good service. They communicate with businesses and individuals through letters, forms, instructions, announcements, publications and other documents or electronic medium, which are the tools they use to do business with the public. They must be written and designed so that they can be easily understood.³

(3T) Timeliness of communication with employers and workers:

1. Do workers believe the information they get from the Department is timely:
 - a. When they request claim assistance by phone, mail or email?
 - b. When they need information and seek it on the website?
 - c. When they disagree with a decision and need to know what steps to take to request reconsideration of that decision?
 - d. When they want to appeal a decision made by the Department?
 - e. When the Department has taken some other action on their claim?
2. Do employers believe the information they receive from the Department is timely?
 - a. When they request assistance by phone, mail or email?

³ Washington State Executive Order 05-03(http://governor.wa.gov/office/execorders/eoarchive/eo_05-03.pdf)

- b. When they need information and seek it on the website?
- c. When they disagree with a claim decision and need to know what steps to take to request reconsideration of that decision?
- d. When they want to appeal a decision made by the Department?
- e. When the Department has taken some other action on one of their claims?

(3R) Responsiveness of communication with employers and workers:

1. Do workers know who to contact about their claim?
2. Do workers believe the response they get from the Department answers the question they asked or provides the information they needed?
 - a. When they receive a denial on their claim?
 - b. When they request assistance or ask a question?
 - c. When they disagreed with a claim decision and needed to know what steps to take to request reconsideration of that decision?
 - d. When they want to appeal a decision of the Department?
 - e. When the Department has taken some action on their claim (e.g., denied all or a part of their medical treatment, referred them for a vocational evaluation or closed their claim)?
 - f. Do they understand the information given them; do they believe it was given in a respectful manner, and do they understand what they were to do next, which forms to use, who to contact, etc.?
3. Do employers know who to contact about a claim?
4. Do employers believe the responses they get from the Department to their claims questions or requests for claims information answers the questions they are asking?
 - a. Do employers understand what they are to do next if they disagree with a decision of the Department?
 - b. Do employers understand the information they are given and feel it is given in a respectful manner?

(3A) Accuracy of communication with employers and workers:

1. Are the information provided on claim forms and the website related to claims processes and procedures consistent with the current statute, corresponding rules and Department policies and procedures?

(3S) Sufficient opportunities for personal interaction, including face to face meetings, for workers and employers:

Under what circumstances does the Department offer face to face meetings with employers and workers during the claims process?

1. Do workers believe they are given sufficient opportunities for personal interaction with the Department?
2. Do employers believe they are given sufficient opportunities for personal interaction with the Department?

(3C) The way the Department of Labor and Industries (L&I) communicates with employers and workers – (use of plain language):

1. What tools of communication does the Department use to communicate claims information with employers and workers? Do the other exclusive fund states or British Columbia use any other methods and if so, should Washington consider those methods as well?
2. Do these tools follow state guidelines on use of plain language?⁴

Research Questions for Topic 4: Efficiency of current claims management organization and service delivery models

– The efficiency of a claims management organization is measured by how much it costs to provide the best possible services to employers and workers to achieve desired outcomes. In workers' compensation, this involves looking at what the system was designed to accomplish (prompt payment of benefits, rapid and sufficient support and services for physical recovery from injury, and proper assistance to help workers return to work) and what it costs to provide those services (premiums paid or costs per \$100 of payroll).

⁴ See Washington State Executive Order 05-03(http://governor.wa.gov/office/execorders/eoarchive/eo_05-03.pdf)

1. What is the current claims management organizational structure of the Department for self-insured and state fund claims and for retrospective and non-retrospective account claims and how does it differ from other state systems; other private; and public claims management organizations? (How they allocate resources, what is the average case load, how they allocate their FTE's by function, etc.).
2. What is the current service delivery model for providing benefits to workers and how does it differ from the model(s) used in other private and public claims service delivery organizations? (How they structure the handling of the claims into individual claim handling units by region, by customer group, by staff expertise, etc.).
3. Does the current claims management organization and service delivery models used by the Department produce prompt payments to workers; support rapid and sufficient physical recovery from injury for workers and provide the proper assistance to help them return to work at a reasonable cost to employers and workers?
 - a. Are payments for lost time to workers made within timely industry standards for each of these groups of claims (self-insured, retrospective, and non-retrospective) and for Washington claims as a whole?
 - b. Are workers able to return to work as quickly as they are able to do in other jurisdictions as measured by the length of temporary disability paid?
 - c. Are costs for the Washington system "reasonable" according to national comparisons currently available in light of the benefits they provide?

Research Questions for Topic 5: Differences in claims organization and service delivery for retrospective rating plan accounts and non-retrospective accounts –

1. Is the Department organized differently for the handling of claims of retrospective rating plan accounts vs. non-retrospective accounts? If so, describe this difference and any resulting outcomes for workers and employers likely resulting from this difference?
2. Is the fairness of Department claims management decisions perceived as different for employers or workers of retrospective vs. non-retrospective accounts?
3. Is the timeliness of Department claim management decisions different for retrospective vs. non-retrospective accounts?
4. Is the complaint and dispute resolution processes perceived any differently by workers or employers depending on if the employer is self-insured, has a retrospective rating account or a non-retrospective account?

Research Questions for Topic 6: How those differences in organization and delivery for retrospective rating plan accounts and non-retrospective accounts might impact rating plan refunds –

1. Are there any differences in the organization and delivery of claim services for retrospective rating plan participants and non-retrospective accounts? If so, what are those differences and how do they affect rating plan refunds and premium discounts?
2. Does the File Fast Unit structure provide additional benefits to the retrospective rating plan participants that are not available to the non-retrospective accounts? If so, what are those benefits and are they fair and equitable?
3. Compare the cost of four hypothetical retrospective plan employer refunds, premium credits, and ultimate premiums to the cost of non-retrospective plan refunds, premium credits, and ultimate premiums in the same industry with the same classifications, same hours worked, same experience modification, and the same claim experience in a given year. In one example assume both the retrospective plan employer and the non-retrospective employer have no lost time claims and in the other three, assume there are lost time claims. Assume in one of the lost time claim examples that all lost time claims return to work after a short period of disability; assume in another that all lost time claims have varying lengths of disability; and in the last example assume at least one lost time claim ends up with lifetime payments.

Research Questions for Topic 7: Whether current initiatives improve service delivery, meet the needs of current and future workers and employers, improve public education and outreach, and are otherwise measurable –

(7FF) File Fast Unit Pilot: A “proof of concept” unit designed to improve claim reporting, intake and triage for incoming claims to reduce delays and associated costs.

1. Does this claims service delivery alternative provide better service to employers with both retrospective rating plans and non-retrospective plans?
2. Does this claims service delivery alternative provide better service to workers in both retrospective rating plans and non-retrospective plans?
3. Does this claims service delivery alternative provide greater opportunities for employer and worker education about how to achieve the best outcomes for workers and employers?
4. How is the Department measuring the differences between their non-retrospective service delivery model and this new initiative?
5. Are there any additional measures the Department should consider in the measurement and evaluation of this program?
6. Are there any other service delivery models that may accomplish the desired results as well or better than this that the Department might consider?

(7B) Building a Better Customer Experience: “L&I staff want to provide value and make a difference in the lives and business of the people we serve. Customers are our first priority. With this service objective, L&I puts more emphasis on listening to and learning from our customers. With their guidance, we can change our practices or behaviors and provide a level of customer service equal to the best public agencies and private companies – even in situations where the action we must take is not what the customer would prefer. We *can* make it easy to do business with the agency, in person, by phone and on the Web. We will regularly bring the customer perspective into the agency through surveys and focus groups, and by assessing feedback from daily interactions. Customer feedback supports a continuous learning environment where L&I employees are better able to solve problems because they understand customers’ needs and experiences.”

1. Do employers and workers feel like the people they interact with at the Department listen to them?
2. Do employers and workers feel like their interactions with the Department have improved in the past two years?
3. How would both employers and workers rank the quality of their interaction with the Department?
4. How does this ranking compare to the same questions asked workers and employers in other states or provinces?
5. Do workers and employers find the Department employees they have dealt with courteous and helpful?
6. Do workers and employers use the Department’s web page and if so, do they find it easy to use and do they find what they need?
7. Do workers and employers use the Department’s claims account center and if so, do they find it easy to use and do they find what they need?
8. Are there any additional suggestions on how to measure the Department’s success on this strategic initiative?

The Firm will complete the study and develop a written report, and may be required to present its findings to Legislative committees. The Firm will be expected to discuss with JLARC the Firm’s approaches, findings, and recommendations at status meetings and presentations throughout the contract period. JLARC will determine the ultimate use of the Firm’s report in addressing the overall JLARC study, and all electronic models, spreadsheets, and data sets will become the property of JLARC. It is JLARC’s expectation that the Firm will use standard, commercially available software that is in wide use or readily available to JLARC and other agencies (e.g., Word, Excel, Access, etc.) and the Firm should include reference to which software products it intends to use in its proposal.

Methods Anticipated to Answer Research Questions

In order for consultants to answer the aforementioned research questions, multiple methods of information gathering are necessary. At a minimum these will include: review of Washington state workers compensation and insurance statutes, administrative rules, and policies and procedures; interviews of Department personnel as well as retrospective employers, account plan managers, self-insurers and others; surveys of injured workers and employers; data analysis from claims data provided by the Department and other sources; claim file reviews; exploration of and evaluation of publically available data from a limited sample of other jurisdictions; review of and comparisons with current literature; review and evaluation of currently available information from the Department and from the Board of Industrial Insurance Appeals; use of information already provided by other studies; as well as the development of a number of algorithms to estimate data that is not directly available to the consultants. Potential bidders should make sure they review Exhibit C, “Methods for Data Collection and Comparisons by Research Question” prior to presenting their response. This influences the resources needed and the knowledge, skills, and abilities necessary to complete the evaluation successfully.

In the course of completing the above services, the Firm shall do the following:

The Firm shall work with JLARC staff and the Department of Labor and Industries, to identify previous reports. JLARC will provide a list of the reports and studies that it believes could be useful to frame and develop the study. The Firm’s work should not be limited to this list.

The Firm will be required to meet with JLARC’s consultant and staff for an initial meeting to review the project plan and discuss any concerns about data, methods, or comparisons; as well as to meet with key staff from the L&I and key constituents to obtain initial contacts; and make formal project progress presentations to JLARC staff a minimum of five times during the course of the contract. This will be an opportunity to discuss methodology, progress, preliminary findings, data difficulties, and any issues of substance to the Firm or to JLARC staff or consultant. The Firm will present both a written progress report and a PowerPoint presentation at these progress presentations.

The Firm shall prepare a written final report that may become a major component to the report prepared by JLARC staff. The Firm will assist JLARC staff as it incorporates the Firm’s written product into the JLARC staff report.

The Firm may be required to make an oral presentation subsequent to submission of the final study, in public meetings, to legislative committees and their staff. As appropriate, the Firm may need to follow-up on questions or comments raised at these meetings. The Firm shall be required to follow general guidance provided by JLARC staff as to the format and length of reports and briefings, as well as the level of detail appropriate for intended audiences.

II-3 REPORTING AND DELIVERY REQUIREMENTS

A. Work Plan

All work shall be in accordance with a work plan approved by JLARC:

- 1) Within fourteen (14) calendar days after the date of the contract execution (anticipated to be November 8, 2013), the Firm shall develop an initial work plan to meet the work requirements of this RFP, and any changes necessary based on additional information or input provided by JLARC staff. The work plan shall include:
 - The specific tasks and sub-tasks to be performed;
 - The expected duration and level of effort in hours by person;
 - The specific data that will be needed, along with data sources;
 - A schedule for performing the tasks;
 - The milestone dates; and
 - The management, supervisors, staff, and affiliates assigned to the tasks and subtasks, and the amount of time each person will spend on each task and subtask.

- 2) Within eighteen (18) calendar days after the first work plan is submitted, an adjusted work plan will be submitted based on discussions with JLARC staff. Changes that adjust priorities and tasks should be negotiated prior to submittal of the adjusted work plan.
- 3) The work plan and adjustment to the work plan is subject to approval by the Legislative Auditor. Any subsequent changes shall also require approval by the Legislative Auditor.

B. Deliverables

Major deliverables are due according to the following schedule:

	Due Date	Deliverable
1)	Bi-weekly throughout the project	Bi-weekly progress report identifying accomplishments of each reporting period, identifying any issues or challenges that need to be overcome, and any concerns or problems identified that might jeopardize the successful completion of the study along with plans to overcome any challenges. These reports should also detail any assistance needed from JLARC staff to overcome any challenges.
2)	11/22/2013	Initial Work Plan (as specified above)
3)	12/3/2013	Initial meeting with JLARC staff and consultant to: review methodology and potential comparison groups; discuss any concerns about data availability; make initial introductions to L&I staff; and provide a listing of resources needed from JLARC and/or L&I.
4)	12/10/2013	Adjusted Work Plan (as specified above)
5)	12/17/2013	Listing of all the data needed from L&I with instructions on how the data is to be sorted and the process of transferring the data to the consultant(s).
6)	2/18/2014	Written report summarizing the results of interviews with: <ul style="list-style-type: none"> • L&I personnel; • Retrospective account employers; • Account plan managers; • Administrators for retrospective group accounts; • Retrospective group employers; • Non-retrospective state fund employers; • Self-insured employers; and • Union representatives
7)	3/17/2014	Written report on L&I and self-insured claims to be reviewed, how the claims were selected, any concerns or challenges likely to be faced with the claim reviews, and the process to be used in reviewing the claims.
8)	3/17/2014	Written report with draft survey questions and selection criteria for each group to be surveyed with details of any concerns about representativeness and the proposed process to be used in conducting the surveys.
9)	3/17/2014	Written report on the method used to choose files for timeliness and consistency of legal decisions and protest awards.
10)	4/21/2014	Written report listing the other jurisdictions contacted about available comparison statistics and results of those contacts; results of negotiations with self-insurers and third party administrators (TPAs) about data for self-insured comparisons on promptness of payment and denials. Any concerns or caveats about using these sources as comparisons with Washington should be itemized on this report as well as the process to be used to ensure representative samples are obtained and how to make as meaningful a comparison as possible.

	Due Date	Deliverable
11)	4/21/2014	Written report on the method used to choose self-insured non-Washington claim data for comparisons on the timeliness of initial payments and denials on self-insured claims and the results of such comparisons with documentation of all the challenges and caveats with such comparisons. This report should also contain a comparison of the process used by the other states to regulate self-insured claims in this comparison (e.g., processes to approve and regulate timely payment and denials of self-insured claims).
12)	5/28/2014	Interim meeting and progress report detailing work and results to date. This report should include answers to any of the research questions contained in Section II-2 Services to Be Provided that are completed.
13)	7/30/2014	Written report on the results of the file reviews to determine if similar issues in dispute resulted in similar decisions by L&I.
14)	10/29/2014	Interim meeting and progress report detailing work and results to date. This report should include answers to any of the research questions contained in Section II-2 Services to Be Provided that are completed.
15)	1/22/2015	Written report of answers to all research questions contained in Section II-2 Services to Be Provided that are completed
16)	3/9/2015	Draft Report synthesizing reports for deliverables 6 through 15 and answering all the research questions contained in Section II-2 Services to Be Provided.
17)	3/11/2015	Meeting with JLARC to present Draft Report and findings.
18)	4/13/2015	Final Report which synthesizes reports for deliverables 6 through 15, answers all the research questions contained in Section II-2 Services to Be Provided, and includes any revisions requested by JLARC.
19)	4/15/2015	Presentations to JLARC staff and then to L&I staff on Final Report and recommendations.
20)	6/1/2015	All working papers, electronic models, spreadsheets, and data sets supporting Firm's report submitted to JLARC

JLARC will review the deliverables and reports to ensure that the Firm's analysis is supported by relevant, sufficient, and credible evidence. JLARC shall submit comments on the Draft Report within 30 calendar days of receipt. The final report shall incorporate all changes made necessary, as determined by JLARC staff.

