



MONTANA STATE FUND REQUEST FOR PROPOSAL (RFP)

RFP Number: MSF 40	RFP Title: Managed Care Organization (MCO)
RFP Response Due Date and Time: April 9, 2010 5:00 p.m., Local Time	Number of Pages: 26

ISSUING AGENCY INFORMATION	
Procurement Officer: Bridget McGregor	Issue Date: March 5, 2010
Montana State Fund 5 South Last Chance Gulch Helena, MT 59601	Phone: (406) 444-6595 Fax: (406) 444-6445 TTY Users, Dial 711 Website: http://www.mt.gov/doa/gsd

INSTRUCTIONS TO OFFERORS	
Return Proposal to: Montana State Fund 5 South Last Chance Gulch Helena, MT 59601	Mark Face of Envelope/Package: RFP Number: MSF 40 RFP Response Due Date: April 9, 2010 Special Instructions:

IMPORTANT: SEE STANDARD TERMS AND CONDITIONS

OFFERORS MUST COMPLETE THE FOLLOWING	
Offeror Name/Address:	Authorized Offeror Signatory: (Please print name and sign in ink)
Offeror Phone Number:	Offeror FAX Number:
Offeror E-mail Address:	

OFFERORS MUST RETURN THIS COVER SHEET WITH RFP RESPONSE

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OFFEROR'S RFP CHECKLIST

The 10 Most Critical Things to Keep in Mind When Responding to an RFP for the Montana State Fund

1. _____ **Read the *entire* document.** Note critical items such as: mandatory requirements; supplies/services required; submittal dates; number of copies required for submittal; funding amount and source; contract requirements (i.e., contract performance security, insurance requirements, performance and/or reporting requirements, etc.).
2. _____ **Note the procurement officer's name, address, phone numbers and e-mail address.** This is the only person you are allowed to communicate with regarding the RFP and is an excellent source of information for any questions you may have.
3. _____ **Attend the pre-proposal conference** if one is offered. These conferences provide an opportunity to ask clarifying questions, obtain a better understanding of the project, or to notify the Montana State Fund of any ambiguities, inconsistencies, or errors in the RFP.
4. _____ **Take advantage of the “question and answer” period.** Submit your questions to the procurement officer by the due date listed in the Schedule of Events and view the answers given in the formal “addenda” issued for the RFP. All addenda issued for an RFP are posted on the State’s website and will include all questions asked and answered concerning the RFP.
5. _____ **Follow the format required in the RFP** when preparing your response. Provide point-by-point responses to all sections in a clear and concise manner.
6. _____ **Provide complete answers/descriptions.** Read and answer **all** questions and requirements. Don’t assume the Montana State Fund or evaluator/evaluation committee will know what your company capabilities are or what items/services you can provide, even if you have previously contracted with the Montana State Fund. The proposals are evaluated based solely on the information and materials provided in your response.
7. _____ **Use the forms provided**, i.e., cover page, sample budget form, certification forms, etc.
8. _____ **Check the State’s website for RFP addenda.** Before submitting your response, check the State’s website at <http://svc.mt.gov/gsd/OneStop/SolicitationDefault.aspx> to see whether any addenda were issued for the RFP. If so, you must submit a signed cover sheet for each addendum issued along with your RFP response.
9. _____ **Review and read the RFP document again** to make sure that you have addressed all requirements. Your original response and the requested copies must be identical and be complete. The copies are provided to the evaluator/evaluation committee members and will be used to score your response.
10. _____ **Submit your response on time.** Note all the dates and times listed in the Schedule of Events and within the document, and be sure to submit all required items on time. Late proposal responses are **never** accepted.

This checklist is provided for assistance only and should not be submitted with Offeror’s Response.

SCHEDULE OF EVENTS

<u>EVENT</u>	<u>DATE</u>
RFP Issue Date	March 5, 2010
Deadline for Receipt of Written Questions	March 19, 2010
Deadline for Posting of Written Responses to the State's Website	March 26, 2010
RFP Response Due Date.....	April 9, 2010
Notification of Offeror Interviews	April 23, 2010
Onsite Offeror Interviews	April 28 & 29, 2010
Intended Date for Contract Award.....	May 7, 2010
Anticipated Contract Completion Date	May 21, 2010
Contract Effective Date	July 1, 2010

SECTION 1: PROJECT OVERVIEW AND INSTRUCTIONS

1.0 PROJECT OVERVIEW

The MONTANA STATE FUND, (hereinafter referred to as "MSF") is seeking a contractor to provide Workers' Compensation Managed Care Services within Montana for injured employees insured by MSF. A more complete description of the supplies and/or services sought for this project is provided in Section 3, Scope of Services. Proposals submitted in response to this solicitation must comply with the instructions and procedures contained herein.

1.1 CONTRACT TERM

The contract term is for a period of 3 years beginning July 1, 2010 and ending June 30, 2013. Renewals of the contract, by mutual agreement of both parties, may be made at 2-year intervals, or any interval that is advantageous to MSF. This contract, including any renewals, may not exceed a total of 7 years, at the option of MSF.

