

# **REQUEST FOR PROPOSAL**

## **WORKERS' COMPENSATION CLAIMS ADMINISTRATION SERVICES**

### **I. OBJECTIVES**

California Housing Workers' Compensation Authority, hereinafter referred to as CHWCA, is soliciting proposals from qualified third party administrators, hereinafter referred to as the TPA, for administration of CHWCA's self-insured workers' compensation program. CHWCA requires a vendor who demonstrates an innovative and effective claims management process that is streamlined and user-friendly, has a strong emphasis on exceptional customer service, solid reporting capabilities, effective and advanced technological capabilities, proactive and consistent management of employee/claimant occupational absences, competitive rates and fees, and the ability and willingness to commit to complying with CHWCA's performance standards, and possess the flexibility and willingness to adapt to CHWCA's evolving operational needs.

### **II. BACKGROUND**

CHWCA is a self-insured group currently comprised of California Public Housing Authority members located throughout the state of California. CHWCA began pooling for workers' compensation risk coverage on January 1, 1991. CHWCA currently maintains a self-insured retention of \$750,000.

CHWCA contracts with Sedgwick to provide administrative, finance, risk management, safety and loss prevention, and workers' compensation oversight services. Administration includes services of a Workers' Compensation Program Manager (WCPM) to ensure the competent and consistent handling of claims by the TPA.

CHWCA's WCPM is responsible for the management of CHWCA's workers' compensation program, including administration of the TPA agreement and coordination of all aspects of the workers' compensation program with the TPA. This includes general oversight of the workers' compensation program, file reviews, training, and other services as requested by CHWCA.

CHWCA's total expected payroll (salaries) for calendar year 2026 is \$223,246,404. CHWCA consists of 28 members which employ approximately 2,507 employees consisting of both full-time and part-time employees.

Innovative Claims Solutions (ICS) currently administers the workers' compensation program. As of May 31, 2026, there are 234 open claims that includes 160 indemnity claims, 43 future medical, and 31 medical only claims. Also attached is a copy of the Self-Insured Plans Annual Report (one page only with claims data) dated August 21, 2025 (Attachment A).

### **III. SCOPE OF WORK**

CHWCA is interested in obtaining a TPA who will be able to favorably respond to the following performance objectives adopted by CHWCA's Executive Committee:

#### **A. CLAIMS ADMINISTRATION PERFORMANCE STANDARDS**

##### **1. Caseload**

Each examiner shall have a caseload not to exceed one hundred twenty-five (125) open indemnity and future medical claims. Each claims assistant shall have a caseload not to exceed two hundred (200) open medical only claims. The supervisor may have a caseload not to exceed thirty (30) open indemnity claims.

The caseload thresholds identified above apply to each examiner's, claims assistant's, and supervisor's total assigned inventory across all clients and accounts and will be measured at each month. For purposes of calculating caseloads, all claim types shall be counted on a one-to-one (1:1) basis, regardless of complexity or classification. At any time that caseloads exceed the maximum threshold, the TPA will discuss a plan to correct caseloads within thirty (30) with CHWCA's WCPM.

##### **2. Forms**

The TPA shall provide all forms necessary for the processing of benefits or claims information including the Employer's Report of Injury (DLSR 5020), Employee Claim Form (DWC Form 1), return to work slips, vouchers, checks, and other related forms. The cost of providing these forms shall be included within the contract price.

##### **3. Claim File Set Up, Coverage, ISO, Documentation and Plan of Action/Diary Review**

Upon receipt of the Employer's Report of Injury, the TPA will prepare an individual claim file within one (1) business day for each claim.

All activity, contact, notification, reconciliation, referrals, review, verification, etc. shall be clearly documented in the computer notepad within one (1) business day and maintained in the applicable claim file. A copy of all written documentation, notices, letters, reports, etc. will be maintained in the applicable claim file. This requirement shall apply to all standards contained in this section of the Agreement. Use of electronic claim forms is appropriate only with assurance all claim file documentation can be recreated in hard copy as requested and access provided to the electronic claim files.

The TPA shall verify the coverage period and that coverage was provided to the member by CHWCA on the date of injury or illness in accordance with member program dates and governing documents. If applicable, the TPA shall exercise due diligence in joining applicable co-defendants.

All activity to verify coverage and join co-defendants shall be clearly documented in the computer notepad within one (1) business day.

Each claim file shall contain the examiner's Plan of Action outlining the strategic steps to be taken to bring the claim to conclusion. All claim files and Plans of Action shall be reviewed and updated at least every forty-five (45) calendar days for active claims and plan of action documentation and at least every six (6) months for claims that have settled but are open to monitor future medical care, allowing a two-week grace period for completion. The examiner shall distinguish the regular diary review from routine file documentation in the computer notepad. The supervisor shall monitor the diary reviews by printing a "No Activity" report each month to identify any files that have fallen off the diary system and will take all steps necessary to remedy the absence of activity and ensure the file has an effective plan of action that will be implemented. The member will be subsequently advised of the status of the claim in writing within a reasonable time frame.

#### 4. Employer Contact

The TPA shall contact the member within one (1) business day of receipt of notification of an allegedly compensable illness/injury and request the Employer's Report of Injury form (DLSR 5020) when or if notification of an injury, illness, or incident is received from any source (i.e., Application of Adjudication, notice of legal representation, Doctor's First Report of Injury, etc.). The TPA will confirm with the member that the Employee Claim Form (DWC 1) was given to the employee within one (1) business day of knowledge of the injury. If the employer verbally advises that the DWC 1 was not provided to the employee, the TPA will provide the form with the initial contact letter to the employee within three (3) business days of receiving the claim. Such contact with the member shall be documented in the computer notepad after the claim has been created in the system.

All phone calls and email inquiries from employers shall be acknowledged and responded to within one (1) business day.

When a claim reaches or exceeds one half (1/2) of CHWCA's Self-Insured Retention (SIR) in total incurred value, the TPA shall report to the member, with a copy to the WCPM, every ninety (90) calendar days regarding the status of the claim unless otherwise instructed by the WCPM. Such report shall include the examiner's plan of action for the future handling of the claim. The examiner will provide file reviews with copies to the WCPM quarterly if requested by the member. Other periodic file reviews will be scheduled based upon the needs of the member.

#### 5. Employee/Claimant Contact

In all non-litigated, lost time cases, where the employee has not returned to work, telephone or personal contact will be established with the injured employee within one (1) business day of receipt of notice of claim. Successful contact with the employee shall consist of a minimum of three (3) documented contact attempts using appropriate communication methods and made within a reasonable timeframe.

Such contact will continue as often as necessary to keep the employee informed of various steps in the process and to actively manage the claim at least monthly until the employee returns to work. Such contact with the employee shall be documented in the computer notepad within one (1) business day. Return phone calls to employees will be accomplished within one (1) business day.

All correspondence from employees will be responded to within five (5) calendar days of receipt.

6. Investigation

The TPA shall subscribe to the Index Bureau. The examiner shall request a report from the Index Bureau on all new indemnity claims within five (5) business days of establishing a new claim. Subsequent requests should be made every six (6) to twelve (12) months thereafter on all active indemnity claims. The claim file will reflect the examiner's review and consideration of the Index information and the impact to the file.

7. Compensability

The compensability determination (accept claim, deny claim, or delay acceptance pending the results of additional investigation) and the reasons for such determination will be made and documented in the file within three (3) business days of the receipt of the notification of the loss. Delay or denial of benefit letters shall be mailed in compliance with the Division of Workers' Compensation (DWC) guidelines.

The TPA shall notify the member of delay or denial of any claim. In no case shall a final compensability decision be extended beyond ninety (90) calendar days from the member's knowledge of the claim.

8. Reserves

Reserves shall be established based upon the ultimate probable cost of each claim. All reserve categories shall be reviewed on a regular basis but at least every ninety (90) calendar days for open, unresolved indemnity claims and every one hundred and eighty (180) days on claims that have been settled and remain open to monitor future medical care. A two-week grace period for completion of the reserve reviews will be allowed. Such review shall be indicated in the computer notepad. The examiner shall utilize a reserve worksheet which has been approved by CHWCA's excess carrier, the Local Agency Workers' Compensation Excess Joint Powers Authority (LAWCX) pursuant to LAWCX's Resolution Establishing a Claims Management Policy. Any changes to reserves shall include an explanation for the change.