C. Working Paper Requirements

- 1) The Firm shall obtain and document in writing sufficient, competent evidential matter to support the analysis in its report, models, spreadsheets, or other data analysis.
- 2) In order to facilitate reviews of working papers by JLARC staff, the Firm shall exercise strict control over the preparation and maintenance of working papers.
- 3) Working papers are to be organized, numbered, and cross-referenced in a logical manner to enable easy cross-walk between the work plan, working paper sections, conclusions, findings, and source documents.
- 4) All working papers, electronic models, spreadsheets, and data sets resulting from this study shall be owned by JLARC and shall be retained for a period of at least six years or until any claim brought under this RFP is settled. It is JLARC's expectation that the Firm will use standard, commercially available software that is in wide use or readily available to JLARC and other agencies. The Firm may retain a copy of working papers supporting this study.

- 5) The report, and all working papers supporting it are confidential until the preliminary report is officially released to the public by JLARC. Prior to the official release of the report, working paper access shall be limited to JLARC staff, its consultant, and the Firm. JLARC will coordinate communication about the report and between the Firm and the Department of Labor and Industries.

D. Progress Reporting

The Firm shall provide JLARC bi-weekly written reports outlining the following:

- Risks or issues which might affect the schedule or level of effort as planned, and their required resolution time frames;
- Progress against planned tasks and activities for the particular reporting period;
- Planned tasks and activities for the next reporting period, which may include anticipated contacts and research plans; and
- Disposition of previously reported risks or issues.

The progress reports, which may be filed electronically, shall be organized into narrative language that is clear, concise, and structured to be easily understood by a third party.

In addition to the bi-weekly progress report, the Firm will prepare the three project progress presentations. These presentations do not substitute for the bi-weekly progress reports.

E. Draft and Final Reports to JLARC

The Firm will submit draft and final reports to JLARC staff. JLARC staff will review the draft report and may also share them with select others for technical review. The Firm's final report will include revisions to the draft report as necessary to incorporate comments and suggestions from JLARC staff. The findings and conclusions of the final report might be distributed by JLARC or incorporated, as appropriate, into a report being prepared by JLARC staff. The final report may also be made available to the public as a Technical Appendix to the JLARC staff report. The draft and final reports and all electronic models, spreadsheets, and data sets should synthesize findings and conclusions resulting from a thorough and cumulative assessment of all completed work described in Section II. Findings and conclusions must be clearly documented as resulting from field work and analysis done for this study.

The Firm may be required to make up to two oral presentations, in public meetings, to legislative committees and their staff. As appropriate, the Firm may need to provide follow-up on questions or comments raised at these meetings. The Firm shall be required to follow guidance provided by JLARC staff as to the format and length of reports and briefings, as well as the level of detail appropriate for intended audiences.

SECTION III - OFFEROR QUALIFICATIONS

III-1 MANDATORY MINIMUM QUALIFICATIONS

Offerors, or Offerors consisting of consultant teams assembled as a joint venture, must satisfy **all** of the following mandatory minimum qualifications as outlined below in order to be considered for the contract award:

- A. At a minimum, the Offeror must agree to provide the services as detailed in Section II, "Statement of Work," as well as all other requirements stated in the RFP.
- B. The Offeror must provide assurance that the key professionals and/or the organization do not have, nor could they potentially have, a material conflict of interest with the subject of workers' compensation claims management within the state of Washington, JLARC, or any personal, external, or organizational impairments as described in the *Government Auditing Standards GAO-12-331G, as issued by the United States Government Accountability Office* (<http://www.gao.gov/assets/590/587281.pdf>).
- C. Current contracts or agreements with entities that could provide the appearance of an impairment to independence must be disclosed and explained in the Offeror's proposal.
- D. The Offeror must have demonstrated expertise, experience, knowledge, and abilities in the following specific areas:
 1. Workers' compensation research, workers' compensation performance evaluation, and/or workers' compensation claim auditing.
 2. Workers' compensation data programming and analysis for both disability and medical data.
 3. Workers' compensation claim management experience, including the management of disability and medical claims; rehabilitation, and return to work; and dispute resolution.
 4. Knowledge of workers' compensation systems in Washington and other states.
 5. Workers' compensation legal experience (preferably in Washington workers' compensation law).
 6. Workers' compensation vocational rehabilitation experience.
 7. Knowledge and experience with workers' compensation insurance plans, with a level of detail that would allow an understanding of how retrospectively rated plans differ from guaranteed cost policies; how experience modifications work and how premiums are calculated for both types of plans.
 8. Experience in survey research design, implementation, and analysis.
 9. At least one team member must hold an advanced degree in economics or statistics.
 10. Experience working with a broad range of clients and constituency groups, both public and private.
 11. Skill at preparation of reports and presentation graphics that effectively communicate study results to non-technical audiences whose primary interest will be the use of study results to improve outcomes for workers and employers and to inform options for agency program funding, organization, and public policy.

SECTION IV - GENERAL INFORMATION

IV-1 DEFINITIONS

“**Offeror**” or “**Firm**” means an entity intending to submit or submitting a proposal for the project, including any entity such as a joint venture, assembled specifically for this purpose and its subcontractors.

“**Apparently Successful Offeror**” or “**Apparently Successful Firm**” means the Offeror or Firm selected by the Legislative Auditor as the most qualified entity to perform the stated services.

“**Legislative Auditor**” means the chief executive officer of JLARC.

“**JLARC**” means the Washington State Joint Legislative Audit and Review Committee and/or its staff.

“**L&I**” or “**Department**” means the Washington State Department of Labor and Industries.

“**RFP**” means this Request for Proposal, any *addendum* or *erratum* thereto, Offerors' written questions and the respective answers, and any related correspondence that is: (1) addressed to all Offerors, and (2) signed by the Legislative Auditor or his/her designee.

Contract definitions are provided in Exhibit D.

IV-2 COMPENSATION AND PAYMENT

The compensation for the duration of this contract shall be fixed from the fee included in the Offeror’s proposal. This fixed compensation shall include all costs, including all travel, as necessary. Invoices shall be submitted to:

John Bowden, Research Analyst
 Joint Legislative Audit and Review Committee
 1300 Quince Street SE
 PO Box 40910
 Olympia, WA 98504-0910

Progress billing may be submitted following completion of the following deliverables:

Deliverable	Contract Amount Payable
Contract execution	3%
Initial work plan	4%
Final adjusted work plan	4%
Written reports (Deliverables 6 through 11, 13, and 15)	24% (3% each)
First interim progress report, meeting, and presentation	15%
Second interim progress report, meeting, and presentation	15%
Firm’s draft final report, meeting, and presentation	15%
Firm’s final report, meeting, and presentation	14%
Final supporting work papers and all models, spreadsheets, and data sets	3%
JLARC’s final report and/or presentations	3%
Consultation with JLARC staff regarding comparison of workers’ compensation claims management with JLARC staff’s analysis of program funding	Hourly rate

Payment for each billing shall be made by JLARC to the Firm after JLARC has determined that the progress of the project and the quality of the work is satisfactory. This determination will include consideration of the progress of the project in comparison to the work plan, and that the work meets JLARC standards. If JLARC determines that the Firm has not made satisfactory progress in accordance with the work plan or the work does not meet JLARC standards, it may withhold payment until the necessary work is completed to its satisfaction.

IV-3 EXPECTED TIME PERIOD FOR CONTRACT

The period of contract performance is expected to be from November 8, 2013 through June 30, 2015.

IV-4 ELIGIBILITY TO COMPETE

The Firm, or any subsidiary, affiliate, or parent company thereof, competing for this procurement must inform JLARC of all current contracts with state or local governments related to workers' compensation claims management analysis. The Firm must also inform JLARC whether it has any contracts or agreements with private entities for the purpose of assisting those entities with workers' compensation claims management analysis. In their proposals, Firms must provide an attachment describing how such contracts do not pose impairment to independence, as described in Government Auditing Standards GAO-12-331G issued by the United States Government Accountability Office (<http://www.gao.gov/assets/590/587281.pdf>).

The Legislative Auditor reserves the right to disqualify proposals from Firms that do not provide adequate justification of how impairments to independence are avoided. The Firm, during the term of the resulting contract, and any extensions thereto, may compete in procurements for consulting services with a state agency or local government relating to workers' compensation claims management analysis provided that:

- 1) JLARC is first notified of such intention;
- 2) The Firm makes assurances that the contract for which the Firm is bidding will not result in an impairment to independence; and
- 3) The Legislative Auditor agrees that no such conflict of interest exists. Failure to meet these terms may result in contract termination.

SECTION V - INSTRUCTIONS FOR COMPLETING AND SUBMITTING PROPOSALS

V-1 RFP CONTACT

The RFP Coordinator listed below is the sole point of contact for this RFP, except as expressly authorized by the Legislative Auditor or his/her designee. Throughout the duration of the procurement process, all communications are to be directed to the contact listed below.

John Bowden, Research Analyst
 Joint Legislative Audit and Review Committee
 1300 Quince Street SE
 PO Box 40910
 Olympia, WA 98504-0910
 Telephone: (360) 786-5298
 FAX: (360) 786-5180
 E-mail: john.bowden@leg.wa.gov
 Web: http://jlarc.leg.wa.gov

The RFP Coordinator may require that inquiries be put in writing.

“Letter of Intent to Bid,” in the format of Exhibit B, must be received at the JLARC office by **September 13, 2013 at 4:30 p.m. Pacific Daylight Savings Time.** The letter of intent to bid may be submitted electronically via e-mail or fax.

Offerors who submit the “Letter of Intent to Bid” prior to the deadline will be sent any modifications of the RFP and a written record of additional substantive information provided to prospective Offerors (such as responses to telephone inquiries). Inquiries concerning clarification of some aspect of the RFP will be accepted beginning September 2, 2013. No inquiries about the RFP will be accepted after September 13, 2013.

A firm which either chooses not to submit a “Letter of Intent to Bid” or fails to meet the deadline for its submittal may submit a proposal in response to this RFP, but may not have the benefit of the information referenced in the preceding paragraph.

V-2 SCHEDULE OF PROCUREMENT ACTIVITIES

The following schedule of activities must be adhered to by all Offerors. Offerors mailing proposals should allow normal mail delivery time to ensure timely receipt of their proposals by the RFP Coordinator listed in Section V-1 of this RFP.

Event Date

Release of RFP	August 28, 2013
Acceptance of RFP clarification inquiries beginning	September 2, 2013
Deadline for RFP clarification inquiries	September 13, 2013
Letters of intent to bid due to JLARC by 4:30 p.m. PDT	September 13, 2013
Distribution of answers to clarification inquiries	September 20, 2013
Proposals due to JLARC by 4:30 p.m. PDT	October 11, 2013
Start of finalist oral interviews (may be telephonic)	October 21, 2013 (anticipated)
Apparently Successful Firm notified	October 28, 2013 (anticipated)
Contract execution	November 8, 2013 (anticipated)
Public announcement of Successful Firm	November 12, 2013 (anticipated)

V-3 SUBMITTING PROPOSALS

Submittal of eight (8) copies of the proposal is required. Seven (7) copies must be hardcopy and one must be electronic (CD or flash drive). One hardcopy must have original signatures and the other six copies can have photocopied signatures. One of the six copies with a photocopied signature must be **unbound**.

The unbound copy must be marked “**Copy for Reproduction,**” and **must** be formatted as follows: (a) no divider sheets or tabs; (b) text only on **one** side of the sheet of paper (*i.e.*, no double-sided pages); and (c) those pages containing “confidential” information **removed**, but a cover index for this copy attached bearing the Offeror's name setting forth which page(s) has (have) been removed because they contained “confidential” information.

Eight (8) copies of the proposal (including the unbound copy and the electronic copy) shall be delivered to the following address by 4:30 p.m., Pacific Daylight Savings Time, October 12, 2013:

John Bowden, Research Analyst
Joint Legislative Audit and Review Committee
1300 Quince Street SE
PO Box 40910
Olympia, WA 98504-0910

Proposals may not be transmitted using e-mail or facsimile transmission. Notwithstanding the provisions of RCW 1.12.070, postmarks will not be considered as date received for the purposes of this RFP. **Late proposals will not be accepted, nor will time extensions be granted.**

The outside of the proposal packaging is to clearly identify the RFP being responded to.

All proposals and accompanying documentation become the property of the JLARC and **will not be returned.**

V-4 PROPOSAL FORMAT AND CONTENT

Proposals should be prepared on 8½ x 11 inch paper; however, 11 x 14 inch paper is permissible for charts, spreadsheets, etc.

All of the conditions set forth in this section must be included and addressed thoroughly and completely by the Offeror before JLARC will accept a response to this RFP.

The proposal should consist of six (6) main sections as outlined below: 1) Executive Summary, 2) General Information, 3) Technical Expertise Proposal, 4) Management Proposal, 5) Cost Proposal, and 6) “Certifications and Assurances” form (Exhibit A). Section 3 shall not exceed 25 single-spaced pages. Proposals should be in sufficient detail to permit evaluation and should include tabs separating the individual sections (except for the unbound copy). Please keep any attachments to a minimum.

SECTION 1: Executive Summary

Please set forth a stand-alone Executive Summary of the contents of your Firm’s proposal, including all the subsection topics set forth therein. Take particular care in its preparation, for if your Firm is selected as a finalist, this document may be used as a guide in conducting an oral interview. **DO NOT** structure it in the format of a reference to sections of your overall proposal.

SECTION 2: General Information

Please provide the material specified below. If the proposal includes a subcontract or joint venture, the Offeror must submit specific information for each subcontractor or joint venture member.

- A. Name, mailing address, phone, e-mail, and FAX number of legal entity with whom the contract is to be written.
- B. Name, mailing address, phone, e-mail, and FAX number of primary contact.
- C. Name, mailing address, e-mail, and phone number(s) of principal officer(s).
- D. Legal status of organization (e.g., sole proprietorship, partnership, corporation, etc.).
- E. Federal employer identification number.
- F. Washington State Department of Revenue Registration Number (UBI number), if applicable.
- G. The location of the facility from which the Offeror will operate.

- H. If the Offeror or anyone associated with the Offeror has been an employee of the state of Washington during the past two years, indicate his/her job title, agency by which employed, and separation date.
- I. If the Offeror or anyone associated with the Offeror contracted with the state of Washington during the past two years, identify the agency and contract number and briefly describe the contract.