1.2 SINGLE POINT OF CONTACT

From the date this Request for Proposal (RFP) is issued until an offeror is selected and the selection is announced by the procurement officer, **offerors are not allowed to communicate with any MSF staff or officials regarding this procurement, except at the direction of Bridget McGregor**, the procurement officer in charge of the solicitation. Any unauthorized contact may disqualify the offeror from further consideration. Contact information for the single point of contact is as follows:

Procurement Officer: **Bridget McGregor**
Address: **Montana State Fund, PO Box 4759, Helena, MT 59604-4759**
Telephone Number: **(406) 444-6595**
Fax Number: **(406) 444-6445**
E-mail Address: **bmcgregor@montanastatefund.com**

1.3 REQUIRED REVIEW

1.3.1 Review RFP. Offerors should carefully review the instructions, mandatory requirements, specifications, and contract set out in this RFP and promptly notify the procurement officer identified above in writing or via e-mail of any ambiguity, inconsistency, unduly restrictive specifications, or error which they discover upon examination of this RFP. This should include any terms or requirements within the RFP that either preclude the offeror from responding to the RFP or add unnecessary cost. This notification must be accompanied by an explanation and suggested modification and be received by the deadline for receipt of written or e-mailed inquiries set forth below. MSF will make any final determination of changes to the RFP.

1.3.2 Form of Questions. Offerors with questions or requiring clarification or interpretation of any section within this RFP must address these questions in writing or via e-mail to the procurement officer referenced above, on or before March 19, 2010. Each question must provide clear reference to the section, page, and item in question. Questions received after the deadline may not be considered.

1.3.3 MSF's Response. MSF will provide an official written response by March 26, 2010 on the State's website to all questions received by March 19, 2010. MSF's response will be by formal written addendum. Any other form of interpretation, correction, or change to this RFP will not be binding upon MSF. Any formal written addendum will be posted on the state of Montana's website alongside the posting of the RFP at <http://svc.mt.gov/gsd/OneStop/SolicitationDefault.aspx> by the close of business on the date listed. **Offerors must sign and return with their RFP response an Acknowledgment of Addendum for any addendum issued.**

1.4 GENERAL REQUIREMENTS

1.4.1 Acceptance of Contract. By submitting a response to this RFP, offeror agrees to acceptance of the contract as set out in Appendix A of this RFP. Much of the language included in the contract reflects requirements of Montana law. Requests for additions or exceptions to the contract terms, including any necessary licenses, or any added provisions must be submitted to the procurement officer referenced above by the date for receipt of written/e-mailed questions and must be accompanied by an explanation of why the exception is being sought and what specific effect it will have on the offeror's ability to respond to the RFP or perform the contract. MSF reserves the right to address non-material requests for exceptions with the highest scoring offeror during contract negotiation. Any material exceptions requested and granted to the contract language will be addressed in any formal written addendum issued for this RFP and will apply to all offerors submitting a response to this RFP. MSF will make any final determination of changes to the contract.

1.4.2 Resulting Contract. This RFP and any addenda, the offeror's RFP response, including any amendments, a best and final offer, any clarification question responses and any negotiated terms shall be included in any resulting contract. MSF's contract, attached as Appendix A, contains the contract terms and conditions which will form the basis of any contract between MSF and the highest scoring offeror. In the event of a dispute as to the duties and responsibilities of the parties under this contract, the contract, along with any attachments prepared by MSF, will govern in the same order of precedence as listed in the contract.

1.4.3 Mandatory Requirements. To be eligible for consideration, an offeror *must* meet the intent of all mandatory requirements. MSF will determine whether an offeror's RFP response complies with the intent of the requirements. RFP responses that do not meet the full intent of all requirements listed in this RFP may be subject to point reductions during the evaluation process or may be deemed non-responsive.

1.4.3.1 Respondent must be certified by the Montana Department of Labor and Industry to provide Workers' Compensation Managed Care Organization services as required by statute. Proof of certification must be provided to MSF by the contract award date (intended date is May 7, 2010.)

1.4.3.2 Respondent must have a provider network in place to provide Workers' Compensation Managed Care services in Montana, as demonstrated by the submission of the required document in 6.1., I – Provider Network.

1.4.3.3 Provider may provide administrative services, and must provide medical advisory services and provider relations from the MSF office in Helena, Montana.

1.4.3.4 The successful MCO candidate will be required to have a medical advisor who is a medical doctor licensed by the State of Montana (board certification in orthopedics is preferred) and physically accessible on the premises to MSF claims examiner and MSF medical case management staff on an average of 4 hours per day during the normal work week.

1.4.4 Understanding of Specifications and Requirements. By submitting a response to this RFP, offeror agrees to an understanding of and compliance with the specifications and requirements described in this RFP.

1.4.5 Prime Contractor/Subcontractors. The highest scoring offeror will be the prime contractor if a contract is awarded and shall be responsible, in total, for all work of any subcontractors. All subcontractors, if any, must be listed in the proposal. MSF reserves the right to approve all subcontractors. The Contractor shall be responsible to MSF for the acts and omissions of all subcontractors or agents and of persons directly or indirectly employed by such subcontractors, and for the acts and omissions of persons employed directly by the Contractor. Further, nothing contained within this document or any contract documents created as a result of any contract awards derived from this RFP shall create any contractual relationships between any subcontractor and MSF.