A claims assistant shall have authority to establish reserves not to exceed \$3,000. An examiner shall have authority to establish reserves not to exceed \$100,000. The supervisor shall have authority to establish reserves not to exceed \$150,000. A director, vice president, or president of the TPA shall review and approve all reserves in excess of \$150,000.

9. Medical Administration

The TPA shall select a panel of general practitioners, specialists, hospitals, and emergency treatment facilities to which injured employees should be referred, as approved by CHWCA's WCPM, and the TPA shall regularly review and update the panel. The physician's office will be contacted within five (5) business days of notice of all indemnity claims. Such contact shall be documented in the computer notepad within one (1) business day and will continue as needed during the continuation of temporary disability to assure that treatment is related to a compensable injury or illness.

The TPA shall maintain contact with treating physicians to ensure employees receive proper medical treatment and are returned to full or modified employment at the earliest possible date.

The TPA shall maintain proactive and direct contact with medical service providers to ensure their reports are received in a timely manner.

The TPA shall arrange medical evaluations when needed, reasonable, and/or requested in compliance with the California Labor Code.

The TPA shall ensure that medical bills are reduced to the recommended rates established by the Administrative Director of Workers' Compensation. The use of a service contractor is acceptable provided CHWCA WCPM's approval is first obtained, CHWCA shall pay for the use and benefits of the services provided. CHWCA reserves the right to negotiate or unbundle services to the benefit of its members.

The TPA shall provide, at CHWCA's expense, subject to prior approval by CHWCA, utilization review services. The TPA may obtain approval to utilize an outside agency to perform these services. If the TPA provides suggested referral standards guidelines which are approved by the TPA, referrals may be made on cases that meet those guidelines without obtaining further approval from CHWCA or its' members. The TPA reserves the right to negotiate or unbundle services to the benefit of CHWCA provided CHWCA's approval is first obtained.

The TPA shall provide, at the TPA's expense, professional managed care services on an as need basis to injured employees, provided the member entity and/or CHWCA's approval is obtained prior to the provision of such service. The TPA may obtain approval from CHWCA's WCPM to utilize an outside agency to perform these services.

10. Medical Payments

Medical bills will be reviewed for correctness, approved for payment, and paid within time limits established by Labor Code section 4603.2. If all or part of the bill is being disputed, the TPA will notify the medical provider, on the appropriate form letter, within time limits established by Labor Code 4603.29.

11. Provision of Benefits

The TPA shall provide all compensation and medical benefits in a timely manner and in compliance with the statutory requirements of the Labor Code. The TPA shall compute and pay temporary disability benefits to injured employees based upon earnings information and authorized disability periods. The TPA shall review, compute, and pay all informal ratings, death benefits, Findings and Awards, life pensions, or Compromise and Release settlements.

12. Initial Indemnity Payment

The initial indemnity payment or voucher will be issued and mailed to the injured employee together with properly completed DWC notices within fourteen (14) calendar days of the first day of disability.

Late payments must include the self-imposed increase in accordance with Labor Code Section 4650.

13. Subsequent Indemnity Payments

All indemnity payments or vouchers subsequent to the first payment will be verified, except for obvious long-term disability, and issued in compliance with Labor Code Section 4651.

Late payments must include the self-imposed increase in accordance with Labor Code Section 4650.

14. Transportation Expenses

Transportation expenses reimbursement will be reviewed for accuracy, approved for payment, and paid within five (5) business days of receipt of the claim for reimbursement. Advance travel expense payments will be mailed to the claimant at least ten (10) calendar days prior to the anticipated date of travel.

15. Return-to-Work (RTW)

The TPA shall assist members in facilitating the return of injured employees to modified duty during recovery and prior to their return to regular duties. For claims involving extended disability, potential permanent work restrictions, or retirement considerations, the TPA shall proactively consult with the member at least biweekly, or more frequently as claim activity warrants, to discuss claim status, return-to-work options, work restrictions, and next steps. The TPA shall promptly notify the member of any material developments affecting the employee's work status or return-to-work potential. The TPA shall also provide access to return-to-work (RTW) data, metrics, and reporting upon request.

16. Permanent Disability

The TPA shall explain and assist injured employees in completing the necessary forms to obtain a permanent disability rating.

The TPA shall determine the nature and extent of permanent disability and arrange for an informal disability rating whenever possible to avoid Workers' Compensation Appeals Board (WCAB) litigation.

All permanent disability benefit notices shall be sent to the employee as required by the Labor Code and copied to the member upon request.

17. Supplemental Job Displacement Benefits (SJDB)

In accordance with all applicable California laws, the TPA shall advise the injured employee/claimant of their right to SJDB, provide appropriate SJDB, control SJDB costs, attempt to secure the prompt conclusion of SJDB, and provide notification to CHWCA's members should work restrictions require permanent or modified alternative accommodations.

18. Litigated Cases

The TPA shall promptly initiate investigation of issues identified as material to potential litigation. The member shall be alerted to the need for an outside investigation as soon as possible and the examiner shall appoint an investigator who is acceptable to the member. Such referrals will be made within five (5) days of member approval and documented in the TPA's computer notepad within one (1) business day. The member shall be kept informed on the scope and results of all investigations.

When defense counsel is not necessary, the TPA shall work closely with the applicant's attorney in informal disposition of litigated cases.

The member shall be alerted to the need for an outside defense counsel as soon as possible and the examiner shall appoint an attorney who is acceptable to the member. Such referrals will be made within five (5) days of member approval and documented in the TPA's computer notepad within one (1) business day. The TPA will review all allocated legal costs prior to approval for payment at no additional cost to CHWCA.

Settlement proposals directed to the member shall be forwarded by the TPA or defense counsel in a concise and clear written form with a reason(s) for such recommendation. Where multiple claims are included in a proposed settlement, the submission shall specify the portion of the total settlement amount allocated to each claim.

All settlement proposals must be presented to the members and CHWCA's WCPM as soon as practicable to allow adequate review time, and in no event less than five (5) business days prior to any scheduled appearance before the WCAB.

All preparation for a trial shall involve the member so that all material evidence and witnesses are utilized to obtain a favorable result for the defense.

The supervisor or examiner shall attend WCAB hearings, meetings with defense counsel, and meetings with members' staff, departments, and employee groups as necessary and as requested to do so.

19. Settlements

The TPA shall obtain settlement authorization for all claims prior to finalizing all settlements. The TPA shall obtain settlement authority from the member for claims with total incurred amounts up to \$25,000. The TPA shall obtain the CHWCA's WCPM authorization on all settlements with total incurred amounts from \$25,001 to \$75,000. Settlement authority must be requested from CHWCA's Executive Committee when the total incurred amount exceeds \$75,000. All requests for settlement authority shall include a written comprehensive claim summary, current financial information, an estimate of permanent disability, and the defense counsel's comments and recommendations, if any.

All settlements involving excess coverage will be referred to the excess carrier for authority. The excess carrier will be notified of settlement proposals if the total incurred amount exceeds CHWCA's retention level.

20. Subrogation

In all cases where a third party is responsible for the injury to the employee, the TPA shall contact the member within three (3) business days of receipt of receipt of a new claim indicating they will pursue subrogation unless instructed otherwise by the member. When subrogation is to be pursued, the third party shall be contacted within ten (10) business days of identification, with notification of the member's right to subrogation and the recovery of certain claim expenses. If the third party is a governmental entity, a claim shall be filed with the governing board within six (6) months of the injury or notice of injury.

Periodic contact shall be made with the responsible party and/or its' insurer to provide notification of the estimated recovery amount to which the member will be entitled to, and to proactively pursue recovery from the responsible party.

If the injured worker brings a civil action against the party responsible for the injury, the TPA shall consult with the member about the value of the subrogation claim and other relevant considerations. Upon the member's authorization, subrogation counsel shall be assigned to file a Lien or a Complaint in Intervention, as appropriate, in the civil action to preserve the member's rights and protect all applicable statute of limitations.