SECTION 3: Technical Expertise Proposal

The technical expertise proposal should respond to each of the requested services enumerated in Section II-2 and deliverables enumerated in Section II-3. The technical expertise proposal should describe the approaches, methodologies, and techniques that will be used to provide these services and produce these deliverables; explain, if applicable, what methods or comparisons will be used in addition to or instead of those listed in Exhibit C - Methods for Data Collection and Comparisons by Research Question and why these are necessary; shall identify each person responsible for each task; and support the fact that the offer is qualified to successfully complete this study on time. The technical expertise proposal should describe in as much detail as possible:

- 1) Anticipated tasks, levels of effort, schedules, coordination work, and meetings with state agencies, local governments, and private firms;
- 2) Software to be used in this project, data requirements, and other technical aspects of the Firm’s proposal;
- 3) If proposing methods or comparisons in addition to or instead of those in Exhibit C –Methods for Data Collection and Comparisons by Research Question, describe them and explain why they are necessary; and
- 4) Which individuals will be responsible for each of the tasks listed.

The technical expertise proposal should also include:

- 1) Descriptions of other projects the offer has successfully completed in the last five years in workers’ compensation evaluation, research or claims audits similar to this project; and
- 2) A sample of work that demonstrates the Offeror’s expertise in this area.

If appropriate, include the contract numbers, period of performance, contact persons, and telephone numbers for previous similar work. Indicate if the Offeror within the last five (5) years has had a contract terminated for default, defined as notice to stop performance. Provide full details, including the other party’s name, address, and telephone number. Offeror must also reveal if the Firm has had any other contracts or agreements with L&I within the last ten years.

SECTION 4: Management Proposal

Describe how your firm proposes to organize, manage, control, and report on the status of the project. Identify all critical milestones.

If an offer is being made by a joint venture or multiple firms collaboratively, the lead Firm for contracting purposes must be identified. JLARC will enter into a contractual relationship with only one firm. All other entities must be subcontractors to the lead Firm. The Firm will be responsible for all work conducted by and deliverables produced by all subcontractors.

Include an organization chart indicating the lines of authority for all personnel involved in performance of the potential contract. Indicate who within the Offeror’s organization will have final authority for the work.

Identify the staff that will be assigned to the project, including those who will lead each of the seven topic areas of research questions, the interactions with state implementing and oversight agencies, and those who will conduct the on-site fieldwork. Discuss staff responsibilities and the amount of time they will devote to the project by task or topic area. Succinctly state each person’s qualifications and relevant experience. Attach resumes. *[Note: Care should be taken to keep resumes as concise as possible.]*

NOTE: The Offeror must commit that the staff identified in the proposal will actually be assigned to this project. Any substitution must be approved by JLARC.

SECTION 5: Cost Proposal

JLARC intends to enter into a fixed-term contract. The services detailed in Section II of this RFP are the basis for the Offeror's fee. The fee for work performed shall be a fixed fee for the requested services and all travel.

The fixed-price cost proposal must include a fully detailed budget with staff costs and non-staff costs necessary to accomplish the tasks and to produce the deliverables. The staff must be identified by name, hourly rate, number of hours devoted to the project, and type of work.

SECTION 6: Certifications and Assurances Form

The Certifications and Assurances form, Exhibit A, must be signed by the president or chief executive officer of a corporation, the managing partner of a partnership, the proprietor of a sole proprietorship, or all members of a joint venture included in the Offeror's proposal.

V-5 PROPRIETARY INFORMATION

All proposals received shall be public records but shall remain confidential until the Legislative Auditor or his/her designee announces the successful Offeror resulting from this RFP, if any. Thereafter, proposals shall be available for public inspection and copying as required by Chapter 42.56 RCW (the principal Washington State statute pertaining to accessibility to public records) except as exempted in that chapter or by another. Offerors are advised that the permissible exemptions from public disclosure pursuant to Chapter 42.56 RCW are very narrow in scope and will be strictly construed. In the event that an Offeror desires to claim portions of its proposal as exempt from disclosure under the provisions of the aforementioned RCW, it is incumbent upon that Offeror to clearly identify those portions in a proposal transmittal letter. The transmittal letter must identify the page and particular exemption(s) from disclosure upon which it is making its claim. Further, each page claimed to be exempt must be clearly identified by the word "CONFIDENTIAL" printed on the lower right-hand corner of the page. ***Designating the entire proposal as confidential is not acceptable and will not be honored.***

If a request is made to view an Offeror's proposal, the Legislative Auditor or his/her designee shall respond in accordance with RCW 42.56.070 *et seq.* If any of the specifically requested information is marked as "confidential" in the proposal, but in the opinion of the Legislative Auditor does not conform to any one of the enumerated exemptions from disclosure, such information will not be made available until three (3) business days after the affected Offeror has been given telephonic notice that the information has been requested. If the affected Offeror has undertaken proceedings to obtain a court order restraining the Legislative Auditor from disclosure of the "confidential" information requested within those three (3) days, the Legislative Auditor will not disclose such information until resolution of the court proceeding. Upon failure to make application for judicial relief within the allowed period, the information will be disclosed.

NOTE: The proposal of the successful Offeror may be attached to the resulting contract and incorporated therein by that attachment. Therefore, as part of a public state agency contract, the *entirety* of the successful Offeror's proposal will be subject to public disclosure regardless of any claim of confidentiality or previously applicable statutory exemption. Nevertheless, should a successful Offeror obtain a court order from a Washington State court of competent jurisdiction prohibiting disclosure of parts of its proposal prior to the execution of the contract incorporating the same, the Legislative Auditor shall comply with the court order. The burden is upon a successful Offeror to evaluate and anticipate its need to maintain confidentiality and to proceed accordingly. Timeliness will be of the essence; a delay in execution of the contract to accommodate a petition to the courts will not be allowed.

V-6 RECORDS RETENTION

After the date of the announcement of the Apparently Successful Offeror, the Legislative Auditor will retain one master copy of each proposal received for a period of six (6) years or until any claim brought under this RFP is settled.

V-7 PREPARATION AND TRAVEL COSTS

JLARC will not be liable for any costs associated with preparation and presentation of a proposal submitted in response to this RFP.

The Offeror assumes responsibility for its personnel's travel and associated costs as they relate to the bidding on this project. These costs must be considered in the bid cost of the proposal.

V-8 ADDENDA TO THE RFP

In the event it becomes necessary to revise any part of this RFP, an *addendum* or *erratum* will be provided to all Offerors who have indicated an intention to submit a proposal.

V-9 SUBMISSION LIMIT

After submission, Offerors will not be allowed to amend the proposal. Responses consisting solely of marketing material are not acceptable and will be rejected.

SECTION VI - EVALUATION OF PROPOSALS

VI-1 EVALUATION PROCEDURE

Proposals will be reviewed and evaluated by a panel selected by JLARC staff. Written submittals, subsequently requested materials and oral presentations, if any, will be used in selecting the winning proposal. After initial evaluations, the Legislative Auditor may select a few Offerors as finalists for oral presentations to the evaluation panel. The Legislative Auditor reserves the right, at his/her sole discretion, to reject any and all proposals received without penalty. Subject to the approval of the JLARC Executive Committee, the final selection, if any, will be that proposal which, in the opinion of the Legislative Auditor after review of all submissions by the evaluation panel, sufficiently and best meets the requirements set forth in the RFP and is in the best interest of the citizens of Washington.

The selection will be accomplished through the following process:

- A. Initially, the JLARC office will review each proposal for compliance with minimum mandatory requirements as stipulated within the RFP. Proposals found non-compliant will be rejected from further consideration. Proposals not rejected will then be evaluated using the criteria outlined in Section VI-1-B below.
- B. The evaluation panel will evaluate the acceptable proposals and assign numeric scores based on the following weights:

Technical Expertise Proposal	72 percent
Management Proposal	20 percent
Cost Proposal	8 percent

JLARC reserves the right to ask for re-submittals of RFPs by finalists, as determined by the Legislative Auditor. Finalists in the RFP process may be asked to make oral presentations either telephonically or in Olympia, Washington to the evaluation panel and/or JLARC regarding their proposal. If finalists are asked to make an oral presentation, the final selection of the successful Offeror may be based on a combination of the evaluation of the written RFP and the oral presentation.

SECTION VII - JLARC RIGHTS

VII-1 PROPOSAL REJECTIONS

Determination of clarity and completeness in the responses to any of the provisions in this RFP will be made solely by the Legislative Auditor or his/her designee. The Legislative Auditor reserves the right to require clarification, additional information, and materials in any form relative to any or all of the provisions or conditions of this RFP.

The Legislative Auditor reserves the right to reject any or all proposals at any time prior to the execution of a contract acceptable to the Legislative Auditor, without any penalty to the Legislative Auditor.

VII-2 CONTRACT AWARD

The Legislative Auditor intends to award the contract to the Offeror with the best combination of attributes based on the evaluation criteria listed in Section VI-1-B of this RFP.

Should the Legislative Auditor fail to negotiate a contract with the Apparently Successful Offeror, the Legislative Auditor reserves the right to negotiate and contract with the next most qualified Offeror.

VII-3 PUBLICITY

No informational pamphlets, notices, press releases, findings, conclusions, research reports, and/or similar public notices concerning this project may be released by the Apparently Successful Offeror without obtaining prior written approval from the Legislative Auditor.

VII-4 WAIVERS

The Legislative Auditor reserves the right to waive specific terms and conditions contained in this RFP.

It shall be understood by Offerors that the proposal is predicated upon acceptance of all terms and conditions contained in this RFP unless the Offeror has obtained such a waiver, in writing, from the Legislative Auditor or his/her designee prior to submission of the proposal.

Any waiver granted, prior to formal negotiation with the Apparently Successful Offeror, will be granted to all Offerors.

SECTION VIII - MISCELLANEOUS TERMS AND CONDITIONS

VIII-1 SUCCESSFUL OFFEROR NOTIFICATION

On or about the date specified in Section V-2, "Schedule of Procurement Activities," of this RFP, a letter indicating whether the Offeror was selected as "the Apparently Successful Offeror" will be mailed to each Offeror who submitted a proposal in accordance with the procedures specified in this RFP.

VIII-2 CONFERENCE FOR UNSUCCESSFUL OFFERORS

An unsuccessful Offeror may request a debriefing conference by notifying the RFP coordinator in writing within seven (7) days after the date of the notification letter. The Legislative Auditor will review materials relating to the debriefing conference and respond to the unsuccessful Offeror.

VIII-3 GENERAL CONTRACT TERMS AND CONDITIONS

Exhibit D of this RFP contains the contract form, including general terms and conditions that the JLARC office will use in the final negotiated contract with the successful Offeror.

NOTE: SPECIFIC PROVISIONS OF THIS CONTRACT FORM ARE SUBJECT TO NEGOTIATION BETWEEN JLARC AND THE SUCCESSFUL OFFEROR(S).

Exhibit A – Certifications and Assurances

The Offeror makes the following certifications and assurances as a required element of the proposal to which it is included, understanding that the truthfulness of the facts affirmed here and the continuing compliance with these requirements are conditions precedent to the award and continuation of the contract resulting from this RFP. Any exceptions to these certifications and assurances must be described in full detail on a separate page(s) and attached to this document. The Legislative Auditor reserves the right to determine if such exception is substantive and a basis for disqualification.

1. INDEPENDENT PREPARATION AND COST DETERMINATION

- Prices and/or cost data have been arrived at independently, without consultation, communications, or agreement with any other Offeror or with any competitor for the purpose of restricting competition.
- Unless otherwise required by law, the prices and/or cost data submitted have not knowingly been disclosed by the Offeror and will not knowingly be disclosed by the Offeror, prior to award, directly or indirectly to any other Offeror or to any competitor.
- No attempt has been made or will be made by the Offeror to induce any other person or Firm(s) to submit or not submit a proposal for the purpose of restricting competition.
- In preparing this proposal, assistance has not been provided by any current or former employee of the state of Washington whose duties relate (or did relate) to this proposal and who was assisting in other than his or her official, public capacity. Neither does such a person nor any member of his or her immediate family have any financial interest in the outcome of this proposal. Any exceptions to these assurances are described in full detail on a separate page and attached to this document.

NOTE: In order to ensure fair and equal competition between all Offerors, the development of proposals with the assistance of organizations or individuals outside the Offeror's organization must be declared in the proposal and the name(s) of such organizations or individuals provided. Failure to acknowledge such assistance and to identify those providing it may result in the disqualification of the proposal. No contingent fees for such assistance will be allowed to be paid under any contract or grant resulting from this RFP. HOWEVER, the Offeror may freely join with other persons or organizations for the purpose of presenting a single proposal.

2. PRICE WARRANTY

The costs quoted for services in response to this RFP do not exceed those typically charged any other client for the same services.

3. NO CONFLICT OF INTEREST

The Offeror certifies that no condition exists with respect to the Offeror, or any of its employees, regarding any current or past relationship with the Joint Legislative Audit and Review Committee, or higher education institutions or agencies that violates Chapter 42.52 RCW, the "Ethics in Public Service" Law.

4. CURRENT CONTRACTS/AGREEMENTS

The Offeror does not have current contracts or agreements related to workers' compensation claims management system design, management, or analysis.

However, if the Offeror has current contracts or agreements related to workers' compensation claims management system design, management, or analysis, the following information is required:

- a. If the Offeror has current contracts or agreements with state or local governments related to workers' compensation claims management system design, management or analysis, list contracts or agreements and explain why these do not impair the Offeror's independence.
- b. If the Offeror has current contracts or agreements with private entities for the purpose of assisting those entities with workers' compensation claims management system design, management or analysis, explain why these do not impair the Offeror's independence.

5. PRIOR CONTRACT(S) WITH THE DEPARTMENT OF LABOR AND INDUSTRIES

The Offeror has not had any contract(s) or agreement(s) with the Washington state Department of Labor and Industries in the past ten (10) years.

However, if the Offeror has had any contract(s) or agreement(s) with the Washington state Department of Labor and Industries in the past ten (10) years, the following information is required:

- a. A brief description of the nature of the work, the begin and end date(s) of the contract(s) or agreement(s), and reference number(s) for the contract(s) or agreement(s); and
- b. An explanation of why the Offeror’s independence is not impaired.

6. PROPOSAL EVALUATION PERIOD

The attached proposal is a firm offer for a period of 120 days following receipt by the JLARC office and may be accepted by the Legislative Auditor without further negotiation at any time within the 120-day period.

7. CONTACTING REFERENCES

JLARC is hereby granted permission to contact any references or past contracting clients listed in response to this RFP.

8. PREPARATION COSTS

The Offeror understands that JLARC will not provide reimbursement for any costs incurred in the preparation of this proposal. It is further understood that JLARC reserves the right to reject all proposals and make no contract award.

The person signing below warrants that all of the foregoing certifications and assurances are true to the best of their knowledge after reasonable efforts to obtain the truth.