1.4.6 Offeror's Signature. The proposals must be signed in ink by an individual authorized to legally bind the business submitting the proposal. The offeror's signature on a proposal in response to this RFP guarantees that the offer has been established without collusion and without effort to preclude MSF from obtaining the best possible supply or service. Proof of authority of the person signing the RFP response must be furnished upon request.

1.4.7 Offer in Effect for 120 Days. A proposal may not be modified, withdrawn or canceled by the offeror for a 120-day period following the deadline for proposal submission as defined in the Schedule of Events, or receipt of best and final offer, if required, and offeror so agrees in submitting the proposal.

1.5 SUBMITTING A PROPOSAL

1.5.1 Organization of Proposal. Offerors must organize their proposal into sections that follow the format of this RFP, with tabs separating each section. A point-by-point response to all numbered sections, subsections, and appendices is required. If no explanation or clarification is required in the offeror's response to a specific subsection, the offeror shall indicate so in the point-by-point response or utilize a blanket response for the entire section with the following statement:

"(Offeror's Name)" understands and will comply.

1.5.2 Failure to Comply with Instructions. Offerors failing to comply with these instructions may be subject to point deductions. MSF may also choose to not evaluate, may deem non-responsive, and/or may disqualify from further consideration any proposals that do not follow this RFP format, are difficult to understand, are difficult to read, or are missing any requested information.

1.5.3 Multiple Proposals. Offerors may, at their option, submit multiple proposals, in which case each proposal shall be evaluated as a separate document.

1.5.4 Copies Required and Deadline for Receipt of Proposals. Offerors must submit **one original proposal and 7 copies** to the Montana State Fund. In addition, offerors must submit one electronic copy of the proposal, preferably in PDF format, on compact disk or by e-mail to Bridget McGregor. Offerors unable to provide an electronic copy of the proposal in PDF format must provide it in Word or text format. **PROPOSALS MUST BE SEALED AND LABELED ON THE OUTSIDE OF THE PACKAGE** to clearly indicate that they are in response to **MSF RFP 40. Proposals must be received at MSF prior to 5 p.m., local time, April 9, 2010. Facsimile responses to requests for proposals are ONLY accepted on an exception basis with prior approval of the procurement officer.**

1.5.5 Late Proposals. Regardless of cause, late proposals will not be accepted and will automatically be disqualified from further consideration. It shall be the offeror's sole risk to assure delivery at the receptionist's desk at the designated office by the designated time. Late proposals will not be opened and may be returned to the offeror at the expense of the offeror or destroyed if requested.

1.6 COST OF PREPARING A PROPOSAL

1.6.1 MSF Not Responsible for Preparation Costs. The costs for developing and delivering responses to this RFP and any subsequent presentations of the proposal as requested by MSF are entirely the responsibility of the offeror. MSF is not liable for any expense incurred by the offeror in the preparation and presentation of their proposal or any other costs incurred by the offeror prior to execution of a contract.

1.6.2 All Timely Submitted Materials Become MSF Property. All materials submitted in response to this RFP become the property of MSF and are to be appended to any formal documentation, which would further define or expand any contractual relationship between MSF and offeror resulting from this RFP process.

SECTION 2: RFP STANDARD INFORMATION

2.0 AUTHORITY

This RFP is issued under the authority of section 39-71-2315, MCA (Montana Code Annotated). The RFP process is a procurement option allowing the award to be based on stated evaluation criteria. The RFP states the relative importance of all evaluation criteria. No other evaluation criteria, other than as outlined in the RFP, will be used.

2.1 OFFEROR COMPETITION

MSF encourages free and open competition among offerors. Whenever possible, MSF will design specifications, proposal requests, and conditions to accomplish this objective, consistent with the necessity to satisfy MSF's need to procure technically sound, cost-effective services and supplies.

2.2 RECEIPT OF PROPOSALS AND PUBLIC INSPECTION

2.2.1 Public Information. All information received in response to this RFP, including copyrighted material, is deemed public information and will be made available for public viewing and copying shortly after the time for receipt of proposals has passed with the following three exceptions: (1) bona fide trade secrets meeting the requirements of the Uniform Trade Secrets Act, Title 30, chapter 14, part 4, MCA, that have been properly marked, separated, and documented; (2) matters involving individual safety as determined by the State; and (3) other constitutional protections. See Mont. Code Ann. § 18-4-304.

2.2.2 Procurement Officer Review of Proposals. Upon opening the proposals received in response to this RFP, the procurement officer in charge of the solicitation will review the proposals and separate out any information that meets the referenced exceptions in Section 2.2.1 above, providing the following conditions have been met:

- Confidential information is clearly marked and separated from the rest of the proposal.
- The proposal does not contain confidential material in the cost or price section.
- An affidavit from an offeror's legal counsel attesting to and explaining the validity of the trade secret claim as set out in Title 30, chapter 14, part 4, MCA, is attached to each proposal containing trade secrets. Counsel must use the State of Montana "Affidavit for Trade Secret Confidentiality" form in requesting the trade secret claim. This affidavit form is available on the General Services Division's website at: <http://www.gsd.mt.gov/ProcurementServices/procurementforms.mcp> or by calling (406) 444-2575.