Whenever practical, the TPA should take advantage of any settlement in a civil action by attempting to settle the workers' compensation claim by means of a Third-Party Compromise and Release.

If such attempt does not succeed, then every effort should be made through the WCAB to offset claim expenses through a credit against the proceeds from the injured worker's civil action.

CHWCA and the excess carrier, if applicable, is required to approve not pursuing subrogation or agree to a settlement of a third-party recovery. This approval shall be documented in the computer notepad within one (1) business day.

21. Claim Reconciliation

All claim files shall be reconciled to ensure all indemnity payments have been correctly calculated and issued. The reconciliation shall verify that payments were in the correct amount and from the correct claim file. The physical file should be verified with the computer information. All open claim files shall be reconciled at the time of a request for settlement authorization and at the time of submission for closure. Proof of the reconciliation should remain in the claim file and made available upon request.

22. Excess Coverage

Cases that have the potential to exceed the member's self-insured retention shall be identified and reported in accordance with the reporting criteria established by the excess carrier. All cases that meet the established reporting criteria are to be reported within five (5) business days of the day on which it is known that the criterion is met.

23. Award Payment

Payments on awards, computations, or Compromise and Release agreements will be issued within ten (10) business days, or sooner, if necessary, to ensure payment within twenty (20) business days of the WCAB approval date, following receipt of the appropriate document.

24. Penalties

Late payment of all benefits must include the self-imposed increase in accordance with California law. The TPA will provide CHWCA with a quarterly listing of any administrative and/or statutory penalties, or self-imposed increases, paid during the quarter ending March 31, June 30, September 30, and December 31. The report shall designate the party responsible for the penalty/increase. If the penalty/increase was the responsibility of the TPA, the TPA shall issue a check payable to CHWCA for reimbursement of the penalties/increase. The check and report shall be submitted to CHWCA by the 20th of the following month after the quarter ends.

The TPA and CHWCA acknowledge the various penalties and administrative fines that are contained in the California Workers' Compensation Reform Act of 1989 (effective January 1, 1990, and January 1, 1991) that may be imposed on both employers and claim administrators.

The TPA will be responsible for any fines or penalties, sanctions, self-imposed increases, interest or other assessments associated with questionable or controverted claims that the TPA denies without first consulting and obtaining approval by CHWCA for denial of the claim(s). The TPA will not be responsible for any fines or penalties levied by the DWC or any other

judicial or quasi-judicial organization for improper denial of a claim(s) if, over the objections of the TPA, the TPA has denied said claim(s) at the direction of CHWCA.

Any penalties assessed by the DWC for delays in benefits that are the direct result of delay by the TPA shall be the responsibility of the TPA. Conversely, those penalties that are the direct result of delay by CHWCA shall be the responsibility of CHWCA.

Any penalties assessed by the DWC Audit and Enforcement Unit based on errors by the TPA as identified by an auditor shall be the responsibility of the TPA. CHWCA shall be responsible for paying penalties, based on errors by CHWCA as identified by an auditor.

The TPA shall be responsible for any and all penalties that are the result of its negligence in making late payments pursuant to the statutory requirements for timely payments.

CHWCA shall be responsible for all penalties where the TPA has not been given sufficient notice such that the TPA has had at least seven (7) working days in which to investigate the claim and to pay temporary disability or send the required wage continuation notice before the penalties were assessed. The TPA shall be responsible for all penalties in which it has had more than seven (7) working days in which to investigate and pay temporary disability or send a wage continuation notice. For the purposes of this section "working day" means all days except Saturdays, Sundays, and commonly-observed holidays.

## 25. Case Closure

The supervisor must review all medical only claims open beyond ninety (90) calendar days from the date of entry by the TPA, for potential closure or conversion to indemnity claim status. Claims with \$3,000 or more paid to date and any claim open beyond one hundred eighty (180) days from date of entry must be converted to an indemnity claim and a reasonable, precautionary indemnity reserve placed on the claim(s). All indemnity cases where permanent disability is not an issue will be closed within sixty (60) calendar days of the final financial transaction or final correspondence to the injured worker as required by law. All indemnity claims where permanent disability is an issue will remain open for one (1) year from the last payment of benefit, or any activity on the file, and then closed within sixty (60) calendar days of that date. The TPA will monitor all stipulated cases with future medical provisions. Reserves for future medical will be reviewed semi-annually and adjusted, as appropriate, based on utilization, anticipated future exposure, and current claim status.

## 26. Status Reports

Special claim status reports requested by members shall be provided by the TPA to the respective member within ten (10) business days, with a copy provided to the WCPM. Verbal status reports requested by members shall be provided by the TPA to the respective member within two (2) business days. Special computer-generated loss data reports requested by member shall be provided within twenty (20) business days.

27. Claims Reporting

The TPA shall maintain all loss information as required by the Workers' Compensation Insurance Rating Bureau, the Department of Industrial Relations, the Office of Self Insurance Plans, and any other applicable regulatory authority.

The TPA shall assist in the preparation of all reports that are now or will be required by the State of California or other government agencies with respect to self-insurance programs and any Federal reporting as required by the Medicare, Medicaid, and SCHIP Extension Act of 2007 (MMSEA). The TPA will also assist in the preparation of all reports or databases as requested by CHWCA.

28. Record Retention

All claim files shall be maintained in accordance with statutory time requirements and CHWCA's Record Retention Policy.

29. Claims Supervision

The TPA shall provide supervisory staff that will regularly monitor and review the work product of the claim examiners. The supervisor shall review at least ten percent (10%) of each examiner's CHWCA caseload each month to ensure each examiner is following the performance standards outlined in this document. The supervisor shall conduct a review of all unresolved open indemnity claims every one-hundred twenty (120) calendar days, allowing a two-week grace period for completion. In addition, the supervisor shall conduct a regular review of all open indemnity claims with reserves in excess of \$100,000 and all problem or complex claims every ninety (90) calendar days and a review of all settled claims, open for additional benefits (such as future medical care or survivor benefits) every one-hundred eighty (180) days allowing for a two-week grace period.

Each supervisory review shall be documented in the claim file and shall include any recommendations, required corrective actions, and follow-up activities necessary to ensure timely and effective claim management.

30. Availability of Personnel

The TPA shall ensure at least one (1) or more of the examiners and supervisors assigned to CHWCA are available to CHWCA and its members every business day throughout the term of the approved contract between CHWCA and the TPA.

31. Examiner/Adjuster Training

The TPA shall certify to CHWCA annually that each claims examiner and supervisors handling the members' claims is in compliance with all legal and regulatory licensing and continuing educational requirements as presently or in the future shall be promulgated and required by the State of California. Where required by law or regulation, copies of all such certifications shall be provided at least annually by the TPA to CHWCA.

### 32. Member Services

The TPA shall provide special training services when requested by any CHWCA member to ensure that that member's staff who process workers' compensation claims are effectively carrying out the procedures required for a successful program.

Claims reviews will be provided when requested. The claims to be reviewed will be mutually decided upon by the individual member and the TPA and shall be an on-site review if reasonably requested.

The TPA shall require one of the unit staff to meet with each member's personnel, at the member's location (if reasonably requested by the member), at least once annually to review program procedures regarding workers' compensation reporting requirements and other program matters that require the timely participation of the member's personnel, unless the member is unavailable for such a meeting.

The TPA shall require an examiner to be available and readily respond to a member's request for assistance with problem cases, including on-site visits to the member if reasonably requested.

The TPA shall provide CHWCA with information regarding statutes, proposed changes to statutes, and changes to the rules and regulations affecting CHWCA and its responsibility as a legally self-insured workers' compensation joint powers authority.

The TPA shall investigate, respond to, and resolve all member complaints within three (3) business days of receiving notice of the complaint. CHWCA's WCPM shall be copied on and included in all communications, updates, findings, and resolution efforts related to the complaint. The TPA shall maintain documentation of all complaint investigations and resolutions and make such records available to CHWCA upon request.