Firm Name (typed)

Legal Name (typed)

Address (typed)

Chief Executive Officer, Name (typed)

Chief Executive Officer, Signature

Chief Executive Officer, Title (typed)

Date

Exhibit B – Letter of Intent to Bid

On behalf of my Firm, I hereby certify that we intend to submit a proposal to provide consulting services to the Joint Legislative Audit and Review Committee for the Workers’ Compensation Claims Management Analysis Review (JLARC Proposal 13-1). I have read the Request for Proposal for the procurement of these services and accept the conditions set forth therein.

Firm Name (typed)

Legal Name (typed)

Telephone Number (typed)

Address (typed)

E-mail Address

Chief Executive Officer, Name and Title (typed)

Chief Executive Officer, Signature

Date

This letter of Intent to Bid must be received by the Joint Legislative Audit and Review Committee by 4:30 p.m. Pacific Daylight Savings Time, September 13, 2013. It may be mailed or faxed or submitted electronically via e-mail to:

John Bowden, Research Analyst
Joint Legislative Audit and Review Committee
1300 Quince Street SE
PO Box 40910
Olympia, WA 98504-0910
FAX: (360) 786-5180
john.bowden@leg.wa.gov

PLEASE NOTE: If you submit this form and later decide not to submit a proposal, please notify John Bowden by telephone at (360) 786-5298. Thank you.

Exhibit C – Methods for Data Collection and Comparisons by Research Question

See following pages 30-65.

RO #	Research Question	Survey Research		L&I Data Analysis*			Independent Review and Analysis		Comparison Group(s)*	
		Wkr	Emp	Self- Insured	Retrospective employer plans	Non-retrospective plans	Research	File Reviews	Inside WA	Outside WA
1F	Are claim decisions made without favoritism or bias?									
1F1a	Do workers and employers believe claim decisions made and the process were fair?	x	x	(Survey of a sample of workers and employers on claims with a protest and the related following department awards: allowance order; benefits denial; wage determination; closing order; and reopen order and date of injury > June 30, 2010)					Compare self-Insured, retrospective and non-retrospective responses	None
1F1b	Are claim decisions made consistent on claims with similar issues in dispute?							Random sample of claims with a protest and a related department decision on allowance awards, wage determinations, reopens, etc.		None
1F2	Are claim decisions consistent with statutory provisions; case law and department policies and procedures?							Claim sample is same as 1F1b		None
1F3	Are claim decisions consistent for state fund and self-insured claims; and for claims handled under retrospective and non-retrospective plans?							Claim sample is same as 1F1b but sorted by self-insured, retro, and non-retrospective accounts	Compare self-insured, retrospective and non-retrospective plans	None
1T	Are claim management decisions timely?									

RO #	Research Question	Survey Research		L&I Data Analysis*			Independent Review and Analysis		Comparison Group(s)*	
		Wkr	Emp	Self- Insured	Retrospective employer plans	Non-retrospective plans	Research	File Reviews	Inside WA	Outside WA
1T1	How long does it take for workers to get a decision about coverage of their workers' compensation claim? (How long does it take to accept or deny a claim?)				Data run of all claims for specified time frame needed	Data run of all claims for specified time frame needed	Determine if any of the comparison states have similar data and report this outcome	Self-insured file reviews based on a stratified random sample *	Compare self-insured, retrospective and non-retrospective plans); compare overall results with 1998 and 2003 study results	Compare with publicly available data from comparison states
1T1a	Time from date of injury to decision to accept or deny claim				Data run of all claims for specified time frame needed	Data run of all claims for specified time frame needed	Determine if any of the comparison states have similar data and report this outcome	Self-insured file reviews based on a stratified random sample *	Compare self-insured, retrospective and non-retrospective plans; compare overall results with 1998 and 2003 study results	Compare with publicly available data from comparison states; compare self-insured results with TPA data from other states
1T1b1	Time from date of notice by self-insured employer to date of claim acceptance or denial decision by self-insurer						Determine if any of the 15 comparison states have similar data and report this outcome	Self-insured file reviews based on a stratified random sample *	Compare self-insured, retrospective and non-retrospective plans	Compare with data from the 15 comparison states and/or with TPA data from other states
1T1b2	Time from date of notice by self-insured employer to claim decision by the department						Determine if any of the comparison states have similar data and report this outcome	Self-insured file reviews based on a stratified random sample *	Compare self-insured, retrospective and non-retrospective plans	Compare with data from 15 comparison states or with TPA data on self-insurers from other states
	Time from date of receipt of notice of injury to date of department decision to accept or deny the claim			Use aggregated self-insured, retrospective and non-retrospective results			Determine if any of the 15 comparison states have similar data and report this outcome	Self-insured file reviews based on a stratified random sample *		Determine if any of the 15 comparison states have similar data and report this outcome
	Time difference between claims with employers under retrospective vs. non-retrospective accounts for 1T1a, 1Tb1 and 1Tb2				x	x			Compare retrospective and non-retrospective results	None

RO #	Research Question	Survey Research		L&I Data Analysis*			Independent Review and Analysis		Comparison Group(s)*	
		Wkr	Emp	Self- Insured	Retrospective employer plans	Non-retrospective plans	Research	File Reviews	Inside WA	Outside WA
1T1c	How does date from receipt to acceptance or denial of claim compare to the statutory requirements				x	x		Self-insured file reviews based on a stratified random sample *	Compare with sections 51.32.160; 51.32.190; and 51.32.210?	Compare with data from the 15 comparison states or with TPA data on self-insurers from other states
1T1d	How does date from date of injury to date of acceptance or denial of a claim compare to industry best practices and other recommended time frames for decisions about compensability of workers' compensation claims?			Use aggregated self-insured, retrospective and non-retrospective results			Most recent WC Laws published by WCRI; National Commission recommendations; publically available data on this outcome from the 15 comparison states; and consultant's knowledge of industry best practices			Most recent WC Laws published by WCRI; National Commission recommendations; publically available data on this outcome from the 15 comparison states; and consultant's knowledge of industry best practices; compare self-insured results with other state TPA results if possible
1T1e	How does the time to accept or deny a claim compare to like workers' compensation systems?			Use aggregated self-insured, retrospective and non-retrospective results			Comparisons with BC; ND, Ohio and Wyoming if data permit			Comparisons with BC; ND, Ohio and Wyoming if data permit
1T1f	How does this time compare to data available for other US jurisdictions?			Use aggregated self-insured, retrospective and non-retrospective results			Compare with other 15 comparison states that report this outcome			Compare with other 15 comparison states that report this outcome
1T2	How long does it take for workers' to get paid for their lost wages when their claims are accepted?									

RO #	Research Question	Survey Research		L&I Data Analysis*			Independent Review and Analysis		Comparison Group(s)*	
		Wkr	Emp	Self- Insured	Retrospective employer plans	Non-retrospective plans	Research	File Reviews	Inside WA	Outside WA
1T2a	What is the difference in the time for workers' to get paid when comparing self-insured claims and state fund claims? (Time from date of injury to first indemnity payment)			All claims with dates of injury specified in data run document*	All claims with dates of injury specified in data run document*	All claims with dates of injury specified in data run document*			Compare self-insured and state fund claims	None
1T2b	What is the difference in the time for workers to get paid when comparing claims under retrospective accounts and non-retrospective accounts?				All claims with dates of injury specified in data run document*	All claims with dates of injury specified in data run document*			Compare retrospective plan claims and non-retrospective claims	None
1T2c	How does this time compare to statutory requirements?			Use aggregated self-insured, retrospective and non-retrospective results			Use aggregated self-insured, retrospective and non-retrospective results		Compare to 51.32.190; 51.32.210; and 51.32.215	None
1T2d	How does this compare to industry standards, best practices and other national resources on timeliness of initial payment of indemnity benefits?			Use aggregated self-insured, retrospective and non-retrospective results			Compare with CompScope unadjusted median state result; and to most common standard based on WC Laws publication; and best practices of the industry			Compare with CompScope unadjusted median state result; and to most common standard based on WC Laws publication; and best practices of the industry
1T2e	How does this compare to other like workers compensation systems?			Use aggregated self-insured, retrospective and non-retrospective results			Compare to BC, other Canadian jurisdictions reporting to AWCBC; to ND, Ohio and Wyoming if data is available			Compare to BC, other Canadian jurisdictions reporting to AWCBC; to ND, Ohio and Wyoming if data is available

RO #	Research Question	Survey Research		L&I Data Analysis*			Independent Review and Analysis		Comparison Group(s)*	
		Wkr	Emp	Self- Insured	Retrospective employer plans	Non-retrospective plans	Research	File Reviews	Inside WA	Outside WA
1T2f	How does this compare to data available for other US jurisdictions?			Use aggregated self-insured, retrospective and non-retrospective results			Compare to outcomes published by comparison states and to CompScope			Compare to outcomes published by comparison states and to CompScope
1T3	How long does it take for the initial treating provider to get paid for treating an injured worker?							Self-insured file reviews based on a stratified random sample		Compare to industry standards of prompt medical payments and best practices and to the most common practices in table 20 of National Inventory of Medical Cost Containment
1T3a	What is the difference in this time when comparing self-insured claims and state fund claims?					All claims with dates of injury and for industry/injury mix specified in data run document*	All claims with dates of injury and for industry/injury mix specified in data run document*	Self-insured file reviews based on a stratified random sample	Compare self-insured claim results with State Fund claim results	None
1T3b	What is the difference in this time when comparing claims under retrospective plans and non-retrospective plans?					All claims with dates of injury and for industry/injury mix specified in data run document*	All claims with dates of injury and for industry/injury mix specified in data run document*		Compare retrospective plan claims and non-retrospective claim results	None
1T3c	How does this compare to the statutory requirements?			Use aggregated self-insured, retrospective and non-retrospective results					Compare results with requirements in 51.36.080 and 51.36.085	None

RO #	Research Question	Survey Research		L&I Data Analysis*			Independent Review and Analysis		Comparison Group(s)*	
		Wkr	Emp	Self- Insured	Retrospective employer plans	Non-retrospective plans	Research	File Reviews	Inside WA	Outside WA
1T3d	How does this compare to industry standards and best practices?			Use aggregated self-insured, retrospective and non-retrospective results			Research standards/best practices/consultant 's personal knowledge and experience			Compare to industry standards of prompt medical payments and best practices
1T3e	How does this compare to other like workers compensation systems?			Use aggregated self-insured, retrospective and non-retrospective results			Research standards/best practices/consultant 's personal knowledge and experience	Self-insured file reviews based on a random sample		Compare to most common practices in table 20 of National Inventory of Medical Cost Containment for ND, Ohio and Wyoming
1T3f	How does this compare to data available for other US jurisdictions?			Use aggregated self-insured, retrospective and non-retrospective results			Research standards/best practices/consultant 's personal knowledge and experience	Self-insured file reviews based on a random sample		Compare to most common practices of all states in table 20 of National Inventory of Medical Cost Containment
1T4	How long do workers receive workers compensation temporary disability benefits?			All lost time claims with dates of injury specified in data run document* and a ttd or tpd payment	All lost time claims with dates of injury specified in data run document* and a ttd or tpd payment	All lost time claims with dates of injury specified in data run document* and a ttd or tpd payment	Develop an algorithm to compute TD benefit duration (see data elements document-Table 2*)			
1T4a (1)	What is the difference in this result when comparing self-insured claims and state fund claims?			All lost time claims with dates of injury specified in data run document* and a ttd or tpd payment	Use aggregated state fund data from above				Compare self-insured and aggregated state fund claim durations	None

RO #	Research Question	Survey Research		L&I Data Analysis*			Independent Review and Analysis		Comparison Group(s)*	
		Wkr	Emp	Self- Insured	Retrospective employer plans	Non-retrospective plans	Research	File Reviews	Inside WA	Outside WA
1T4a (2)	How does this result differ with self-insured claims in other states?			All lost time claims (stratified for industry/injury mix)with dates of injury specified in data run document* and a ttd or tpd payment			Compare this result for self-insured claims with self-insured claims in other states using TPA data (stratified for industry/injury mix)) for Washington self-insurers			Compare this result for self-insured claims with self-insured claims in other states using TPA data (stratified for industry/injury mix) for Washington self-insurers
1T4a (3)	Is the result different for different industries or different size employers?			Use aggregated self-insured, retrospective and non-retrospective results but sort by major industry code AND then also by employer size (>50 employees and < 50 employees)					Compare overall WA results by major industry code; compare overall WA results by employer size; and then compare self-insured, retrospective and non-retrospective results by industry and by employer size.	None
1T4b	What is the difference in this result when comparing claims under retrospective plans and non-retrospective plans?				All lost time claims with dates of injury specified in data run document* and a ttd or tpd payment	All lost time claims with dates of injury specified in data run document* and a ttd or tpd payment			Compare retrospective plan claims and non-retrospective plan claims durations sorted by industry/injury mix	None

RO #	Research Question	Survey Research		L&I Data Analysis*			Independent Review and Analysis		Comparison Group(s)*	
		Wkr	Emp	Self- Insured	Retrospective employer plans	Non-retrospective plans	Research	File Reviews	Inside WA	Outside WA
1T4c	How does this compare to other like workers compensation systems?			Use aggregated self-insured, retrospective and non-retrospective results						Compare to AWCBC key statistical measures at end of two years; and to ND, Ohio or Wyoming if they report similar data
1T4f	How does this compare to data available for other US jurisdictions?			Use aggregated self-insured, retrospective and non-retrospective results						Compare to unadjusted CompScope median state results; compare TTD durations reported by NCCI for comparison states; and any CompScope results for comparison states but caveat lack of industry adjustment
1T5	How long does it take for the department to make permanent partial disability awards from date of maximum medical improvement?				Random sample of lost time claims with a PPD payment	Random sample of lost time claims with a PPD payment		Self-insured file reviews based on a random sample of claims with a PPD payment	Compare results of self-insured claims with results of retrospective plan and non-retrospective plan claims	Use TPA data if available to compare self-insured results in multiple states with WA self-insurer results (if not possible, measure date of injury to date of PPD payment)
1T5a	How long does it take for the department to make permanent partial disability awards from the time they receive a physician's report with a rating?				Random sample of lost time claims with a PPD payment	Random sample of lost time claims with a PPD payment		Self-insured file reviews based on a random sample of claims with a PPD payment	Compare results of self-insured claims with results of retrospective plan and non-retrospective plan claims	Use TPA data if available to compare self-insured results in multiple states with WA self-insurer results (if not possible, measure date of injury to date of PPD payment)