Information separated out under this process will be available for review only by the procurement officer, the evaluator/evaluation committee members, and limited other designees. Offerors must be prepared to pay all legal costs and fees associated with defending a claim for confidentiality in the event of a "right to know" (open records) request from another party.

2.3 CLASSIFICATION AND EVALUATION OF PROPOSALS

2.3.1 Initial Classification of Proposals as Responsive or Nonresponsive. All proposals will initially be classified as either "responsive" or "nonresponsive," in accordance with ARM 2.5.602. Proposals may be found nonresponsive at any time during the procurement process if any of the required information is not provided; the submitted price is found to be excessive or inadequate as measured by criteria stated in the RFP; or the proposal is not within the plans and specifications described and required in the RFP. If a proposal is found to be nonresponsive, it will not be considered further.

2.3.2 Determination of Responsibility. The procurement officer will determine whether an offeror has met the standards of responsibility. Such a determination may be made at any time during the procurement process if information surfaces that would result in a determination of nonresponsibility. If an

offeror is found nonresponsive, the determination must be in writing, made a part of the procurement file and mailed to the affected offeror.

2.3.3 Evaluation of Proposals. An evaluator/evaluation committee will evaluate the remaining proposals and recommend whether to award the contract to the highest scoring offeror or, if necessary, to seek discussion/negotiation or a best and final offer in order to determine the highest scoring offeror. All responsive proposals will be evaluated based on stated evaluation criteria. In scoring against stated criteria, MSF may consider such factors as accepted industry standards and a comparative evaluation of all other qualified RFP responses in terms of differing price, quality, and contractual factors. These scores will be used to determine the most advantageous offering to MSF. If an evaluation committee meets to deliberate and evaluate the proposals, the public may attend and observe the evaluation committee deliberations.

2.3.4 Completeness of Proposals. Selection and award will be based on the offeror's proposal and other items outlined in this RFP. Submitted responses may not include references to information located elsewhere, such as Internet websites or libraries, unless specifically requested. Information or materials presented by offerors outside the formal response or subsequent discussion/negotiation or "best and final offer," if requested, will not be considered, will have no bearing on any award, and may result in the offeror being disqualified from further consideration.

2.3.5 Opportunity for Discussion and/or Oral Presentation/. After receipt of all proposals and prior to the determination of the award, MSF may initiate discussions with up to 3 offerors should clarification or negotiation be necessary. Up to 3 offerors will also be required to make an oral presentation on-site at MSF to clarify their RFP response or to further define their offer. In either case, offerors should be prepared to send qualified personnel to Helena, Montana, to discuss technical and contractual aspects of the proposal. Oral presentations shall be at the offeror's expense.

2.3.6 Best and Final Offer. The "Best and Final Offer" is an option available to MSF under the RFP process, which permits MSF to request a "best and final offer" from one or more offerors if additional information is required to make a final decision. Offerors may be contacted asking that they submit their "best and final offer," which must include any and all discussed and/or negotiated changes. MSF reserves the right to request a "best and final offer" for this RFP, if any, based on price/cost alone.

2.3.7 Evaluator/Evaluation Committee Recommendation for Contract Award. The evaluator/evaluation committee will provide a written recommendation for contract award to the President of MSF or his designee that contains the scores, justification and rationale for the decision. The President of MSF or his designee will review the recommendation to ensure its compliance with the RFP process and criteria before concurring in the evaluator's/evaluation committee's recommendation.

2.3.8 Request for Documents Notice. Upon concurrence with the evaluator's/evaluation committee's recommendation for contract award, the procurement officer will issue a "Request for Documents Notice" to the highest scoring offeror to obtain the required insurance documents, contract performance security, an electronic copy of any requested material, i.e., response to clarification questions and/or Best and Final Offer, and any other necessary documents. Receipt of the "Request for Documents Notice" does not constitute a contract and no work may begin until a contract signed by all parties is in place. The procurement officer will notify all other offerors of MSF's intent to begin contract negotiation with the highest scoring offeror.

2.3.9 Contract Negotiation. Upon issuance of the "Request for Documents Notice," the procurement officer and/or MSF representatives may begin contract negotiation with the responsive and responsible offeror whose proposal achieves the highest score and is, therefore, the most advantageous to MSF. If contract negotiation is unsuccessful or the highest scoring offeror fails to provide necessary documents or information in a timely manner, or fails to negotiate in good faith, MSF may terminate negotiations and begin negotiations with the next highest scoring offeror.

2.3.10 Contract Award. Contract award, if any, will be made to the highest scoring offeror who provides all required documents and successfully completes contract negotiation. A formal contract utilizing the Contract attached as Appendix A will be executed by all parties.