### 33. Employee Services

As required, the TPA will develop, for review by CHWCA, materials which will provide information and guidance to members' employees regarding workers' compensation and the self-insurance program.

As required, the TPA will assist injured employees in resolving problems that arise from injury or illness claims.

### 34. Fraudulent Claims

Any claim with suspected fraudulent activity shall be referred to the TPA's special investigation process for further investigation and potential referral to the appropriate authorities. The claim will be referred to an investigator with the member's and WCPM's prior approval, to conduct further investigation. The member and WCPM will be notified of the referral and be provided with periodic updates.

35. Excess Reimbursements/Recoveries

The TPA shall be responsible for collecting reimbursements and recoveries from the excess carrier and on a quarterly basis. Reimbursements shall be requested by the twentieth (20<sup>th</sup>) of the following month after the quarter ending March 31, June 30, September 30, and December 31. If the claim remains open to monitor future medical care, reimbursements shall be immediately requested when the claim is reviewed semi-annually.

A copy of the request to the excess carrier shall be forwarded to CHWCA's WCPM until such time as the TPA is instructed otherwise. Any discrepancy in the recovery or reimbursement amount shall be clarified in the claim notes at the time of each request for reimbursement.

36. Overpayments

The TPA shall be responsible for attempting the collection of any overpayment of any benefit. In the event the TPA is unable to collect the overpayment, the TPA may be responsible to reimburse CHWCA for the amount of the overpayment if the basis for the overpayment relates to an error or errors by the TPA.

Attempted recovery will be documented in the claims file. Any overpayment not recovered will NOT BE credited against "new and further" disability without the approval of CHWCA WCPM. Overpayments which have not been recovered will be evaluated by the TPA for reimbursement to CHWCA.

It is understood overpayment of benefits resulting from good faith attempts at benefit administration (such as estimating permanent disability advance payments) will require attempts at recovery; however, the resulting overpayment will not be the responsibility of the TPA to reimburse CHWCA.

37. Compliance with Labor Code

The TPA shall comply with all provisions of the Labor Code and Rules and Regulations.

38. Conflicts of Interest

The TPA shall avoid all actual or perceived conflicts of interest in the performance of services under this document, and shall promptly disclose to CHWCA any circumstances that may give rise to a conflict or the appearance of a conflict. If the TPA receives compensation from CHWCA for services not included in this document, such as bill review services, managed care, or investigations, the TPA shall disclose all fees received from CHWCA. Such disclosure shall be in the form of a letter and shall be received by CHWCA no later than April 1 of each year and shall identify the nature of the services provided, the compensation received, and any financial relationships that could reasonably be perceived as creating a conflict of interest.

### 39. Performance Expectations

The above Performance Standards shall be reviewed and implemented by all TPA staff assigned to CHWCA's Program within thirty (30) calendar days of approval of an agreement and/or staff assignments.

Verification of compliance shall be made available upon request by the WCPM.

## SPECIAL PROVISIONS

### 1. Financial Administration

CHWCA will establish a trust account from which the TPA shall make all indemnity, medical, and allocated loss expense payments. Payment authorization limits and payment policies will be established by CHWCA and reviewed from time to time with the TPA.

The TPA shall maintain complete and accurate records with respect to costs, expenses, receipts, and other such information required by CHWCA that relate to the performance of services under this RFP. The TPA shall maintain adequate records of services provided in sufficient detail to permit an evaluation of services. All such records shall be maintained in accordance with generally accepted accounting principles and shall be clearly identified and readily accessible for review, audit, or inspection by CHWCA or its authorized representatives.

The TPA shall notify CHWCA in writing prior to issuance of any payment in excess of \$30,000. In such cases, the TPA shall notify CHWCA as soon as practicable and document the circumstances requiring the payment.

### 2. Allocated Loss Expenses

All allocated loss expenses shall be the responsibility of CHWCA. It is agreed and understood that, whenever practicable, allocated loss expenses should be paid directly from the applicable claim file. The above fee arrangement shall include all services included in this RFP except for payments made by the TPA on CHWCA's behalf for medical, disability, or other benefits, and allocated loss expense.

Allocated Loss Expense shall mean all WCAB or court costs, fees, and expenses; fees for service of process; fees to attorneys; fees of independent adjusters or attorneys for investigation or adjustment of claims for AOE/COE investigations not performed by the TPA's workers' compensation claims personnel; the cost of employing experts for the purpose of preparing maps, photographs, diagrams, chemical or physical questions; the cost of copies of transcripts of testimony of coroner's inquests or private records; the cost of depositions and court reporter or recorded statements; and any similar costs or expenses properly chargeable to the defense of a particular claim or to the protection of the subrogation rights of CHWCA; provided, however, that all of the above services performed by the TPA's personnel shall not be considered allocated loss expenses unless CHWCA is informed by the TPA that an AOE/COE investigation is necessary and CHWCA requests, in writing, that the TPA perform that

investigation; the TPA personnel can then perform the investigation and the costs of that investigation shall be considered as allocated loss expenses. If CHWCA does not request the AOE/COE investigation be performed by the TPA personnel, such investigation shall be referred by the TPA to an independent investigator.

Allocated loss expense shall also include medical cost containment program costs as defined in Title 8, Division 1, Chapter 8, Subchapter 2, Article 6, and Section 15300.

3. Right to Audit

CHWCA or its designated representative is authorized to visit the TPA's processing and/or storage premises for the purpose of performing a claims audit, and shall have access to all data, including paper documents, microfilm, microfiche, and magnetically stored data which relate to payments or non-payments made by the TPA. Any assistance or service provided in response to a claims audit described above will be rendered at no additional cost to CHWCA.

4. Payments Outside of Coverage Period

No charges to CHWCA for payments made on behalf of persons who were not valid employees of the covered CHWCA on the date of injury shall be accepted for payment by CHWCA. The TPA may be responsible to reimburse CHWCA for any amounts paid in error.

5. Personnel

The TPA agrees to assign only competent personnel according to the reasonable and customary standards of training and experience in the relevant field to perform services pursuant to an agreement. Failure to assign such competent personnel shall constitute grounds for termination of an agreement. The examiners and claims assistants shall be dedicated to the exclusive handling of CHWCA's claims. The TPA shall be allowed to use a non-dedicated or part-time, experienced examiner when caseloads exceed the number specified in the caseloads outlined in the "SCOPE OF WORK". The TPA will be permitted to assign adjusters to other clients if there are not sufficient CHWCA cases to support the 125 caseload, so long as the caseload does not exceed 125 as contracted.

Each claims examiner assigned to CHWCA's claims shall have successfully passed the California Department of Industrial Relations Self-Insurance Administrator Examination. As an exception, no more than one (1) examiner within CHWCA's dedicated claims unit may be assigned without having passed the examination. Any examiner who has not yet obtained certification must be actively enrolled in and progressing through the required coursework and examination process, with successful certification achieved within two (2) years of assignment to the CHWCA account. The TPA shall provide documentation of certification status upon request.

The TPA shall annually certify to CHWCA that each claims examiner handling the members' claims is in compliance with all legal and regulatory licensing and continuing educational requirements as presently or in the future shall be promulgated and required by the State of

California. It is understood that CHWCA has the right to require examiners to be removed from their program based on unsatisfactory performance.

CHWCA's Administrator shall have the right and opportunity to approve or reject any proposed examiner provided by the TPA. The examiner shall have at least two (2) years of workers' compensation claims experience at the examiner level. CHWCA's WCPM shall also have the opportunity to review services provided by the examiner and require a new examiner if service is unacceptable to CHWCA, its members, or Administrator. Any examiner changes or additions must be approved by CHWCA's WCPM.

The TPA shall maintain, at all times, one (1) or more of the examiners assigned to CHWCA's claims, or in their absence, the supervisor or management above the supervisory level, are available by telephone for emergencies through a 24-hour emergency telephone number. The TPA shall provide a toll-free telephone number at no additional charge to CHWCA.

The TPA shall require an examiner to be available and to readily respond to a member's request for assistance with problem cases, which may include in-person visits with the members.