RO #	Research Question	Survey Research		L&I Data Analysis*			Independent Review and Analysis		Comparison Group(s)*	
		Wkr	Emp	Self- Insured	Retrospective employer plans	Non-retrospective plans	Research	File Reviews	Inside WA	Outside WA
1T5b	What is the difference in this result when comparing self-insured claims and state fund claims?				Random sample of lost time claims with a PPD payment	Random sample of lost time claims with a PPD payment		Self-insured file reviews based on a random sample of claims with a PPD payment	Compare self-insured and aggregated state fund results	None
1T5c	What is the difference in this result when comparing claims under retrospective plans and non-retrospective plans?				Random sample of lost time claims with a PPD payment	Random sample of lost time claims with a PPD payment		Self-insured file reviews based on a random sample of claims with a PPD payment	Compare retrospective plan claims and non-retrospective plan results	None
1T6	How long does it take for workers to be awarded permanent total disability?			All claims with a PTD payment in 2013	All claims with a PTD payment in 2013	All claims with a PTD payment in 2013			Comparison of self-insured, retrospective and non-retrospective plan claims	None
1T6a	What is the time from date of injury until the initial PTD payment?			Use aggregated self-insured, retrospective and non-retrospective plan claim results						None
1T6b	What is the time from date of referral to the pension unit to the date of ptd award?			Use aggregated self-insured, retrospective and non-retrospective claim results						None
1T6c	What is the difference in this time when comparing self-insured claims and state fund claims?			All claims with a PTD payment in 2013	Use aggregated state fund data from above				Compare self-insured result with state fund results	None
1T6d	What is the difference in this time when comparing claims under retrospective plans and non-retrospective plans?				All claims with a PTD payment in 2013	All claims with a PTD payment in 2013			Compare retrospective plan claims and non-retrospective plan results	None

RO #	Research Question	Survey Research		L&I Data Analysis*			Independent Review and Analysis		Comparison Group(s)*	
		Wkr	Emp	Self- Insured	Retrospective employer plans	Non-retrospective plans	Research	File Reviews	Inside WA	Outside WA
1T7	How long have workers been disabled before being referred for vocational rehabilitation? (time from first date of disability to date of vocational referral)				All claims with a vocational referral with a date of injury > June 30, 2010	All claims with a vocational referral with a date of injury > June 30, 2010	Document the referral process used by both self-insurers and the state fund	All claims with a vocational referral with a date of injury > June 30, 2010	Comparison of self-insured, retrospective and non-retrospective plan claims	None
1T7a	What is the difference in this time when comparing self-insured claims and state fund claims?				Use aggregated state fund data from above		Describe any differences in the process for self-insured claim referrals and state fund referrals	All claims with a vocational referral with a date of injury > June 30, 2010	Compare results for self-insurers with those of state fund	None
1T7b	What is the difference in this time when comparing claims under retrospective plans and non-retrospective plan claims?				Use aggregated state fund data from above		Describe any differences in process between referrals for retrospective and non-retrospective plan claims		Compare retrospective plan claims and non-retrospective plan results	None

RO #	Research Question	Survey Research		L&I Data Analysis*			Independent Review and Analysis		Comparison Group(s)*	
		Wkr	Emp	Self- Insured	Retrospective employer plans	Non-retrospective plans	Research	File Reviews	Inside WA	Outside WA
1T7c	Is the result different for different industries or different size employers? Does this explain any differences between self-insured and state fund claims rather than differences in claims management processes?						Use a subset of claims with the same industry/injury mix and further sort by size of employer to compare results between self-insurer, retrospective and non-retrospective groups. If industry and injury mix and size of employer are controlled for, results are more likely to be related to claims management practices		Compare results for self-insurers with those of state fund	None

RO #	Research Question	Survey Research		L&I Data Analysis*			Independent Review and Analysis		Comparison Group(s)*	
		Wkr	Emp	Self- Insured	Retrospective employer plans	Non-retrospective plans	Research	File Reviews	Inside WA	Outside WA
1T7d	How does this compare to industry standards and best practices?			Use aggregated self-insured, retrospective and non-retrospective results			Use a subset of claims with the same industry/injury mix and further sort by size of employer to compare results between self-insurer, retrospective and non-retrospective plans. If industry and injury mix and size of employer are controlled for, results are more likely to be related to claims management practices			Comparisons dependent on current literature and knowledge of best practices by consultants
1T8	How long from referral for vocational assessment is a plan approved or the worker found ineligible for services?			All claims with a vocational referral with a date of injury > June 30, 2010	All claims with a vocational referral with a date of injury > June 30, 2010	All claims with a vocational referral with a date of injury > June 30, 2010	Document the approval process used by both self-insurers and the state fund	Random sample of self-insured files with a vocational referral and date of injury > June 30,2010		
1T8a	How does this compare to statutory requirements?			Use aggregated self-insured, retrospective and non-retrospective results					Compare to statutory requirements in 51.32.098 and 51.32.099	None

RO #	Research Question	Survey Research		L&I Data Analysis*			Independent Review and Analysis		Comparison Group(s)*	
		Wkr	Emp	Self- Insured	Retrospective employer plans	Non-retrospective plans	Research	File Reviews	Inside WA	Outside WA
1T8b	What is the difference in this time when comparing self-insured claims and state fund claims?				All claims with a vocational referral with a date of injury > June 30, 2010	All claims with a vocational referral with a date of injury > June 30, 2010		Random sample of self-insured claims with reported vocational referrals and a date of injury > June 30, 2010	Compare results for self-insurers with those of state fund	None
1T8c	What is the difference in this time when comparing claims under retrospective accounts and non-retrospective state fund accounts?				All claims with a vocational referral with a date of injury > June 30, 2010	All claims with a vocational referral with a date of injury > June 30, 2010	Describe any differences in the process for retrospective and non-retrospective plan claims and how it may affect results		Compare retrospective plan claims and non-retrospective plan results	None
1T9	How long from the date of vocational plan approval to plan completion or closure?				All claims with a vocational referral with a date of injury > June 30, 2010	All claims with a vocational referral with a date of injury > June 30, 2010		Random sample of self-insured claims with reported vocational referrals and a date of injury > June 30, 2010		
1T9a	How does this compare to the statutory requirements?			Use aggregated self-insured, retrospective and non-retrospective results					Compare to statutory requirements in 51.32.098 and 51.32.099	None
1T9b	What is the difference in this time when comparing self-insured claims and state fund claims?				Use aggregated state fund data from above		Describe any differences in the process for self-insured and state fund claims and how it may affect differences in outcomes	Random sample of self-insured claims with reported vocational referrals and a date of injury > June 30, 2010	Compare results for self-insurers with those of state fund	None

RO #	Research Question	Survey Research		L&I Data Analysis*			Independent Review and Analysis		Comparison Group(s)*	
		Wkr	Emp	Self- Insured	Retrospective employer plans	Non-retrospective plans	Research	File Reviews	Inside WA	Outside WA
1T9c	What is the difference in this time when comparing claims under retrospective accounts and non-retrospective state fund accounts?				All claims with a vocational referral with a date of injury > June 30, 2010	All claims with a vocational referral with a date of injury > June 30, 2010	Describe any differences in the process for retrospective and non-retrospective plan claims and how it may affect differences in outcomes		Compare retrospective plan claims and non-retrospective plan results	None
1T9d	Is the result different for different industries or different size employers? Does this explain any differences between self-insured and state fund claims rather than differences in claims management processes?						Use a subset of claims with the same industry/injury mix and further sort by size of employer to compare results between self-insurer, retrospective and non-retrospective groups. If industry and injury mix and size of employer are controlled for, results are more likely to be related to claims management practices			None
1T10	How many workers referred for vocational services actually return to work?			Obtain listing of all claims with vocational referrals with dates of injury > June 30, 2010				Random sample of self-insured claims with reported vocational referrals and a date of injury > June 30, 2010		

RO #	Research Question	Survey Research		L&I Data Analysis*			Independent Review and Analysis		Comparison Group(s)*	
		Wkr	Emp	Self- Insured	Retrospective employer plans	Non-retrospective plans	Research	File Reviews	Inside WA	Outside WA
1T10a	What is the difference in this result when comparing self-insured claims and state fund claims?				Use aggregated state fund data from above		Describe any differences in the process for self-insured and state fund claims and how it may affect differences in outcomes	Random sample of self-insured claims with reported vocational referrals and a date of injury > June 30, 2010	Compare results for self-insurers with those of state fund	None unless consultants have a source for this information
1T10b	What is the difference in this result when comparing claims under retrospective accounts and non-retrospective state fund accounts?				All claims with a vocational referral with a date of injury > June 30, 2010	All claims with a vocational referral with a date of injury > June 30, 2010	Describe any differences in the process for retrospective and non-retrospective plan claims and how it may affect differences in outcomes		Compare retrospective plan claims and non-retrospective plan results	None unless consultants have a source for this information
1T10c	Is the result different for different industries or different size employers? Does this explain any differences between self-insured and state fund claims rather than differences in claims management processes?			Use aggregated self-insured, retrospective and non-retrospective results			Use a subset of claims with the same industry/injury mix and further sort by size of employer to compare results between self-insurer, retrospective and non-retrospective groups. If industry and injury mix and size of employer are controlled for, results are more likely to be related to claims management practices			None

RO #	Research Question	Survey Research		L&I Data Analysis*			Independent Review and Analysis		Comparison Group(s)*	
		Wkr	Emp	Self- Insured	Retrospective employer plans	Non-retrospective plans	Research	File Reviews	Inside WA	Outside WA
1T11	How long does it take for a worker to get a decision when they request their claim be reopened? (time from request for reopening to reopening award or denial)			All claims with a request for reopening with date of injury > June 30, 2012						
1T11a	What is the difference in this time when comparing self-insured claims and state fund claims?			All claims with a request for reopening with date of injury > June 30, 2012	All claims with a request for reopening with date of injury > June 30, 2012	All claims with a request for reopening with date of injury > June 30, 2012	Describe any differences in the process for self-insured and state fund claims and how it may affect differences in outcomes		Compare results for self-insurers with those of state fund	None
1T11b	What is the difference in this time when comparing claims under retrospective accounts and non-retrospective accounts?			All claims with a request for reopening with date of injury > June 30, 2012	All claims with a request for reopening with date of injury > June 30, 2012	All claims with a request for reopening with date of injury > June 30, 2012	Describe any differences in the process for retrospective and non-retrospective plan claims and how it may affect differences in outcomes		Compare retrospective plan claims and non-retrospective plan results	None
1T12	How long is a claim open?			All claims with a date of injury > June 30, 2010 (whether open or closed)			Document the closing process used by both self-insurers and the state fund			
1T12a	What is the difference in this time when comparing self-insured claims and state fund claims?			All claims with a date of injury > June 30, 2010 (whether open or closed)	All claims with a date of injury > June 30, 2010 (whether open or closed)	All claims with a date of injury > June 30, 2010 (whether open or closed)			Compare results for self-insurers with those of state fund	None

RO #	Research Question	Survey Research		L&I Data Analysis*			Independent Review and Analysis		Comparison Group(s)*	
		Wkr	Emp	Self- Insured	Retrospective employer plans	Non-retrospective plans	Research	File Reviews	Inside WA	Outside WA
1T12b	What is the difference in this time when comparing claims under retrospective accounts and non-retrospective state fund accounts?				All claims with a date of injury > June 30, 2010 (whether open or closed)	All claims with a date of injury > June 30, 2010 (whether open or closed)	Describe any differences in process for retrospective and non-retrospective plan claims		Compare retrospective plan claims and non-retrospective plan results	None
1T12c	Is the result different for different industries or different size employers? Does this explain any differences between self-insured and state fund claims rather than differences in claims management processes?			Use aggregated self-insured, retrospective and non-retrospective results			Use a subset of claims with the same industry/injury mix and further sort by size of employer to compare results between self-insurer, retrospective and non-retrospective groups. If industry and injury mix and size of employer are controlled for, results are more likely to be related to claims management practices			None
1T12d	How does this compare to other like workers compensation systems?			Use aggregated self-insured, retrospective and non-retrospective results						Compare to BC, ND, Ohio and Wyoming if data is available
1T12e	How does this compare to data available for other US jurisdictions?			Use aggregated self-insured, retrospective and non-retrospective results						Compare to outcomes published by comparison states or NCCI
2F1	Is the complaint and dispute resolution system without favoritism or bias?									

RO #	Research Question	Survey Research		L&I Data Analysis*			Independent Review and Analysis		Comparison Group(s)*	
		Wkr	Emp	Self- Insured	Retrospective employer plans	Non-retrospective plans	Research	File Reviews	Inside WA	Outside WA
2F1	What is the entire dispute resolution process for a workers compensation claim should a dispute start at the department and go until all appeals are exhausted?						Describe the entire dispute resolution process from protest to Supreme Court; how many cases went to each forum in 2011 and 2012; how long did a resolution take on average in each forum for 2011 and 2012;			Compare this dispute resolution structure to those in other WC jurisdictions using IAABC State profiles publication and/or information from British Columbia. Does it appear timely and efficient?
2F1a	Do workers and employers believe the complaint and dispute resolution process and resulting decisions are fair?	X	X	(Survey of a sample of workers and employers on claims with a protest and the related following department awards: allowance order; benefits denial; wage determination; closing order; and reopen order and date of injury > June 30, 2010)						None
2F2	Are the complaint and dispute resolution processes applied consistently for state fund and self-insured workers and for workers whose employers are insured under retrospective and non-retrospective plans?							random sample of claims with a protest and the related following department awards: allowance order; benefits denial; wage determination; closing order; reopen order; and referral from appeal to BIIA	Compare retrospective plan claims and non-retrospective plan results	None
2F3	Are decisions made consistent across claims and consistent with statutory provisions; case law; and department policies and procedures?							File review sample is the same as 2F2	Compare self-insured, retrospective and non-retrospective plan claims	None

RO #	Research Question	Survey Research		L&I Data Analysis*			Independent Review and Analysis		Comparison Group(s)*	
		Wkr	Emp	Self- Insured	Retrospective employer plans	Non-retrospective plans	Research	File Reviews	Inside WA	Outside WA
2T1	Do workers and employers who have had complaints or disagreements filed with the department asking them to reconsider those decisions feel the decision was addressed in a "reasonable" timeframe?	X	X	(Survey of a sample of workers and employers on claims with a protest and the related following department awards: allowance order; benefits denial; wage determination; closing order; and reopen order and date of injury > June 30, 2010)					Compare self-insured, retrospective and non-retrospective plan claims	None
2T2	How long does it take for the department to respond to a request for reconsideration of a claim decision? (time from filing of a protest to the corresponding department award)			(All claims with a protest and the related following department awards: allowance order; benefits denial; wage determination; closing order; and reopen order and date of injury > June 30, 2010)					Compare self-insured, retrospective and non-retrospective plan claims	None
2T2a	Do requestors believe their request for reconsideration is decided in on a timely basis?	X	X	(Survey of a sample of workers and employers on claims with a protest and the related following department awards: allowance order; benefits denial; wage determination; closing order; and reopen order and date of injury > June 30, 2010)					Compare self-insured, retrospective and non-retrospective plans (if n's are great enough)	None
2E	How effective are the complaint and dispute resolution systems?									