2.4 MSF'S RIGHTS RESERVED

While MSF has every intention to award a contract as a result of this RFP, issuance of the RFP in no way constitutes a commitment by MSF to award and execute a contract. Upon a determination such actions would be in its best interest, MSF, in its sole discretion, reserves the right to:

- amend, cancel or terminate this RFP;
- reject any or all proposals received in response to this RFP;
- waive any undesirable, inconsequential, or inconsistent provisions of this RFP which would not have significant impact on any proposal;
- not award if it is in the best interest of MSF not to proceed with contract execution; or
- if awarded, terminate any contract if MSF determines adequate funds are not available.

SECTION 3: SCOPE OF PROJECT

MONTANA STATE FUND BACKGROUND INFORMATION

MSF is a non-profit, public corporation and was established for the purpose of allowing an option for employers to insure their liability for workers' compensation and occupational disease coverage in Montana. MSF is Montana's largest writer of workers' compensation insurance. MSF is one of three options employers have to provide for their workers' compensation insurance. Employers may self-insure, contract with private insurance carriers, or contract with MSF.

MSF is commonly known as the Plan 3 option for employers. MSF is a mono-line insurance company engaged in providing only workers' compensation and occupational disease insurance in Montana. MSF functions as a competitive insurer and also as the guaranteed market for workers' compensation insurance for Montana employers.

MSF is operated much the same as a private insurance carrier, using actuarially sound principles in setting its insurance rates. By law, MSF must be neither more nor less than self-supporting. MSF currently has about 28,000 employer policyholders in the state of Montana.

The objective of Montana State Fund is to provide optimal medical services to an injured employee in order to return the employee to work as soon as possible after a work related injury or occupational disease, and to provide medical services considered reasonable and medically necessary, in a timely and cost effective manner.

The Montana Workers' Compensation Act authorizes the use of a certified Managed Care Organization to help coordinate the provision of medical care in an efficient and cost-effective manner for injured employees covered by workers compensation insurance (either Plan 2 or Plan 3 coverage). To be eligible, under Montana workers compensation law, a Managed Care Organization (MCO) must be certified by the Montana Department of Labor. The statutes governing MCOs are found in Part 11 of Title 39, Chapter 71.

http://data.opi.state.mt.us/bills/mca_toc/39_71_11.htm

Workers' compensation insurers are not permitted to create, own or operate a certified managed care organization in Montana. To gain the advantages of the services of an MCO, a workers' compensation insurer must contract with a certified managed care organization in the state.

Once a claim is assigned to an MCO, injured employees, unless otherwise authorized by the insurer must receive treatment from a MCO panel provider. Claims can be assigned to an MCO if they meet the following criteria:

- (a) the injury results in a total loss of wages for any duration;
- (b) the injury will result in permanent impairment;
- (c) the injury results in the need for a referral to another medical provider for specialized evaluation or treatment; or
- (d) specialized diagnostic tests, including but not limited to magnetic resonance imaging, computerized axial tomography, or electromyography, are required.

With this RFP, MSF is soliciting responses from contractors who can provide comprehensive and quality workers' compensation managed healthcare services to injured employees within Montana to meet the objective of providing optimal medical services that are reasonable and medically necessary in a timely and cost effective manner. MSF will entertain proposals for a full service arrangement as described below in "Scope of Services".

MSF currently uses the on-site MCO as one of its primary medical resources. Claims Examiners, Medical Case Managers, Team Leaders, Customer Service Specialists and others interact both formally through electronic and paper correspondence, and informally with the MCO staff, including the Medical Advisor, both at the MCO work area, and in the MSF work area. Medical recommendations that differ from the proposal made by the treating provider are explained to the MSF staff requesting the review. We have found informal interactions lead to positive working relationships, and they have an impact on overall claim management and results, providing the best possible medical services to injured employees to help them return to as fully a functional capacity as possible.

The MCO, currently located in the MSF building, is subject to state of Montana and MSF security and electronic and telephone communications policies. As well, the MSF MCO has access to the MSF claim system and the information within claim files. MCO staff is permitted to view claim information for assigned injured employees only.

The MSF MCO medical advisor and staff also provide informal and formal medically oriented training services for MSF staff. These programs are coordinated by the MSF Medical Team Leader and/or individual MSF operation team leaders, and are based on schedules convenient for the MCO staff.

As of February 1, 2010 there are 7,728 open claims for fiscal year 2010. Of these claims, a total of 6,182 are medical only claims.

For calendar year 2010, MSF will refer an estimated 2,300 claims to a managed care organization. Of these referrals, 75% are indemnity claims and 25% are medical only claims. The number of enrolled claims is currently estimated to be 2,300. Total dollars paid in the form of a MCO referral fee has averaged over \$1 million dollars annually for the MCO's medical and administrative services. These results have proven to be typical for the past few years, given the mix of insured business and premium growth. **The goal of this RFP is to focus on medical management services and significantly reduce administrative services performed by the MCO.**

Referral fees are currently structured as:

Medical Only (MO) Claims	\$100/claim
Wage Loss (WL) Claims	\$475/claim
Claims enrolled > 6 months from the Date of Injury (DOI)	\$600/claim
An additional \$375 if a MO claim becomes a WL claim	

For this contract, MSF claims examiners will continue to refer cases to the managed care organization in accordance with criteria stated in the Montana Workers' Compensation Act, and any other cases deemed necessary by the claims examiners. Under the current contract, wage loss claims are not referred until after 10

days of lost work, and MSF reserves the option of referring catastrophic injury claims outside the MCO contract.