The TPA shall require its examiners or other TPA personnel, as necessary, to attend CHWCA's regularly scheduled Board of Directors and Executive Committee meetings to report on the general state of the program since the last meeting, and on any particular cases of interest to the Board and Executive Committee.

The TPA shall ensure that other personnel, such as management, clerical, accounting, and data processing, which may be required to satisfactorily provide the services required by an agreement, shall be provided by the TPA within the agreed fee for services contained in this RFP. It is understood that the personnel referred to in this paragraph need not be dedicated to the exclusive use of CHWCA.

#### 6. Computer Access

The TPA shall provide online access at no additional charge to CHWCA's Administrator and members. Such data shall be in a format accessible from CHWCA's Administrator's computers and will permit CHWCA's Administrator to print copies of the data on its printers. The TPA shall provide training for use of the computer system for CHWCA's Administrator. If CHWCA's Administrator, under the TPA's guidance, is not able to maintain online interface with data maintained by the TPA, the TPA may be required to provide a copy of all data processed during the previous month to CHWCA's Administrator's office on a disk by the tenth (10<sup>th</sup>) calendar day following month end.

#### 7. Record Retention

All claim files and associated data shall be maintained in accordance with statutory time requirements and CHWCA's Record Retention Policy. The members shall be notified prior to any destruction of files to determine if the member wishes to retain the claim file at their own expense.

8. Confidentiality of Information

All data, documents, or other information developed or received, verbally or in writing, in performance of the agreement between the TPA and CHWCA are confidential and not to be disclosed to any person except as authorized by CHWCA, the TPA, or as required by law.

9. Claim Reports

The TPA shall, at its expense, provide by the tenth (10<sup>th</sup>) of the following month a written summary report showing the number of claims reported during the prior month, separated by category (i.e. indemnity or medical only), the number of claims closed during the prior month, and any medical cost savings. This report shall show a comparison of the same information for the same month for the prior year.

10. Protection of Data

It is the TPA's responsibility to develop and implement processes and procedures relating to the protection of CHWCA's electronic data, including a suitable security and back-up system for all stored data and a written policy with respect to disaster recovery, physical and electronic data security, and electronic data retention, as per the standards for Accreditation with Excellence by the California Association of Joint Powers Authorities (CAJPA).

11. Computer Generated Reports/Loss Runs

The TPA shall, at its expense, by the 7th day of the following month, unless otherwise specified below:

A. Provide the following weekly reports to CHWCA's Administrator electronically:

1. A month-to-date check register subtotaled separately from the voids, recoveries, and refunds with the exception of voids that occurred in the same period. If recoveries, refunds, or voids, occur, they should be subtotaled at the bottom of the report, below checks issued.
2. A month-to-date voucher register run by fiscal year and by member of CHWCA.

B. Provide the following monthly reports to CHWCA's Administrator electronically:

1. A month-to-date check register subtotaled separately from the voids, recoveries, and refunds with the exception of voids that occurred in the same period. If recoveries, refunds or voids occur, they should be subtotaled at the bottom of the report, below checks issued.
2. A month-to-date voucher register run by fiscal year and by member of CHWCA.

3. A report of all open and closed claims by fiscal year and then alphabetically by member of CHWCA, to include the employee's name, claim number, date of injury, paid amount separated by type, future liability or reserves separated by type, total incurred, and any amounts recovered for subrogation or excess insurance.
  4. As of the end of each month, a listing of all open and closed claims with a total incurred value in excess of \$125,000 to be run by fiscal year and then alphabetically by CHWCA member. The report should include the employee's name, claim number, date of injury, paid amount, future liability, total incurred, and any excess insurance or subrogation recoveries.
  5. As of the end of each month, a listing of all open and closed claims with a total incurred value in excess of \$250,000 to be run by fiscal year and then alphabetically by CHWCA member. The report should include the employee's name, claim number, date of injury, paid amount, future liability, total incurred, and any excess insurance or subrogation recoveries.
  6. Summary Loss Run. A summary report of all open and closed claims by fiscal year with the paid amount separated by type, future liability or reserves separated by type, total incurred, and any amounts recovered for subrogation or excess insurance.
  7. A "No Activity" report listing the claims that have had no activity during the previous one hundred eighty (180) calendar days. The report components should include no reserve changes, no payments, no recoveries, no refunds, and/or no computer notepad activity.
- C. Provide the following information monthly to the member entities electronically:
1. A listing of all open claims showing the employee's name, claim number date of injury, paid amount, future liability, total incurred, and any amounts recovered.
  2. A listing of all information needed for the member to complete the OSHA 300 log to include claims where temporary disability benefits were paid during the applicable month showing the paid to date amounts, from and through dates of temporary disability benefits paid, claim number, and date of injury.
  3. A summary listing by fiscal year showing paid to date amounts, future liability or reserve amounts, total incurred amounts, number of open claims, number of closed claims, and average cost per claim.

- D. Provide the following quarterly reports, in addition to the regular monthly reports, to CHWCA's Administrator electronically:
1. A listing of any administrative penalties paid during the quarter, indicating which is the responsibility of the TPA, and which were the responsibility of the prior administrator(s), and a check from the TPA payable to CHWCA for reimbursement.
  2. A listing of subrogation claims showing the employee/claimant's name, claim number, date of injury, paid amount, future liability, total incurred, and any excess or subrogation recoveries.
  3. As of June 30, September 30, December 31, and March 31, a listing of all open and closed claims with a total incurred value in excess of \$50,000 to be run by fiscal year alphabetically by member. The report should include the employee/claimant name, claim number, date of injury, paid amount, future liability, total incurred, and any excess insurance or subrogation recoveries.
- E. Provide a report to CHWCA's Administrator annually in Excel format as of the end of the fiscal year, in addition to the regular monthly and quarterly reports, a year-end report. The report shall include all open and closed claims run by fiscal year and then alphabetically by member, to include the employee/claimant name, claim number, date of injury, occupation, text description of the injury, number of days temporary disability benefits were paid, paid amount separated by type, future liability or reserves separated by type, total incurred separated by type, and any amounts recovered for subrogation or excess insurance.
- F. The TPA shall also provide appropriate reports as requested documenting the timely and accurate reporting of CHWCA'S claims to the Centers for Medicare and Medicaid Services (CMS).
- G. The TPA shall assist in the preparation of all reports that are now or will be required by the State of California or other government agencies with respect to self-insurance programs. The TPA will also assist in the preparation of all reports to statistical database organizations as requested by CHWCA.
- H. Provide other special reports required of CHWCA or its Administrator including, but not limited to, loss trend reports, claim abstract reports, reports required by actuaries, excess insurance carriers, etc., provided that such reports do not require data elements that have not previously been collected by the TPA on behalf of CHWCA. Any corrections to the loss runs shall be made within thirty (30) days of a request for correction.
- I. Except as set forth in subparagraph E, special report requests that require programming, time, outside of the reports above, will be charged to CHWCA at a contractually agreed-upon hourly rate. Proposers shall set forth the intended rate in their response to this RFP.

- J. Any corrections to loss runs shall be made within thirty (30) calendar days of a request for correction. Other than standard monthly loss runs referenced in this section, computer generated loss data reports requested by members or CHWCA shall be provided within five (5) business days.

## 12. Client Services Representative

The TPA shall provide a client services representative whose duties will include the following responsibilities:

- A. Annual completion of the TPA portion of the OSIP report for CHWCA by September 15 of each year.
- B. Annual provision of the OSHA logs upon request for each February 1st posting.
- C. Automated and ad hoc reports as requested/required.
- D. Meeting attendance as requested and/or required.
- E. Workers' compensation training as requested.
- F. Miscellaneous assignments as requested and/or required.

## 13. Fee Refund/Credit for Failure to Meet Performance Standards

The TPA shall meet all established Key Performance Indicators (KPIs) throughout the term of the agreement. CHWCA reserves the right to place up to ten percent (10%) of the annual administrative fee at risk based on quarterly performance results. Performance will be evaluated at the end of each calendar quarter (March 31, June 30, September 30, and December 31) against mutually agreed-upon KPI standards. If the TPA fails to achieve the required performance metrics, CHWCA may request a fee refund of up to 10% of the annual fee, commensurate with the severity and frequency of performance deficiencies.