RO #	Research Question	Survey Research		L&I Data Analysis*			Independent Review and Analysis		Comparison Group(s)*	
		Wkr	Emp	Self- Insured	Retrospective employer plans	Non-retrospective plans	Research	File Reviews	Inside WA	Outside WA
2E1	What are the most litigious issues?						Review the documentation of all issues on appeal to the BIIA in 2012 and 2013; Interview BIIA Judges and Department Claims personnel to determine if statutory or administrative changes would decrease this litigation			
2E2	What % of disputes of all disputes filed within each forum are resolved in each of the following forums:			From L&I and BIIA data document the number of claims filed and the number of awards issued for calendar years 2012 and 2013 in each forum						Compare to states/jurisdictions where data is publically available
2E2a	By the department after a request for reconsideration is filed			From L&I and BIIA data document the number of claims filed and the number of awards issued for calendar years 2012 and 2013 in each forum						
2E2b	By the department after the filing of an appeal to the BIIA			From L&I and BIIA data document the number of claims filed and the number of awards issued for calendar years 2012 and 2013 in each forum						
2E2c	By the BIIA			From L&I and BIIA data document the number of claims filed and the number of awards issued for calendar years 2012 and 2013 in each forum						
2E2d	By the Superior Court			From L&I and BIIA data document the number of claims filed and the number of awards issued for calendar years 2012 and 2013 in each forum						
2E2e	By the Court of Appeals			From L&I and BIIA data document the number of claims filed and the number of awards issued for calendar years 2012 and 2013 in each forum						
2E2f	By the Supreme Court			From L&I and BIIA data document the number of claims filed and the number of awards issued for calendar years 2012 and 2013 in each forum						

RO #	Research Question	Survey Research		L&I Data Analysis*			Independent Review and Analysis		Comparison Group(s)*	
		Wkr	Emp	Self- Insured	Retrospective employer plans	Non-retrospective plans	Research	File Reviews	Inside WA	Outside WA
2E3	How long does it take for a case to be resolved within each of the above forums from the time of filing of a protest or appeal?			From L&I and BIIA data document the number of claims filed and the number of awards issued for calendar years 2012 and 2013 in each forum						Compare to states/jurisdictions where data is publically available
2E4	Do participants believe the dispute resolution process was timely and fair?	X	X	Survey respondents selected from claims resolved by the department in 2012 and 2013						
2E5	Do participants believe the dispute resolution outcome was fair?	X	X	Survey respondents selected from claims resolved by the department in 2012 and 2013						
3T	Timeliness of communication with employers and workers									
3T1	Do workers believe the information they get from the department is timely:	X	X	Survey respondents are a random representative sample of lost time claims with dates of injury > June 30, 2011					Compare self-insured, retrospective and non-retrospective plan results	
3T1a	When they request claim assistance by phone mail or email?	X	X	Survey respondents are a random representative sample of lost time claims with dates of injury > June 30, 2011					Compare self-insured, retrospective and non-retrospective plan results	
3T1b	When they need information and seek it on the website?	X	X	Survey respondents are a random representative sample of lost time claims with dates of injury > June 30, 2011					Compare self-insured, retrospective and non-retrospective plan results	
3T1c	When they disagree with a decision and need to know what steps to take to request reconsideration of that decision	X	X	Survey respondents are a random representative sample of lost time claims with dates of injury > June 30, 2011					Compare self-insured, retrospective and non-retrospective plan results	

RO #	Research Question	Survey Research		L&I Data Analysis*			Independent Review and Analysis		Comparison Group(s)*	
		Wkr	Emp	Self- Insured	Retrospective employer plans	Non-retrospective plans	Research	File Reviews	Inside WA	Outside WA
3T1d	When they want to appeal a decision made by the department	X	X	Survey respondents are a random representative sample of lost time claims with dates of injury > June 30, 2011					Compare self-insured, retrospective and non-retrospective plan results	
3Te	When the department has taken some other action on their claim	X	X	Survey respondents are a random representative sample of lost time claims with dates of injury > June, 2011					Compare self-insured, retrospective and non-retrospective plan results	
3T2	Do employers believe the information they receive from the department is timely?									
3T2a	When they request claim assistance by phone mail or email?	X	X	Survey respondents are a random representative sample of lost time claims with dates of injury > June 30, 2011					Compare self-insured, retrospective and non-retrospective plan results	
3T2b	When they need information and seek it on the website?	X	X	Survey respondents are a random representative sample of lost time claims with dates of injury > June 30, 2011					Compare self-insured, retrospective and non-retrospective plan results	
3T2c	When they disagree with a decision and need to know what steps to take to request reconsideration of that decision	X	X	Survey respondents are a random representative sample of lost time claims with dates of injury > June 30, 2011					Compare self-insured, retrospective and non-retrospective plan results	
3T2d	When they want to appeal a decision made by the department	X	X	Survey respondents are a random representative sample of lost time claims with dates of injury > June 30, 2011					Compare self-insured, retrospective and non-retrospective plan results	

RO #	Research Question	Survey Research		L&I Data Analysis*			Independent Review and Analysis		Comparison Group(s)*	
		Wkr	Emp	Self- Insured	Retrospective employer plans	Non-retrospective plans	Research	File Reviews	Inside WA	Outside WA
3T2e	When the department has taken some other action on their claim	X	X	Survey respondents are a random representative sample of lost time claims with dates of injury > June 30, 2011					Compare self-insured, retrospective and non-retrospective plan results	
3R	Responsiveness of communication with employers and workers									
3R1	Do workers know who to contact about their claim?	X		Survey respondents are a random representative sample of lost time claims with dates of injury > June 30, 2011					Compare self-insured, retrospective and non-retrospective plan results	
3R2	Do workers believe the response they get from the department answers the question they asked and provides the information they needed?	X		Survey respondents are a random representative sample of lost time claims with dates of injury > June 30, 2011					Compare self-insured, retrospective and non-retrospective plans	
3R2a	When they receive a denial on their claim?	X		Random sample of claims with claim denials with dates of injury > June 30, 2011					Compare self-insured, retrospective and non-retrospective plan results	
3R2b	When they request assistance or ask a question?	X		Survey respondents are a random representative sample of lost time claims with dates of injury > June 30, 2011					Compare self-insured, retrospective and non-retrospective plan results	
3R2c	When they disagreed with a claim decision and needed to know what steps to take to request reconsideration of that decision	X		Survey respondents are a random representative sample of lost time claims with dates of injury > June 30, 2011					Compare self-insured, retrospective and non-retrospective plan results	

RO #	Research Question	Survey Research		L&I Data Analysis*			Independent Review and Analysis		Comparison Group(s)*	
		Wkr	Emp	Self- Insured	Retrospective employer plans	Non-retrospective plans	Research	File Reviews	Inside WA	Outside WA
3R2d	When they want to appeal a decision made by the department	X		Survey respondents are a random representative sample of lost time claims with dates of injury > June 30, 2011					Compare self-insured, retrospective and non-retrospective plan results	
3R2e	When the department has taken some action on their claim (e.g., denied all or part of their medical treatment, referred them for a vocational evaluation or closed their claim?)	X		Survey respondents are a random representative sample of lost time claims with dates of injury > June 30, 2011					Compare self-insured, retrospective and non-retrospective plan results	
3R2f	Do they understand the information given them; do they believe it was given in a respectful manner, and do they understand what they were to do next, which forms to use, who to contact, etc.	X		Survey respondents are a random representative sample of lost time claims with dates of injury > June 30, 2011					Compare self-insured, retrospective and non-retrospective plan results	
3R3	Do employers know who to contact about a claim?		X	Survey respondents are a random representative sample of lost time claims with dates of injury > June 30, 2011					Compare self-insured, retrospective and non-retrospective plan results	
3R4	Do employers believe the responses they get from the department to their claims questions or requests for claims information answers the questions they are asking:		X	Survey respondents are a random representative sample of lost time claims with dates of injury > June 30, 2011					Compare self-insured, retrospective and non-retrospective plan results	
3R4a	When they receive a denial on their claim?		X	Survey respondents are a random representative sample of lost time claims with dates of injury > June 30, 2011					Compare self-insured, retrospective and non-retrospective plan results	

RO #	Research Question	Survey Research		L&I Data Analysis*			Independent Review and Analysis		Comparison Group(s)*	
		Wkr	Emp	Self- Insured	Retrospective employer plans	Non-retrospective plans	Research	File Reviews	Inside WA	Outside WA
3R4b	When they request assistance or ask a question?		X	Survey respondents are a random representative sample of lost time claims with dates of injury > June 30, 2011					Compare self-insured, retrospective and non-retrospective plan results	
3R4c	When they disagreed with a claim decision and needed to know what steps to take to request reconsideration of that decision		X	Survey respondents are a random representative sample of lost time claims with dates of injury > June 30, 2011					Compare self-insured, retrospective and non-retrospective plan results	
3R4d	When they want to appeal a decision made by the department		X	Survey respondents are a random representative sample of lost time claims with dates of injury > June 30, 2011					Compare self-insured, retrospective and non-retrospective plan results	
3R4e	When the department has taken some action on their claim (e.g., denied all or part of their medical treatment, referred them for a vocational evaluation or closed their claim?)		X	Survey respondents are a random representative sample of lost time claims with dates of injury > June 30, 2011					Compare self-insured, retrospective and non-retrospective plan results	
3R4f	Do they understand the information given them; do they believe it was given in a respectful manner, and do they understand what they were to do next, which forms to use, who to contact, etc.		X	Survey respondents are a random representative sample of lost time claims with dates of injury > June 30, 2011					Compare self-insured, retrospective and non-retrospective plan results	
3A	Accuracy of communication with employers and workers									

RO #	Research Question	Survey Research		L&I Data Analysis*			Independent Review and Analysis		Comparison Group(s)*	
		Wkr	Emp	Self- Insured	Retrospective employer plans	Non-retrospective plans	Research	File Reviews	Inside WA	Outside WA
3A1	Are the information provided on claim forms and the website related to claims processes and procedures consistent with the current statute, corresponding rules and department policies and procedures?			A random sample of claim forms and portions of the website available to employees and employers			Research Washington statutes, administrative rules, and department procedures related to information on the forms or website		Compare with all statutory references to claim procedures, all administrative rules and department policies and procedures	
3S	Does the department provide you with what you believe to be sufficient opportunities for face to face meetings?	X	X	Survey respondents are a random representative sample of lost time claims with dates of injury > June 30, 2011					Compare self-insured, retrospective and non-retrospective plan results	
3C	Do the tools used by the department for communication about claims information with employers and workers follow State guidelines on the use of plain language?						Identify all tools used to communicate claims related information to employers and workers and evaluate them to see if they are consistent with governor's plain talk guidelines		see http://www.governor.wa.gov/priorities/plaintalk/ptguidelines/default.asp or www.plainlanguage.gov	
4	Efficiency of the current claims management organization and service delivery models									

RO #	Research Question	Survey Research		L&I Data Analysis*			Independent Review and Analysis		Comparison Group(s)*	
		Wkr	Emp	Self- Insured	Retrospective employer plans	Non-retrospective plans	Research	File Reviews	Inside WA	Outside WA
4(1)	What is the current claims management organizational structure and how does it differ from other private and public claims management organizations? (see definitions in research questions for topic four*)						Describe the current claims management organizational structure including departments, staffing levels, how many FTE's are assigned to what functions.			Compare with organizational structures used by any private or public administrative systems of which consultants have knowledge, especially other monopolistic funds; use the IAIABC State Profiles publication
4(2)	What is the current service delivery model for providing benefits to workers and how does it differ from the model(s) used in other private and public claims service delivery organizations?						Describe the organization of the state fund for claims service delivery including how they organize themselves for rapid provision of benefits and services to assist the employee with recovery and return to work			Compare with service delivery models used by any private or public administrative systems of which consultants have knowledge especially monopolistic funds

RO #	Research Question	Survey Research		L&I Data Analysis*			Independent Review and Analysis		Comparison Group(s)*	
		Wkr	Emp	Self- Insured	Retrospective employer plans	Non-retrospective plans	Research	File Reviews	Inside WA	Outside WA
4(3)	Does the current claims management organization and service delivery models used by the department produce prompt payments to workers; support rapid and sufficient physical recovery from injury for workers and provide the proper assistance to help them return to work at a reasonable cost to employers and workers?						Summarize outcomes based on research on prior topic areas of claims management and any comparisons with other claim management organizations or exclusive state funds; interviews with constituents may provide additional references in other states			
4(3)a	Are payments for lost time to workers made within timely industry standards?								Use results from 1T2, 1T3, 1T7, 1T10, and 2E	
4(3)b	Are workers able to return to work as quickly as they are able to do in other jurisdictions? (Use as a proxy for recovery and return to work the duration of temporary disability)								Use results from 1T4	Compare Washington's claim management structure with that of private companies or state funds consultants have worked with and the structures in the North Dakota and Ohio exclusive state funds; and calculate staffing per premium dollar and staffing per claim for all claim functions for 2011 and 2012

RO #	Research Question	Survey Research		L&I Data Analysis*			Independent Review and Analysis		Comparison Group(s)*	
		Wkr	Emp	Self- Insured	Retrospective employer plans	Non-retrospective plans	Research	File Reviews	Inside WA	Outside WA
4(3)c	Are costs for the Washington system "reasonable" for the benefits they provide according to national comparisons currently available?									Compare Washington's claim management service delivery model with that of private companies or state funds consultants have worked with and the service delivery in the North Dakota and Ohio exclusive state funds; resources could be Oregon Premium Rate Ranking Report for employer costs and relative placement of Washington on the Benefits by state portion of the NASI report.
5	Differences in claims organization and service delivery for retrospective rating plan and non-retrospective rating plan participants									
5(1)	Is the department organized differently for the handling of claims of retrospective rating plan accounts vs. non-retrospective accounts? If so, describe this difference and the resulting outcomes for workers and employers.				Describe how the claim department is organized for the delivery of benefits to workers of retrospective and non-retrospective accounts; describe how these differences (if any) would affect employer premiums and the rates employers pay. Give four examples of how the calculation of plan refunds or premium discounts would differ for retrospective vs. non-retrospective accounts in the same industry with the same claim experience (see research question 6(3) for more details)*					Compare to industry standards and comparisons available from the Canadian provinces and US jurisdictions

RO #	Research Question	Survey Research		L&I Data Analysis*			Independent Review and Analysis		Comparison Group(s)*	
		Wkr	Emp	Self- Insured	Retrospective employer plans	Non-retrospective plans	Research	File Reviews	Inside WA	Outside WA
5(2)	Is the fairness of department claims management decisions perceived as different for employers or workers of retrospective vs. non-retrospective accounts?				Information from surveys; claim file reviews; and data runs requested and analyzed for other research questions will be used to answer these questions.				An analysis of all comparisons done in topic areas 1 and 2 for results of retrospective vs. non-retrospective claims should be used to summarize results for these research questions	Compare to publically available information from the Canadian provinces and US jurisdictions that have such information as well as the unadjusted CompScope median figures
5(3)	Is the timeliness of department claim management decisions different for retrospective vs. non-retrospective accounts?				Information from surveys; claim file reviews; and data runs requested and analyzed for other research questions will be used to answer these questions.				An analysis of all comparisons done in topic areas 1 and 2 for results of retrospective vs. non-retrospective claims should be used to summarize results for these research questions	Use Oregon Premium Ranking comparisons and NASI Costs per \$100 of payroll for ranking of costs and benefits
5(4)	Is the complaint and dispute resolution processes perceived any differently by workers or employers depending on if the employer is self-insured, has a retrospective rating account or a non-retrospective account?				Information from surveys; claim file reviews; and data runs requested and analyzed for other research questions will be used to answer these questions.				An analysis of all comparisons done in topic areas 1 and 2 for results of retrospective vs. non-retrospective claims should be used to summarize results for these research questions	None
6	How do differences in organization and delivery for retrospective rating plan participants and non-retrospective plans impact rating plan refunds?									