All MSF Medical Bill Information by Fiscal Year

Cost Category	2009	# of Bills	2010 (rolling 12 month)	# of Bills
Physicians and Surgeons	15,035,091.40	60,441	14,574,620.17	58,738
Inpatient Hospital	11,157,088.17	631	10,087,595.84	609
Emergency room/Outpatient Hospital	9,460,585.02	11,365	8,276,320.29	8,484
Surgery Center	3,629,148.31	1,508	2,938,450.07	1,414
Chiropractor	1,210,415.54	9,749	1,068,562.41	9,146
Physical Rehabilitation	6,005,371.80	31,521	6,993,118.61	33,018
Licensed Long Term Care/Home Health	495,464.30	489	618,780.54	526
Diagnostic/X-ray/Lab	6,090,282.89	28,507	5,527,001.64	27,039
Ambulance/Airlift	559,144.11	424	492,793.84	414
Psychological	304,220.75	1,064	352,925.91	1,267
MCO Referrals	1,097,640.00	3,276	1,003,859.23	3,001

MCO Prior Authorization History Fiscal Year 2010

It is anticipated the Department of Labor and Industry will adopt Treatment and Utilization Guidelines effective July 1, 2010. These guidelines will be applicable to injuries and occupational diseases that occurred on or after July 1, 2007.

MSF anticipates future prior authorization volume will decrease based on Montana Department of Labor and Industry adoption and implementation of utilization and treatment guidelines, as provided in Section 3.0.5, Standards of Care. Total annualized MCO service or procedure prior authorization requests for fiscal year 2010 is estimated to be 5,560. This number is based on 12 months of mandatory referrals for:

- Invasive procedures.
- Non-emergent surgeries.
- Physical medicine modalities, including manual manipulative therapy (> 12 visits in 30 days for chiropractic treatment; > 1 week osteopathic treatment for a maximum of 4 weeks) - services considered in aggregate.
- TENS units after the initial 30 days rental, or purchase price > \$300.
- Referral to any non-panel provider or specialist.
- Hospital inpatient admissions.
- Prosthetics, orthotics, oxygen equipment and any durable medical equipment with a purchase price > \$200.
- Bone growth stimulators.
- Discograms or discography.
- Intradiscal electrothermal annuloplasty.
- Work hardening programs.
- Pain center treatment.
- Diagnostic procedures such as physical or functional capacity evaluations; arthroscopy; radionucleotide scans (including bone scans); angiogram or angiograph; psychological or neuropsychological testing; pulmonary function testing; allergy testing; and vestibular testing.
- Doppler and SSEP testing for thoracic outlet syndrome.
- Diagnostic procedures ordered by a non-specialist, or the following repeat studies by any specialty: CT; MRI; arthrogram; myelogram.
- Psychological counseling.
- Weight loss programs.
- Exercise programs and health club memberships.

- Acupuncture, biofeedback, massage therapy > 2 weeks duration.
- Any experimental, unproven, or off-label treatments or procedures.

3.0 Scope of Services

3.0.1 Location of MCO. The successful MCO candidate will be required to have a physical presence for medical advisor and intermittently for provider relations staff on the premises of MSF in Helena, Montana with the capability of accessing the MSF claims information system online. The MSF claims information system may only be accessed at the MSF office. MCO may also house any other necessary staff in accordance with section 3.0.10.1, Space Rental.

3.0.2 Medical Advisor. The successful MCO candidate will be required to have a medical advisor who is a medical doctor licensed by the State of Montana (board certification in orthopedics is preferred) and physically accessible on the premises to MSF claims examiner and medical case management staff an average of 4 hours per day during the normal work week.

3.0.3 Provider Relations. The successful MCO candidate will be required to have Provider Relations staff adequate to meet statewide panel provider coverage requirements and appropriate staffing with MSF personnel regarding contract compliance issues.

3.0.4 Provider Network. The successful MCO candidate will have a comprehensive medical provider network with statewide coverage. As a workers' compensation insurance carrier, MSF relies on the following medical specialties as the primary practices for the treatment of injured employees:

- Anesthesia
- Chiropractic
- Diagnostic and Laboratory Services
- Family Medicine
- Neurology
- Occupational Medicine, Pain Management, Physiatry or Physical Medicine & Rehabilitation
- Orthopedics
- Physical Therapy
- Surgery (general, hand, neurological, vascular, orthopedic)

Additional consideration will be given to applicants that offer a provider network that also includes:

- Addiction Psychiatry
- Ambulatory Surgical Facilities
- Dentistry
- Inpatient Facilities
- Occupational Therapy
- Ophthalmology
- Outpatient Services
- Podiatry
- Psychiatry

3.0.4.1 MCO must also demonstrate the ability to include a specific treating provider in the provider network based on established injured employee and provider relationship, based on the current law, § 39-71-1105, MCA.