CHWCA's Workers' Compensation Program Manager (WCPM) will provide the TPA with quarterly performance results and supporting documentation. The TPA will be given a reasonable opportunity to review, respond to, and discuss the findings prior to any determination regarding fee reimbursement.

Performance will be measured using, at a minimum, the following Key Performance Indicators:

- Initial claimant contact within one (1) business day
- Reserve accuracy and adequacy
- Return of telephone calls and inquiries within one (1) business day
- Diary and claim management compliance
- Timely and accurate indemnity payments

- Litigation rate management
- Claim closure rate
- Return-to-work (RTW) outcomes and metrics
- Claim file audit scores
- Member satisfaction and customer service performance

#### **IV. INSURANCE REQUIREMENTS**

The TPA must agree to indemnify, hold CHWCA harmless, and defend CHWCA from all claims and legal action for damages arising from their performance under an agreement, without any imposed monetary limit.

Prior to and during the performance of an agreement, the TPA shall maintain at its own expense the following minimum insurance coverage:

- A. General Liability: Not less than \$2,000,000 per occurrence for bodily injury, personal injury, and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to the TPA or the general aggregate limit shall be twice the required occurrence limit. Such insurance shall include CHWCA, its officers, agents, and employees as additional insureds. Such insurance shall provide thirty (30) calendar days notice of intent to cancel or non-renew to CHWCA. Such insurance shall be subject to a deductible or self-insured retention of no greater than \$1,000. Upon execution of an agreement, the TPA shall provide CHWCA with a certificate of insurance evidencing that such general liability insurance has been obtained and is in full force and effect. In addition to the certificate of insurance and upon request by CHWCA, the TPA shall provide CHWCA a certified copy of the insurance policy or policies.
- B. Automobile Liability: Not less than \$2,000,000 per accident for bodily injury and property damage. If Automobile Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to the TPA or the general aggregate limit shall be twice the required occurrence limit. Such insurance shall include CHWCA, its officers, agents, and employees as additional insureds. Such insurance shall provide thirty (30) calendar days' notice of intent to cancel or non-renew to CHWCA. Such insurance shall be subject to a deductible or self-insured retention of no greater than \$1,000. Upon execution of an agreement, the TPA shall provide CHWCA with a certificate of insurance evidencing that such automobile liability insurance has been obtained and is in full force and effect. In addition to the certificate of insurance and upon request by CHWCA, the TPA shall provide CHWCA a certified copy of the insurance policy or policies.
- C. Workers' Compensation and Employer's Liability: Workers' Compensation limits as required by the Labor Code of the State of California and Employer's Liability limits of \$1,000,000 per accident. Upon execution of an agreement and upon renewal of such coverage, the TPA shall provide CHWCA with a certificate of insurance evidencing

that such Workers' Compensation and Employer's Liability insurance has been obtained and is in full force and effect. In addition to the certificate of insurance and upon request by CHWCA, the TPA shall provide CHWCA a certified copy of the insurance policy or policies.

- D. Errors and Omissions: Not less than \$5,000,000 per occurrence and shall not be subject to a deductible and/or self-insured retention of greater than \$100,000. The TPA shall maintain errors and omissions insurance applying to all claims arising out of an occurrence or events during the term of the insurance and made during, or subsequent to, the term of an agreement. Such insurance shall apply whether the claim arises out of the operations of the TPA, its officers, employees, consultants, agents, or anyone else acting, directly or indirectly, on behalf of any of the foregoing. Such insurance shall be severable and, except as respects the limits of liability and self-insured retention, apply to each insured as if no other insureds exist. Such coverage shall provide thirty (30) calendar days' notice of intent to cancel or non-renew to CHWCA. Upon execution of an agreement and upon renewal of such coverage, the TPA shall provide CHWCA with a certificate of insurance evidencing that such errors and omissions insurance has been obtained and is in full force and effect. In addition to the certificate of insurance and upon request by CHWCA, the TPA shall provide CHWCA a certified copy of the insurance policy or policies.
- E. Employee Dishonesty: Not less than \$1,000,000 to include comprehensive employee dishonesty, disappearance, theft, and forgery or alteration coverage in a form and issued by an insurance or bonding company or companies acceptable to CHWCA. Such insurance shall not have a deductible greater than \$1,000 any one (1) claim. Upon execution of an agreement, the TPA shall provide CHWCA with a certificate of insurance evidencing that such insurance has been obtained and is in full force and effect. Such coverage shall provide thirty (30) calendar days' notice of intent to cancel or non-renew to CHWCA.
- F. Cyber Liability: No less than \$1,000,000 to include coverage for any liability arising out of or related to the acquisition, storage, security, use, misuse, disclosure, or transmission of electronic data of any kind including, but not limited to, technology errors and omissions, information security and privacy, privacy notification costs, penalties for regulatory defense or penalties, website media content, disclosure or misuse of confidential information, failure to prevent unauthorized disclosure or misuse of confidential information, improper or inadequate storage or security of personal or confidential information, unauthorized access to computer systems containing confidential information, or transmission or failure to prevent transmission of a computer virus or other damaging material.

Insurance shall be primary with regards to any claim for damages arising out of the work performed under a service agreement. Any insurance or self-insurance maintained by CHWCA, its officers, officials, or employees shall be excess of the TPA's insurance, including any excess policies, and shall not contribute with it. CHWCA, its officers, agents, and employees shall be named as additional insureds under the Commercial General Liability policy. The TPA shall disclose its self-insured retention(s) on each of the required policies. The insurer shall provide thirty (30) calendar

days written notice to CHWCA regarding non-renewal, expiration or any changes in coverage. Appropriate insurance certificates and endorsements shall be provided to CHWCA for review and approval prior to execution of a service agreement.

Acceptability of Insurers. Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII, unless otherwise acceptable to CHWCA. The TPA may use Umbrella or Excess Policies to provide the liability limits as required in this agreement. The policies shall be provided on a true "following form" or broader coverage basis, with coverage at least as broad as provided on the underlying CGL insurance

All insurance documents are to be sent to:

Ms. Yahaira Velasquez  
CHWCA  
1750 Creekside Oaks Drive, Suite 200  
Sacramento, CA 95833

## V. ESTIMATED TIMETABLE

CHWCA anticipates the following timetable:

Issuance of the Request for Proposals (RFP)	July 2, 2026
Deadline for Receipt of Proposals by CHWCA	July 24, 2026
Review of Responses and Select Interviewees	August 6, 2026
TPA Interviews (30-minute maximum presentation)	August 20, 2026
Date of Contract Award	October 5, 2026
Contract Start-Up	January 1, 2027

Finalists will be required to conduct a live demonstration of their technology platform(s), including claims management system functionality, reporting and analytics capabilities, executive and operational dashboards, online member and client portal access, and document management features. Demonstrations should showcase key workflows, system usability, data accessibility, reporting capabilities, security features, and any tools designed to enhance claim administration, communication, and overall program performance.

CHWCA reserves the right to cancel and/or modify the above dates at any time.

## VI. SELECTION CRITERIA

The selection criteria to be used to select the successful proposer will include, but is not limited to, the following:

- A. Established record of consistent, effective professional service and reputation within the industry and existing clients;

- B. High quality references from clients, particularly from other self-insured groups, either public or private;
- C. Staffing and experience levels;
- D. Dynamic, state of the art claims management system along with sufficient information systems support staff;
- E. Cost effectiveness of medical and legal cost containment services and activities; and
- F. Overall cost-benefit advantages.