RO #	Research Question	Survey Research		L&I Data Analysis*			Independent Review and Analysis		Comparison Group(s)*	
		Wkr	Emp	Self- Insured	Retrospective employer plans	Non-retrospective plans	Research	File Reviews	Inside WA	Outside WA
6(1)	Are there any differences in the organization and delivery of claim services for retrospective rating plan employers and non-retrospective plan employers? If so, what are those differences and how do they affect rating plan refunds and premium discounts?						Interview department staff, retrospective plan administrators and employers, and read statute and rules; describe any differences in how the department is organized to handle claims for retrospective and non-retrospective plan claims and demonstrate/explain how that affects rating plan refunds and premium discounts.			None
6(2)	Does the File Fast unit structure provide additional benefits to the retrospective rating plan participants that are not available to the non-retrospective plan employers? If so, what are those benefits and are they fair and equitable?						Determine through interviews with department staff, retrospective plan account managers and employers			None

RO #	Research Question	Survey Research		L&I Data Analysis*			Independent Review and Analysis		Comparison Group(s)*	
		Wkr	Emp	Self- Insured	Retrospective employer plans	Non-retrospective plans	Research	File Reviews	Inside WA	Outside WA
6(3)	Compare the cost of retrospective plan employer refunds and the ultimate cost of premiums for retrospective rated employers vs. non-retrospective employers.				Calculate and compare the premium costs of four hypothetical retrospective and non-retrospective plan employer refunds , premium credits and ultimate premiums in the same industry with the same classifications, same hours worked, same experience modification and the same claim experience in a given year. In one example assume both the retrospective plan employer and the non-retrospective employer have no lost time claims and in the other three, assume there are lost time claims. Assume in one of the lost time claim examples that all lost time claims return to work after a short period of disability; assume in another that all lost time claims have varying lengths of disability; and in the last example assume at least one lost time claim ends up with lifetime payments.					None
7	Do current initiatives improve service delivery, meet the needs of current and future workers and employers, improve public education, and are they measurable?									
7FF	File Fast Unit Pilot									
7FF1	Does this claims service delivery alternative provide better service to employers with both retrospective rating plans and non-retrospective plans?	X	X		A special data run with claims specifically handled in the Pilot unit for 2010 thru 2013 will be needed to compare to claim outcomes to other non-pilot units; surveys from above will need to be sent to a random sample of workers and employers on claims handled in the file fast unit for the same time period as other survey samples are drawn.		Analyze pilot unit outcomes and non-pilot unit outcomes		Compare and analyze survey responses and claim outcomes on claim measures identified in topics 1 and 2 to determine if pilot unit claims have better outcomes AND employees and employers believe service is better	None

RO #	Research Question	Survey Research		L&I Data Analysis*			Independent Review and Analysis		Comparison Group(s)*	
		Wkr	Emp	Self- Insured	Retrospective employer plans	Non-retrospective plans	Research	File Reviews	Inside WA	Outside WA
7FF2	Does this claims service delivery alternative provide greater opportunities for employer and worker education about how to achieve the best outcomes for workers and employers?	X	X				A question must be added to surveys to determine if pilot unit helped them understand what needed to be done to improve employee recovery and return to work for workers and lower wc costs for employers		Compare and analyze survey responses for pilot unit and non-pilot unit employers and workers on this question	None
7FF3	How is the department measuring the differences between their traditional service delivery model and this new initiative?						Interview department personnel and review current outcome measures for the pilot unit and describe method and results			None
7FF4	Are there additional measures the department should consider in the measurement and evaluation of this program?						Using information from 7FF3, outline any additional measures needed to more effectively measure and evaluate results of the pilot program			None

RO #	Research Question	Survey Research		L&I Data Analysis*			Independent Review and Analysis		Comparison Group(s)*	
		Wkr	Emp	Self- Insured	Retrospective employer plans	Non-retrospective plans	Research	File Reviews	Inside WA	Outside WA
7FF5	Are there any other service delivery models that may accomplish the desired results as well or better than this that the department might consider?									Using knowledge of other service delivery models and their outcomes, recommend any potential other models that may yield better outcomes for employers and workers in Washington
7B	Building a Better Customer Experience									None
7B1	Do employers and workers feel like the people they interact with at the department listen to them?	X	X				Survey respondents should be representative of the entire population of injured workers and all Washington employers, and large enough assuming a 40% response rate with a 95% confidence rate to ensure representativeness and to be statistically valid. Survey respondents should be drawn from claims with dates of injury in 2012 and 2013			None
7B2	Do employers, workers, and physicians feel like their interactions with the department has improved in the past two years?	X	X							None
7B3	How would employers and workers rank the quality of their interaction with the department?	X	X							Using knowledge of other service delivery models and their outcomes, recommend any potential other models that may yield better outcomes for employers and workers in Washington

RO #	Research Question	Survey Research		L&I Data Analysis*			Independent Review and Analysis		Comparison Group(s)*		
		Wkr	Emp	Self- Insured	Retrospective employer plans	Non-retrospective plans	Research	File Reviews	Inside WA	Outside WA	
7B4	How does this ranking compare to the same questions asked workers and employers in other states or provinces?	X	X						If consultants and JLARC believe the surveys being done by Ipsos Reid for the department to evaluate this initiative AND Ipsos Reid is willing to allow a comparison of results with British Columbia for these same questions, a separate survey may not be necessary	Compare to any other comparison jurisdictions using surveys and asking the same questions	
7B5	Do workers and employers find the department employees they have dealt with courteous and helpful?	X	X								Compare to any other comparison jurisdictions using surveys and asking the same questions
7B6	Do workers and employers use the department's web page and if so, do they find it easy to use and find what they need on it?	X	X								Compare to any other comparison jurisdictions using surveys and asking the same questions
7B7	Do workers and employers use the department's claims account center and if so, so they find it easy to use and find what they need on it?	X	X								Compare to any other comparison jurisdictions using surveys and asking the same questions

RO #	Research Question	Survey Research		L&I Data Analysis*			Independent Review and Analysis		Comparison Group(s)*	
		Wkr	Emp	Self- Insured	Retrospective employer plans	Non-retrospective plans	Research	File Reviews	Inside WA	Outside WA
7B8	Additional suggestions on how to measure the department's success on this strategic initiative.						Consultant's opinions based on study results and knowledge of other wc initiatives and claim management initiatives and best practices			
<p>*Additional information on claim review challenges and methods for selecting claims can be found the documents "Criteria for Measurement and Comparison Groups"; additional information on challenges in comparisons and additional methods for sorting data for comparisons can be found at "Methods Necessary to Answer Research Questions".</p>										

Exhibit D – Sample Contract Form

STATE OF WASHINGTON
Joint Legislative Audit and Review Committee
1300 Quince Street SE
PO Box 40910
Olympia WA 98504-0910
(360) 786-5171

CONTRACT NO. _____

1. THIS CONTRACT is made by and between the Joint Legislative Audit and Review Committee and the Firm of _____, hereinafter referred to as the "Contractor."

2. CONTRACTOR: _____

ADDRESS: _____

Federal Employer Identification No.: _____

Washington Uniform Business Identification No.: _____

3. SCOPE OF ENGAGEMENT

The Contractor will provide all services generally described in the Statement of Work, Exhibit A which is hereby made a part of this contract.

All written work of the Contractor will be expected to be of a professional quality acceptable to the Joint Legislative Audit and Review Committee. In written reports, the Contractor’s findings and conclusions must be clearly documented as resulting from fieldwork and data analysis done for this audit. Suggestions must be logically related to the findings and conclusions and must recognize practical and fiscal constraints.

4. It is agreed that Contractor's management staff performing work under this contract are as listed below:

It is understood that staff named above will be responsible throughout the period of this contract. Any changes in management personnel assigned to this engagement require JLARC approval.

5. Contractor warrants that staff performing work under this contract are free from personal and external impairments to independence.

6. Contractor warrants that staff performing work under this contract possess adequate professional proficiency for the tasks required.

7. If irregularities, fraud, or other significant audit issues which may impact the audit are suspected, the Contractor must immediately notify John Bowden, Research Analyst, at (360) 786-5298.

8. All instances of noncompliance with state and local laws will be disclosed to John Bowden, Research Analyst, at (360) 786-5298.

9. The Joint Legislative Audit and Review Committee’s contract coordinator is John Bowden, Research Analyst, at (360) 786-5298.

Contractor's contract coordinator is _____. *(Name and Telephone)*

10. It is understood the Joint Legislative Audit and Review Committee’s office is the principle auditing entity. Portions of the Contractor’s work will be incorporated into the report that will be prepared by JLARC staff. The Contractor’s report to JLARC may be incorporated as a Technical Appendix to the JLARC staff report.

11. EFFECTIVE DATE AND DURATION OF CONTRACT

Subject to other contract provisions, the period of performance under this contract will be from date of execution through June 30, 2015, unless sooner terminated as provided herein.

12. All rights and obligations of the parties to this contract shall be subject to and governed by those Special Terms and Conditions contained in the text of this contract and the attached General Terms and Conditions, all hereby incorporated as part of this contract.

In the event of an inconsistency in this agreement, unless otherwise provided herein, the inconsistency shall be resolved by giving precedence in the following order:

- (a) Applicable federal and state statutes and regulations;
- (b) The terms and conditions of this contract;
- (c) Request for Proposal No 13-1;
- (d) The Contractor’s final approved Work Plan; and
- (e) The Contractor's Proposal dated _____ to the Joint Legislative Audit and Review Committee’s RFP, including all written information provided with the Contractor's Proposal;
- (f) The General Terms and Conditions and any other provisions of the contract whether incorporated by reference or otherwise.

13. COMPENSATION AND PAYMENT

The Contractor agrees that the maximum amount to be paid to the Contractor under this contract shall not exceed \$_____ in total, and shall include full payment for all work specified in the scope of engagement outlined in item 3. The Contractor agrees that the Joint Legislative Audit and Review Committee is not responsible for providing transportation to and from the audit site and that any travel costs, insurance costs, or other out-of-pocket costs are the responsibility of the Contractor. Any additional services provided by the Contractor and/or Subcontractors would require a written contract amendment approved and processed through the Joint Legislative Audit and Review Committee’s office prior to beginning the additional services.

The Contractor may submit invoices for progress billings in accordance with the schedule included in Exhibit A. Payment for each billing will be made upon JLARC’s satisfaction with the overall progress of the Contractor and the quality of each deliverable. Each invoice will clearly indicate that it is for services rendered in performance under Contract No. X.

EXHIBIT E – SAMPLE GENERAL TERMS AND CONDITIONS

DEFINITIONS

As used throughout this contract, the following terms shall have the meaning set forth below:

1. "JLARC" and/or "AGENCY" shall mean the Joint Legislative Audit and Review Committee of the State of Washington, any division, section, office, unit or other entity of the AGENCY, or any of the officers or other officials lawfully representing JLARC.
2. "LEGISLATIVE AUDITOR" or "AGENT" shall mean the Legislative Auditor and/or Chief Executive Officer of JLARC, and/or the delegate authorized in writing to act on his/her behalf.
3. "CONTRACTOR" shall mean that firm, provider, organization, individual or other entity performing service(s) under this contract, and shall include all employees of the CONTRACTOR.
4. "SUBCONTRACTOR" shall mean one not in the employment of the CONTRACTOR, who is performing all or part of those services under this contract under a separate contract with the CONTRACTOR. The terms "SUBCONTRACTOR" and "SUBCONTRACTORS" means SUBCONTRACTOR(s) in any tier.

ACCESS TO DATA

The CONTRACTOR shall provide access to data generated under this contract to the Joint Legislative Audit and Review Committee and the Washington State Auditor at no additional cost. This includes access to all information that supports the findings, conclusions, and recommendations of the CONTRACTOR, including computer models and methodology for those models.

ADVANCE PAYMENTS PROHIBITED

No payments in advance of or in anticipation of goods or services to be provided under this contract shall be made by the AGENCY.

AMENDMENTS

This contract may be amended by mutual agreement of the parties. Such amendments shall not be binding unless they are in writing and signed by personnel authorized to bind each of the parties.

AMERICANS WITH DISABILITIES ACT (ADA) OF 1990, PUBLIC LAW 101-336, also referred to as the "ADA" 28 CFR Part 35

The CONTRACTOR must comply with the ADA, which provides comprehensive civil rights protection to individuals with disabilities in the areas of employment, public accommodations, state and local government services, and telecommunications.

ASSIGNMENT

Neither this contract, nor any claim arising under this contract, shall be transferred or assigned by the CONTRACTOR without prior written consent of the AGENCY.

ATTORNEYS' FEES

In the event of litigation or other action brought to enforce contract terms, each party agrees to bear its own attorney fees and costs.

CONFIDENTIALITY/SAFEGUARDING OF INFORMATION

The CONTRACTOR shall not use or disclose any information concerning the AGENCY, or information that may be classified as confidential, for any purpose not directly connected with the administration of this contract, except with prior written consent of the AGENCY, or as may be required by law.

CONFLICT OF INTEREST

Notwithstanding any determination by the Executive Ethics Board or other tribunal, the AGENCY may, in its sole discretion, by written notice to the CONTRACTOR terminate this contract if it is found after due notice and examination by the AGENT that there is a violation of the Ethics in Public Service Act, Chapter 42.52 RCW; or any similar statute involving the CONTRACTOR in the procurement of, or performance under this contract.

In the event this contract is terminated as provided above, the AGENCY shall be entitled to pursue the same remedies against the CONTRACTOR as it could pursue in the event of a breach of the contract by the CONTRACTOR. The rights and remedies of the AGENCY provided for in this clause shall not be exclusive and are in addition to any other rights and remedies provided by law. The existence of facts upon which the AGENT makes any determination under this clause shall be an issue and may be reviewed as provided in the "Disputes" clause of this contract.

COPYRIGHT PROVISIONS

Unless otherwise provided, all materials produced under this contract shall be considered "works for hire" as defined by the U.S. Copyright Act and shall be owned by the AGENCY. The AGENCY shall be considered the author of such materials. In the event the materials are not considered "works for hire" under the U.S. Copyright laws, CONTRACTOR hereby irrevocably assigns all right, title, and interest in materials, including all intellectual property rights, to the AGENCY effective from the moment of creation of such materials.

Materials means all items in any format and includes, but is not limited to, data, reports, documents, pamphlets, advertisements, books, magazines, surveys, studies, computer programs, films, tapes, and/or sound reproductions. Ownership includes the right to copyright, patent, register and the ability to transfer these rights.

For materials that are delivered under the contract, but that incorporate pre-existing materials not produced under the contract, CONTRACTOR hereby grants to the AGENCY a nonexclusive, royalty-free, irrevocable license (with rights to sublicense others) in such materials to translate, reproduce, distribute, prepare derivative works, publicly perform, and publicly display. The CONTRACTOR warrants and represents that CONTRACTOR has all rights and permissions, including intellectual property rights, moral rights and rights of publicity, necessary to grant such a license to the AGENCY.

The CONTRACTOR shall exert all reasonable effort to advise the AGENCY, at the time of delivery of materials furnished under this contract, of all known or potential invasions of privacy contained therein and of any portion of such document that was not produced in the performance of this contract.