3.0.4.2 MSF may request blocks of appointment times with selected panel providers to expedite access to services for injured employees. The availability of specialty satellite services in rural areas is considered preferable to decrease lost work time and injured employee travel for medical care.

3.0.4.3 Assurance that the MCO will work with the claims examiner to ensure an appropriate treating provider will be available for every case assigned.

3.0.5 Standards of Care. For purposes of establishing network provider performance expectations and contracts, prior authorization for services, and case review criteria, the MCO will utilize the treatment guidelines adopted by the Montana Department of Labor and Industry, and supplement those guidelines to the extent the treatment or injury is not covered by the Department of Labor and Industry Guidelines, with a mutually agreed-upon published guideline. The MCO will monitor panel provider compliance with these standards during peer and quality assurance reviews.

It is anticipated the Department of Labor and Industry will adopt Treatment and Utilization Guidelines effective July 1, 2010. These guidelines will be applicable to injuries and occupational diseases that occurred on or after July 1, 2007.

The primary focus and emphasis of this RFP will be on the MCO development, education and management of panel provider practices in accordance with standards of care and treatment guidelines to optimize injured employee outcomes with prompt return to work, when possible.

3.0.6 MCO Administrative Responsibilities.

- 3.0.6.1** Maintain provider network and recruit new members as necessary, including appropriate credentialing. Assure contracts with providers meet the requirements of this RFP.
- 3.0.6.2** Counsel and educate providers on workers' compensation rules and regulations, treatment guidelines as defined in 3.0.5, Standards of Care, ensure compliance with MCO and contract requirements, early return to work, maximum medical improvement determinations, impairment ratings, and timely, appropriate documentation.
- 3.0.6.3** Provide administrative support to Medical Advisor, Provider Relations staff and other medical services.
- 3.0.6.4** Acknowledge MCO referral with claims examiner and treating provider with the name of treating provider assigned and MCO effective date within 2 workdays of referral.
- 3.0.6.5** Inform injured employee and his/her legal representative, if applicable, that claim is referred to MCO and provide MCO contact information, and name of treating provider within 2 workdays of referral.
- 3.0.6.6** Provide for an internal formal dispute resolution review process in the event a panel provider, employer, injured employee or his/her attorney takes issue with an adverse decision by the MCO. (This is not a replacement for other statutory remedies.)
- 3.0.6.7** Conduct and report to MSF quarterly quality assurance on provider compliance with service requirements in accordance with contract specifications and standards of care.
- 3.0.6.8** Conduct and report to MSF satisfaction surveys with services stipulated by contract as solicited from claims examiners, team leaders and medical case manager staff on a semiannual basis.
- 3.0.6.9** Conduct and report to MSF satisfaction surveys with services stipulated by contract as solicited from injured employees on a semiannual basis.
- 3.0.6.10** Prohibit out of network referrals without MSF prior authorization.
- 3.0.6.11** Instruct panel providers of MSF's requirement for timely billing within 60 days of date of service, and ensure compliance with same.
- 3.0.6.12** Provide a transition plan for the inception of services and cases currently enrolled in the MCO effective July 1, 2010 and a termination plan for the conclusion of any MCO contract awarded.

3.0.7 MCO Medical Advisor Responsibilities.

- 3.0.7.1** Medical Advisor will counsel and educate providers on practices in accordance with standards of care and treatment guidelines as defined in 3.0.5, Standards of Care to optimize injured employee outcomes with prompt return to work.

- 3.0.7.2** Medical Advisor, in conjunction with Provider Relations personnel, will meet with providers on initial contract as a panel provider, annually with contract renewal or protocol updates, and quarterly in response to quality assurance review findings to ensure MCO and contract compliance.
- 3.0.7.3** Medical advisor review of those treatments, services, and procedures that do not fall within the accepted treatment guidelines as defined in 3.0.5, Standards of Care.
- 3.0.7.4** Medical advisor peer review and medical review services for impairment ratings, medication utilization, causation, treatment plans, applicability of treatment and utilization guidelines, and claims examiner consultation on all enrolled claims.
- 3.0.7.5** Written documentation of medical review services to claims examiner within 3 workdays of request.
- 3.0.7.6** Provide informal medical issue training for MSF staff through in-service opportunities with panel or staff physicians.

3.0.8 MCO Provider Relations Responsibilities.

- 3.0.8.1** Provide adequate staffing for statewide coverage.
- 3.0.8.2** Make contact with potential panel providers for recruitment.
- 3.0.8.3** Provide training on workers' compensation and MCO requirements.
- 3.0.8.4** Contact providers for blocked visit times.
- 3.0.8.5** Counsel providers on MCO and contract compliance issues.
- 3.0.8.6** Respond to claims examiner requests in regards to contract compliance issues.