## **VII. INSTRUCTIONS FOR PREPARING WRITTEN PROPOSAL**

Please respond to this RFP in the following manner:

- A. Submit a cover letter that contains the name, title, address, and telephone number of the individual(s) with authority to bind the proposal during the period in which CHWCA is evaluating the proposal. The proposal shall also identify the legal form of the firm, (i.e., sole proprietor, partnership, corporation, etc.). If the firm is a corporation, the cover letter shall identify the state in which the firm was incorporated and the name of the parent corporation. A principal of the firm or other person fully authorized to act on behalf of the firm shall sign the cover letter.
- B. Experience
  - 1. Please give a brief description of proposer including:
    - a. The names and backgrounds of principal owners, partners, or officers including a resume detailing experience;
    - b. The length of time the firm has been in the business of administering California workers' compensation claims;
    - c. The number of California offices and locations;
    - d. The California office that would service CHWCA's claims; and
    - e. The California office that would service CHWCA for loss data or functions other than claims adjusting.
- C. Please disclose any significant organizational changes planned for the proposer or its parent organization within the next twelve (12) months, including but not limited to office relocations, office consolidations, mergers, acquisitions, restructuring activities, or legal name changes. For any planned office relocation or consolidation, confirm that all associated transition costs will be borne by the proposer and not

charged to CHWCA. Additionally, describe any anticipated impact on service delivery, staffing, account management, or business operations, and identify the measures that will be implemented to ensure continuity of service.

- D. Identify the personnel, including supervisory, management, and Account Manager who would be assigned to administer CHWCA's claims. In addition, provide detailed responses to the following:
1. The position each individual currently occupies and is being proposed to occupy;
  2. The education, years, and type of experience of each individual (attach a resume or curriculum vitae);
  3. The experience each individual has adjusting California permissibly public agency or private self-insured claims;
  4. The length of time each individual has been with the proposer;
  5. The percentage of time each individual is in the office, remotely, and the field;
  6. The caseload for every person assigned to handle any portion of CHWCA's claims;
  7. The proposer's plan to ensure continuity of proactive claims handling to account for any potential examiner turnover. The plan should outline the maximum time a temporary examiner is assigned to CHWCA's claims and provide timely updates as the plan evolves;
  8. Adjuster turnover rates on an annual basis for the last five (5) years and the reasons for the turnover;
  9. Detailed plan to ensure seamless claim transition when a new examiner is assigned to CHWCA's claims;
  10. Describe the company's approach to managing high-exposure and potentially catastrophic claims; and
  11. Describe the TPA's proposed account management structure and provide a comprehensive Account Management Plan. Include identification of the Executive Sponsor and primary Account Manager assigned to our program, along with their roles and responsibilities. Detail the frequency and format of business reviews, performance meetings, and strategic planning sessions. Describe your escalation process for service, operational, and claim-related issues, including key points of contact and resolution procedures. Additionally, outline response time expectations for routine inquiries, service requests, urgent issues, and executive-level escalations, including any applicable service level commitments.

- E. References. Identify three (3) current California public agency Joint Powers Authorities (JPA) similar in size to CHWCA. Please include the name, title, and phone number of three (3) people, in three (3) different companies, other than CHWCA, whom CHWCA can contact to discuss the proposer's performance.
- F. Provide a list of clients and their contact information who have cancelled their contract with your company during the past twenty-four (24) months. Please include the reason(s) for termination and/or non-renewal by either party.
- G. Describe any artificial intelligence (AI), machine learning, predictive analytics, robotic process automation (RPA), or other advanced technologies utilized to enhance claims management operations, including improvements in claim outcomes, fraud detection, reserve accuracy, workflow efficiency, decision support, predictive modeling, reporting, and overall program performance.
- H. Describe how your TPA ensures compliance with workers' compensation statutes and rules and regulations promulgated by the Department of Industrial Relations. Describe your organization's processes, controls, and quality assurance measures for ensuring compliance with all applicable California workers' compensation laws, regulations, and reporting requirements, including statutes and rules promulgated by the California Department of Industrial Relations (DIR). Include information regarding compliance monitoring, internal audits, examiner training, supervisory oversight, and corrective action procedures.

Additionally, disclose any regulatory findings, audit exceptions, penalties, or instances of non-compliance identified within the past five (5) years. For each occurrence, provide a description of the issue, the underlying cause, corrective actions taken, and the measures implemented to prevent recurrence.

- I. Describe reporting metrics that would help CHWCA's members better monitor claim activity and outcomes. Please include examples of the metrics provided for similar public-sector clients.
- J. Describe efforts to reduce claim duration and facilitate return to work efforts. Please provide examples of measurable outcomes achieved with similar public-sector clients.
- K. Describe the TPA's process for measuring client satisfaction. Include survey results if available.
- L. Respondents should describe their ability to meet CHWCA's KPIs and provide historical results demonstrating achievement of similar service-level expectations for comparable clients.
- M. If available, provide a copy of the most recent Statement of Auditing Standards Report addressing your internal controls.

- N. Provide your organization's Dun & Bradstreet (D&B) D-U-N-S Number, current D&B Rating, PAYDEX Score (if available), and any other relevant business credit ratings. Include information regarding the organization's financial strength, years in operation, and any recent material changes in financial condition. Three (3) years of audited financial statements may be requested prior to the selection of TPAs that will be invited to participate in the oral interviews.
- O. Identify any owned and/or affiliated ancillary services, companies, etc.
- P. Describe the TPA's cybersecurity protocols, including but not limited to multi-factor authentication (MFA), data encryption, SOC 2 compliance, annual penetration testing, incident response planning, ransomware protections measures, business continuing, disaster recovery testing, and any other applicable security controls, policies, and procedures used to protect systems, data, and operations.
- Q. Describe any innovative solutions, technologies, process enhancements, or service improvements your organization has implemented within the past three (3) years that have resulted in measurable improvements to claim outcomes, operational efficiency, cost containment, client satisfaction, regulatory compliance, or overall service delivery. Please include specific examples, implementation timelines, and quantifiable results where available.
- R. Disclose any pending, threatened, or resolved litigation within the past five (5) years that may materially impact your organization's operations or financial condition. Additionally, identify and describe any bankruptcy filings, insolvency proceedings, receiverships, or similar financial events involving your organization or its parent company within the past five (5) years.
- S. Quote a flat annual fee for each year of a minimum three (3) year contract and options for multi-year extensions for claims administration services outlined in the "SCOPE OF WORK." FAILURE TO PROVIDE PRICING INFORMATION IN THE MANNER REQUESTED MAY DISQUALIFY THE PROPOSAL.
- T. Indicate any additional fees or fee adjustments for bundled services of Utilization Review, Bill Review, and/or Managed Care.
- U. Indicate any additional fees or fee adjustments for unbundling of Utilization Review, Bill Review, and/or Managed Care.
- V. Please indicate any additional fees for data conversion and on-line access.
- W. In compliance with MMSEA Section 111 Medicare Secondary Payor Mandatory Reporting, CHWCA requires the selected TPA to be registered with the Centers for Medicare and Medicaid Reporting Services (CMS) as the Account Manager for CHWCA. The proposer will provide verification of their intention to register as the Account Manager and provide detailed information on their plan to provide necessary data to CMS within the required timeframes. Please specify any ancillary vendors

which will be utilized for the transmission of data, any contractual arrangements between the proposer and the ancillary vendor, and any associated costs above the TPA claims administration costs for assuming the Account Manager responsibilities and data transmission as outlined by CMS.

- X. CHWCA anticipates transferring approximately 234 existing open claims to the selected TPA at implementation, consisting of approximately 160 indemnity claims, 43 future medical claims, and 31 medical-only claims. These transferred claims shall be considered the baseline open-claim inventory for purposes of pricing and staffing.

Proposers must clearly state whether the handling of these existing open claims is included in the proposed flat annual administrative fee. If not included, proposers shall provide a separate, detailed pricing schedule for the management of the transferred open claims.

In addition, proposers shall identify the baseline claim inventory and caseload assumptions upon which their pricing is based and specify any thresholds that would trigger additional fees. If the proposer's pricing includes surcharges, fee adjustments, or other charges for claim inventories or examiner caseloads that exceed the stated baseline, the proposer must clearly describe the applicable thresholds, calculation methodology, and associated costs. All assumptions regarding open claims, new claim volume, examiner staffing ratios, and any circumstances that may result in additional charges must be fully disclosed.