The AGENCY shall receive prompt written notice of each notice or claim of infringement received by the CONTRACTOR with respect to any data delivered under this contract. The AGENCY shall have the right to modify or remove any restrictive markings placed upon the data by the CONTRACTOR.

COVENANT AGAINST CONTINGENT FEES

The CONTRACTOR warrants that no person or selling agent has been employed or retained to solicit or secure this contract upon an agreement or understanding for a commission, percentage, brokerage or contingent fee, excepting bona fide employees or bona fide established agents maintained by the CONTRACTOR for securing business.

The AGENCY shall have the right, in the event of breach of this clause by the CONTRACTOR, to annul this contract without liability or, in its discretion, to deduct from the contract price or consideration or recover by other means the full amount of such commission, percentage, brokerage or contingent fee.

DISALLOWED COSTS

The CONTRACTOR is responsible for any audit exceptions or disallowed costs incurred by its own organization or that of its Subcontractors.

DISPUTES

Except as otherwise provided in this contract, when a dispute arises between the parties and it cannot be resolved by direct negotiation, either party may request a dispute hearing with AGENT.

1. The request for a dispute hearing must:
 - Be in writing;
 - State the disputed issue(s);
 - State the relative positions of the parties;
 - State the CONTRACTOR'S name, address, and contract number; and
 - Be mailed to the AGENT and the other party's (respondent's) contract manager within 3 working calendar days after the parties agree that they cannot resolve the dispute.
2. The respondent shall send a written answer to the requester's statement to both the AGENT and the requester within 5 working calendar days.
3. The AGENT shall review the written statements and reply in writing to both parties within 10 working days. The AGENT may extend this period if necessary by notifying the parties.
4. The parties agree that this dispute process shall precede any action in a judicial or quasi-judicial tribunal.

Nothing in this contract shall be construed to limit the parties' choice of a mutually acceptable ADR method in addition to the dispute resolution procedure outlined above.

DUPLICATE PAYMENT

The AGENCY shall not pay the CONTRACTOR, if the CONTRACTOR has charged or will charge the State of Washington or any other party under any other contract or agreement, for the same services or expenses.

GOVERNING LAW

This contract shall be construed and interpreted in accordance with the laws of the State of Washington, and the venue of any action brought hereunder shall be in the Superior Court for Thurston County.

INDEMNIFICATION

To the fullest extent permitted by law, CONTRACTOR shall indemnify, defend, and hold harmless State, agencies of State and all officials, agents and employees of State, from and against all claims for injuries or death arising out of or resulting from the performance of the contract. "Claim," as used in this contract, means any financial loss, claim, suit, action, damage, or expense, including but not limited to attorney's fees, attributable for bodily injury, sickness, disease, or death, or injury to or destruction of tangible property including loss of use resulting therefrom.

CONTRACTOR'S obligations to indemnify, defend, and hold harmless includes any claim by CONTRACTORS' agents, employees, representatives, or any subcontractor or its employees.

CONTRACTOR expressly agrees to indemnify, defend, and hold harmless the State for any claim arising out of or incident to CONTRACTOR'S or any subcontractor's performance or failure to perform the contract. CONTRACTOR'S obligation to indemnify, defend, and hold harmless the State shall not be eliminated or reduced by any actual or alleged concurrent negligence of State or its agents, agencies, employees and officials.

CONTRACTOR waives its immunity under Title 51 RCW to the extent it is required to indemnify, defend and hold harmless State and its agencies, officials, agents or employees.

INDEPENDENT CAPACITY OF THE CONTRACTOR

The parties intend that an independent contractor relationship will be created by this contract. The CONTRACTOR and his or her employees or agents performing under this contract are not employees or agents of the AGENCY. The CONTRACTOR will not hold himself/herself out as or claim to be an officer or employee of the AGENCY or of the State of Washington by reason hereof, nor will the CONTRACTOR make any claim of right, privilege or benefit that would accrue to such employee under law. Conduct and control of the work will be solely with the CONTRACTOR.

INDUSTRIAL INSURANCE COVERAGE

The CONTRACTOR shall comply with the provisions of Title 51 RCW, Industrial Insurance. If the CONTRACTOR fails to provide industrial insurance coverage or fails to pay premiums or penalties on behalf of its employees, as may

be required by law, AGENCY may collect from the CONTRACTOR the full amount payable to the Industrial Insurance accident fund. The AGENCY may deduct the amount owed by the CONTRACTOR to the accident fund from the amount payable to the CONTRACTOR by the AGENCY under this contract, and transmit the deducted amount to the Department of Labor and Industries, (L&I) Division of Insurance Services. This provision does not waive any of L&I's rights to collect from the CONTRACTOR.

LICENSING, ACCREDITATION AND REGISTRATION

The CONTRACTOR shall comply with all applicable local, state, and federal licensing, accreditation and registration requirements/standards, necessary for the performance of this contract.

LIMITATION OF AUTHORITY

Only the AGENT or AGENT'S delegate by writing (delegation to be made prior to action) shall have the express, implied, or apparent authority to alter, amend, modify, or waive any clause or condition of this contract. Furthermore, any alteration, amendment, modification, or waiver or any clause or condition of this contract is not effective or binding unless made in writing and signed by the AGENT.

NONCOMPLIANCE WITH NONDISCRIMINATION LAWS

In the event of the CONTRACTOR'S non-compliance or refusal to comply with any nondiscrimination law, regulation, or policy, this contract may be rescinded, canceled or terminated in whole or in part, and the CONTRACTOR may be declared ineligible for further contracts with the AGENCY. The CONTRACTOR shall, however, be given a reasonable time in which to cure this noncompliance. Any dispute may be resolved in accordance with the "Disputes" procedure set forth herein.

NONDISCRIMINATION

During the performance of this contract, the CONTRACTOR shall comply with all federal and state nondiscrimination laws, regulations and policies.

PRIVACY

Personal information including, but not limited to, "Protected Health Information," collected, used, or acquired in connection with this contract shall be protected against unauthorized use, disclosure, modification or loss. CONTRACTOR shall ensure its directors, officers, employees, subcontractors or agents use personal information solely for the purposes of accomplishing the services set forth herein. CONTRACTOR and its subcontractors agree not to release, divulge, publish, transfer, sell or otherwise make known to unauthorized persons personal information without the express written consent of the agency or as otherwise required by law.

Any breach of this provision may result in termination of the contract and the demand for return of all personal information. The CONTRACTOR agrees to indemnify and hold harmless the AGENCY for any damages related to the CONTRACTOR'S unauthorized use of personal information.

PUBLICITY

The CONTRACTOR agrees to submit to the AGENCY all advertising and publicity matters relating to this contract wherein the AGENCY'S name is mentioned or language used from which the connection of the AGENCY'S name may, in the AGENCY'S judgment, be inferred or implied. The CONTRACTOR agrees not to publish or use such advertising and publicity matters without the prior written consent of the AGENCY.

RECORDS MAINTENANCE

The CONTRACTOR shall maintain books, records, documents, data and other evidence relating to this contract and performance of the services described herein, including but not limited to accounting procedures and practices that sufficiently and properly reflect all direct and indirect costs of any nature expended in the performance of this contract.

CONTRACTOR shall retain such records for a period of six years following the date of final payment. At no additional cost, these records, including materials generated under the contract, shall be subject at all reasonable times to inspection, review or audit by the AGENCY, personnel duly authorized by the AGENCY, the Office of the State Auditor, and federal and state officials so authorized by law, regulation or agreement.

If any litigation, claim or audit is started before the expiration of the six (6) year period, the records shall be retained until all litigation, claims, or audit findings involving the records have been resolved.

REGISTRATION WITH DEPARTMENT OF REVENUE

The CONTRACTOR shall complete registration with the Washington State Department of Revenue and be responsible for payment of all taxes due on payments made under this contract.

RIGHT OF INSPECTION

The CONTRACTOR shall provide right of access to its facilities to the AGENCY, or any of its officers, or to any other authorized agent or official of the state of Washington or the federal government, at all reasonable times, in order to monitor and evaluate performance, compliance, and/or quality assurance under this contract.

SAVINGS

In the event funding from state, federal, or other sources is withdrawn, reduced, or limited in any way after the effective date of this contract and prior to normal completion, the AGENCY may terminate the contract under the "Termination for Convenience" clause, without the ten-day notice requirement, subject to renegotiation at the AGENCY'S discretion under those new funding limitations and conditions.

SEVERABILITY

The provisions of this contract are intended to be severable. If any term or provision is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity of the remainder of the contract.

SITE SECURITY

While on AGENCY premises, CONTRACTOR, its agents, employees, or subcontractors shall conform in all respects with physical, fire or other security policies or regulations.

SUBCONTRACTING

Neither the CONTRACTOR nor any SUBCONTRACTOR shall enter into subcontracts for any of the work contemplated under this contract without obtaining prior written approval of the AGENCY. In no event shall the existence of the subcontract operate to release or reduce the liability of the contractor to the Department for any breach in the performance of the contractor's duties. This clause does not include contracts of employment between the contractor and personnel assigned to work under this contract.

Additionally, the CONTRACTOR is responsible for ensuring that all terms, conditions, assurances and certifications set forth in this agreement are carried forward to any subcontracts. CONTRACTOR and its subcontractors agree not to release, divulge, publish, transfer, sell or otherwise make known to unauthorized persons personal information without the express written consent of the agency or as provided by law.

TAXES

All payments accrued because of payroll taxes, unemployment contributions, any other taxes, insurance or other expenses for the CONTRACTOR or its staff shall be the sole responsibility of the CONTRACTOR.

TERMINATION FOR CAUSE

In the event the AGENCY determines the CONTRACTOR has failed to comply with the conditions of this contract in a timely manner, the AGENCY has the right to suspend or terminate this contract. Before suspending or terminating the contract, the AGENCY shall notify the CONTRACTOR in writing of the need to take corrective action. If corrective action is not taken within 30 calendar days, the contract may be terminated or suspended.

In the event of termination or suspension, the CONTRACTOR shall be liable for damages as authorized by law including, but not limited to, any cost difference between the original contract and the replacement or cover contract and all administrative costs directly related to the replacement contract, e.g., cost of the competitive bidding, mailing, advertising and staff time.

The AGENCY reserves the right to suspend all or part of the contract, withhold further payments, or prohibit the CONTRACTOR from incurring additional obligations of funds during investigation of the alleged compliance breach and pending corrective action by the CONTRACTOR or a decision by the AGENCY to terminate the contract. A termination shall be deemed a "Termination for Convenience" if it is determined that the CONTRACTOR: (1) was not in default; or (2) failure to perform was outside of his or her control, fault or negligence.

The rights and remedies of the AGENCY provided in this contract are not exclusive and are, in addition to any other rights and remedies, provided by law.

TERMINATION FOR CONVENIENCE

Except as otherwise provided in this contract, the AGENCY may, by 10 calendar days written notice, beginning on the second day after the mailing, terminate this contract, in whole or in part. If this contract is so terminated, the AGENCY shall be liable only for payment required under the terms of this contract for services rendered or goods delivered prior to the effective date of termination.

TERMINATION PROCEDURES

Upon termination of this contract, the AGENCY, in addition to any other rights provided in this contract, may require the CONTRACTOR to deliver to the AGENCY any property specifically produced or acquired for the performance of such part of this contract as has been terminated. The provisions of the "Treatment of Assets" clause shall apply in such property transfer.

The AGENCY shall pay to the CONTRACTOR the agreed upon price, if separately stated, for completed work and services accepted by the AGENCY, and the amount agreed upon by the CONTRACTOR and the AGENCY for (i) completed work and services for which no separate price is stated, (ii) partially completed work and services, (iii) other property or services that are accepted by the AGENCY, and (iv) the protection and preservation of property, unless the termination is for default, in which case the AGENT shall determine the extent of the liability of the AGENCY. Failure to agree with such determination shall be a dispute within the meaning of the "Disputes" clause of this contract. The AGENCY may withhold from any amounts due the CONTRACTOR such sum as the AGENT determines to be necessary to protect the AGENCY against potential loss or liability.

The rights and remedies of the AGENCY provided in this section shall not be exclusive and are in addition to any other rights and remedies provided by law or under this contract.

After receipt of a notice of termination, and except as otherwise directed by the AGENT, the CONTRACTOR shall:

1. Stop work under the contract on the date, and to the extent specified, in the notice;
2. Place no further orders or subcontracts for materials, services, or facilities except as may be necessary for completion of such portion of the work under the contract that is not terminated;
3. Assign to the AGENCY, in the manner, at the times, and to the extent directed by the AGENT, all of the rights, title, and interest of the CONTRACTOR under the orders and subcontracts so terminated, in which case the AGENCY has the right, at its discretion, to settle or pay any or all claims arising out of the termination of such orders and subcontracts;
4. Settle all outstanding liabilities and all claims arising out of such termination of orders and subcontracts, with the approval or ratification of the AGENT to the extent AGENT may require, which approval or ratification shall be final for all the purposes of this clause;
5. Transfer title to the AGENCY and deliver in the manner, at the times, and to the extent directed by the AGENT any property which, if the contract had been completed, would have been required to be furnished to the AGENCY;
6. Complete performance of such part of the work as shall not have been terminated by the AGENT; and

7. Take such action as may be necessary, or as the AGENT may direct, for the protection and preservation of the property related to this contract, which is in the possession of the CONTRACTOR and in which the AGENCY has or may acquire an interest.

TREATMENT OF ASSETS

1. Title to all property furnished by the AGENCY shall remain in the AGENCY. Title to all property furnished by the CONTRACTOR, for the cost of which the CONTRACTOR is entitled to be reimbursed as a direct item of cost under this contract, shall pass to and vest in the AGENCY upon delivery of such property by the CONTRACTOR. Title to other property, the cost of which is reimbursable to the CONTRACTOR under this contract, shall pass to and vest in the AGENCY upon (i) issuance for use of such property in the performance of this contract, or (ii) commencement of use of such property in the performance of this contract, or (iii) reimbursement of the cost thereof by the AGENCY in whole or in part, whichever first occurs.
2. Any property of the AGENCY furnished to the CONTRACTOR shall, unless otherwise provided herein or approved by the AGENCY, be used only for the performance of this contract.
3. The CONTRACTOR shall be responsible for any loss or damage to property of the AGENCY that results from the negligence of the CONTRACTOR or which results from the failure on the part of the CONTRACTOR to maintain and administer that property in accordance with sound management practices.
4. If any AGENCY property is lost, destroyed or damaged, the CONTRACTOR shall immediately notify the AGENCY and shall take all reasonable steps to protect the property from further damage.
5. The CONTRACTOR shall surrender to the AGENCY all property of the AGENCY prior to settlement upon completion, termination or cancellation of this contract
6. All reference to the CONTRACTOR under this clause shall also include CONTRACTOR'S employees, agents or SUBCONTRACTORS.

WAIVER

Waiver of any default or breach shall not be deemed a waiver of any subsequent default or breach. Any waiver shall not be construed to be a modification of the terms of this contract unless stated to be such in writing and signed by authorized representative of the AGENCY.