Temporary caseload fluctuations may occur due to normal business conditions; however, such fluctuations shall be limited to no more than sixty (60) consecutive calendar days. The TPA shall promptly implement corrective measures, including workload redistribution, reassignment of claims, temporary staffing, or the addition of permanent staff, to restore compliance with the required caseload standards. Under no circumstances shall temporary fluctuations adversely affect claim handling quality, timeliness, customer service standards, or compliance with contractual performance requirements.

Proposers shall describe their process for managing temporary caseload overages, including the duration of any permitted variance, the triggers for adding staff, and whether additional compensation would be requested to maintain the required staffing and caseload standards.

- Y. CHWCA currently utilizes the CarivaCare Nurse Triage Program. Please describe your organization's experience working with CarivaCare and/or similar nurse triage programs, including how such services are integrated into the claims management and injury reporting process. Discuss any measurable outcomes related to early intervention, claim management, medical cost containment, and return-to-work results.

If your organization partners with a third-party nurse triage vendor, identify the vendor(s), describe the services provided, and specify the length and nature of your relationship. Include any relevant performance metrics, client outcomes, and integration capabilities with your claims management systems and processes.

- Z. Describe your proposed implementation and transition approach, including a detailed 30-, 60-, and 90-day plan with key milestones, deliverables, and responsibilities. Explain the processes and controls used to validate data accuracy and completeness during implementation, as well as your methodology for migrating open claims and ensuring continuity of claim handling throughout the transition. Include a communication plan that outlines how stakeholders will be informed and engaged during implementation, along with a risk mitigation strategy identifying potential challenges and corresponding contingency measures. Additionally, describe your testing procedures to validate system functionality, data integrity, and operational readiness, and provide a training schedule detailing the education and support that will be provided to program staff and stakeholders before and after go-live.
- AA. Please indicate whether the proposer can comply with the “SCOPE OF WORK” outlined in the RFP. If the proposer is unable to comply with a specific performance objective, please indicate which objective cannot be complied with, the reason(s) the objective cannot be met, and provide suggestions or alternatives.
- AB. Please describe any services not previously covered which you believe may be of particular value to CHWCA, such as provider and facility networks, litigation management, etc.
- AC. The proposal must indicate that the TPA agrees to be bound by the proposal and shall enter into an agreement to provide services in a form as approved by CHWCA.
- AD. The proposal should expressly state that the offer, including all pricing proposals, will remain in effect until at least December 31, 2026. In addition, all information presented in your proposal will be considered binding when an agreement is developed (unless otherwise modified and agreed to by both parties during subsequent negotiations).
- AE. Samples of computer-generated reports must accompany as referred to in “Special Provisions” of the “SCOPE OF WORK” in the RFP.
- AF. The TPAs whose proposals are selected as finalists for consideration may be asked to appear, at their own expense, before an evaluation panel to discuss their proposal.

Proposals will be accepted at:

CHWCA

1750 Creekside Oaks Drive, Suite 200

Sacramento, CA 95833

[Yahaira.velasquez@sedgwick.com](mailto:Yahaira.velasquez@sedgwick.com)

Questions concerning this RFP should be addressed by 3:00 p.m. on July 17, 2026, to:

Ms. Yahaira Velasquez

CHWCA

1750 Creekside Oaks Drive, Suite 200

Sacramento, CA 95833

Submit one (1) unbound and one (1) electronic copy of your proposal and any other information concerning your services **by no later than 5:00 p.m., on July 24, 2026**, to the address shown above. Late proposals will automatically be rejected. All forms of proposals must be received by no later than that date and time.

All proposals, whether selected or rejected, shall become the property of CHWCA. Costs of preparation of proposals will be borne solely by the proposer.

CHWCA will review all submitted proposals and evaluate them against the selection criteria listed above. Proposals will be reviewed and considered by CHWCA. If CHWCA elects to proceed with selection of a TPA, CHWCA will enter into contract negotiations with the selected TPA. Following selection of the highest-ranked proposer, CHWCA may conduct demonstrations, validation exercises, or acceptance testing. If CHWCA determines that the proposed solution does not substantially conform to the proposer's submission or otherwise does not satisfy CHWCA's operational requirements, CHWCA may terminate negotiations and proceed to the next highest-ranked proposer.

CHWCA reserves the right to: reject any and all proposals; waive any informality, defect, or irregularity in a proposal; conduct contract negotiations with any TPA (whether or not it has submitted a proposal); alter the selection process in any way; postpone the selection process for its own convenience at any time; accept or reject any individual sub-consultant that a TPA proposes to use; and/or decide whether or not to contract with any TPA. Nothing in this RFP shall be construed to obligate CHWCA to negotiate or enter into an agreement with any particular TPA. This RFP shall not be deemed to be an offer to contract or to enter into a binding contract or agreement of any kind.

***END OF REQUEST FOR PROPOSAL***

# ATTACHMENT A

State of California

**Report Location Number:** 5812-02-269 A      **Identification of Location:** INNOVATIVE CLAIM SOLUTIONS at SAN RAMON      **Certificate Holder:** California Housing Workers' Compensation Authority

CASES AND BENEFITS (to the nearest dollar)				From Date-	07/01/2024	To Date-	06/30/2025
		Incurred Liability		Paid To Date		Future Liability	
Date	#	Indemnity	Medical	Indemnity	Medical	Indemnity	Medical
1) Cases open as of 06/30/2025 reported prior to 2020/21	62	\$3,857,940	\$8,192,146	\$3,248,542	\$5,158,022	\$609,398	\$3,034,124
2) Open and closed Liabilities							
A) All Cases reported in 2020/21	104	\$509,908	\$540,892	\$429,814	\$416,627	\$80,094	\$124,265
2020/21 Cases open	8	\$379,095	\$368,865	\$299,001	\$244,600	\$80,094	\$124,265
B) All Cases reported in 2021/22	146	\$1,346,310	\$1,352,625	\$1,008,801	\$821,559	\$337,509	\$531,066
2021/22 Cases open	16	\$983,808	\$1,029,453	\$646,299	\$498,387	\$337,509	\$531,066
C) All Cases reported in 2022/23	154	\$768,511	\$923,078	\$564,270	\$559,621	\$204,241	\$363,457
2022/23 Cases open	24	\$588,094	\$716,835	\$383,853	\$353,378	\$204,241	\$363,457
D) All Cases reported in 2023/24	147	\$880,237	\$953,712	\$537,509	\$470,395	\$342,728	\$483,317
2023/24 Cases open	37	\$818,999	\$878,635	\$476,271	\$395,318	\$342,728	\$483,317
E) All Cases reported in 2024/25	142	\$405,215	\$563,627	\$122,147	\$171,346	\$283,068	\$392,281
2024/25 Cases open	72	\$390,882	\$518,515	\$107,814	\$126,234	\$283,068	\$392,281

	\$ Indemnity	\$ Medical
SUBTOTAL	\$1,857,038	\$4,928,510

TOTAL	\$6,785,548
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	\$ Indemnity	\$ Medical
	\$894,895	\$1,286,597

3) Estimate Future Liability (Indemnity Plus Medical)	71
4) Total Benefits Paid During 2024/25 (Including all case expenditures). The indemnity amount includes the amount of LC § 4800/4850 benefits paid for the year (total of Lines 11 and 12)	71
5) Number of MEDICAL-ONLY Cases Reported in 2024/25	142
6) Number of INDEMNITY Cases Reported in 2024/25	196
7) Total of 5 and 6 (Also entered in 2E above)	0
8) Total Number of open Indemnity Cases (All Years)	11
9) Number of Fatality Cases Reported In 2024/25	9
10) (a) Number of FY 2024/25 claims for which the employer or administrator was notified of representation by an attorney or legal representative in 2024/25	\$0
10) (a) Number of non-FY 2024/25 claims for which the employer or administrator was notified of representation by an attorney or legal representative in 2024/25	\$0
11) Amount from salary continuation payments made pursuant to LC § 4800/4850 that is in excess of the applicable temporary disability rate for the period paid.	\$0
12) Amount from salary continuation payments made pursuant to LC § 4800/4850 capped at the temporary disability rate for the period paid.	\$0

**Files Uploaded**

ALL Open Indemnity Claims (by reporting and by year) reported and with claims: CHW-Open Indemnities-FY 25.pdf