3.0.9 MCO Panel Provider Responsibilities

- 3.0.9.1** Provide prompt, reasonable and necessary medical care, treatment and services to respond to the medical issues presented by an injured employee referred to the provider through assignment to the MCO, as required under Montana workers' compensation law.
- 3.0.9.2** Initial documentation within 5 workdays of medical appointment will include complete description of the injury, complete injury-focused history, and diagnosis, prognosis and treatment plan (in accordance with section 3.0.5, Standards of Care) that facilitates maximum medical improvement and early return to work.
- 3.0.9.3** Response to proximate cause / major contributing issues within 5 workdays of request.
- 3.0.9.4** Complete and FAX an updated Work Capacity form (attached as Exhibit B and available on MSF's website at www.montanastatefund.com under Resources/Documents and Forms) at each visit, or weekly if more than one visit per week, that addresses a description of physical restrictions, anticipated date of MMI, and estimated date for return to work to time of injury job within 1 work day of the appointment, or at the end of a treatment week.
- 3.0.9.5** To request treatment and services that do not fall within treatment and utilization guidelines as defined in section 3.0.5, Standards of Care, updated treatment plans and supporting documentation must be submitted for review.
- 3.0.9.6** Provide determination within 5 workdays of request regarding proposed alternative job analyses as requested, even if IE not at MMI.
- 3.0.9.7** Final treatment report provided within 5 workdays of request that provides maximum medical improvement in writing. If injured employee cannot return to time of injury job, the provider will approve or disapprove jobs presented in relation to injured employee's physical restrictions.
- 3.0.9.8** Provide impairment rating at the time of maximum medical improvement using the most recent edition of the Guides to the Evaluation of Permanent Impairment published by the American Medical Association within 5 workdays of request.
- 3.0.9.9** Release injured employee to as high a level of work, for as long a duration, as injured employee is able to perform, based on objective medical findings. Identify injured employee opportunities for early return to work based on physical capabilities.

- 3.0.9.10** Use MCO dispute resolution process to appeal adverse determinations as appropriate.
- 3.0.9.11** Submit all bills and related documentation to substantiate payment to MSF for payment by MSF directly to providers within 60 days of date of service. MSF reserves the right to deny payment for billing that is not rendered for payment timely. The link to the DOLI fee schedule for worker' s compensation is <http://erd.dli.mt.gov/WCREGS/MEDREG.ASP>
- 3.0.10 Office Expenses.** The MCO will be responsible for paying reasonable monthly costs associated with occupying space in the MSF building. This includes the medical advisor, provider relations staff and any other staff MCO wishes to house in the building. These costs are estimated below. –
- 3.0.10.1** **Space Rental.** Based on square footage cost of \$21.45/square foot, using an estimate of six workstations in 636 square feet equals an estimated \$1,136.85 per month.
- 3.0.10.2** **Computer Hardware** (used to access MSF claim system and claim information) estimated to be \$13.76 per workstation per month. The successful candidate may provide their own printer or MSF can provide a printer with costs to be agreed upon by the parties.
- 3.0.10.3** **Reimbursed at actual cost.**
- 3.0.10.3.1** State Data Network Charges estimated at \$143.40 per month per connection.
- 3.0.10.3.2** Phones and phone lines @ \$16.34/month per phone
- 3.0.10.3.3** Long Distance for MCO staff estimated at actual cost
- 3.0.10.3.4** 1 fax line - \$14.00/month
- 3.0.10.3.5** 1-800 number – at actual cost
- 3.0.10.3.6** Parking – actual cost at City of Helena parking rate
- 3.0.10.4** **Additional Costs**
- 3.0.10.4.1** Office Furniture (provided by MSF) estimated at \$45.00 per month per work station based on purchase price.
- 3.0.10.4.2** Security Badges- at actual cost
- 3.0.11** **Transition Plan.** The successful offeror will be required to create a transition plan for the inception of services effective July 1, 2010 and termination plan for the conclusion of services under this contract.

SECTION 4: OFFEROR QUALIFICATIONS/INFORMATIONAL REQUIREMENTS

4.0 MSF'S RIGHT TO INVESTIGATE AND REJECT

MSF may make such investigations as deemed necessary to determine the ability of the offeror to provide the supplies and/or perform the services specified. MSF reserves the right to reject any proposal if the evidence submitted by, or investigation of, the offeror fails to satisfy MSF that the offeror is properly qualified to carry out the obligations of the contract. *This includes MSF's ability to reject the proposal based on negative references.*

SECTION 5: COST PROPOSAL

The offeror should present their proposal for reimbursement for their services. The proposed costs for the services provided under this RFP will be set forth in the offeror's responses to Section 6.1 – Evaluation Criteria.

SECTION 6: EVALUATION PROCESS

6.0 BASIS OF EVALUATION

In addition to complying with 1.5 – Submitting a Proposal, offerors must specifically agree in their response to meet the requirements in 1.4.3 - Mandatory Requirements, in order to be eligible for further consideration.

The evaluator/evaluation committee will review and evaluate the offers according to the following criteria based on a total number of **320 points**.

SCORING GUIDE

The scoring of each phase is weighted by percentages. The proposal will be scored according to the following guidelines, with items awarded points according to these guidelines. Each section will then be weighted by the percentage indicated, resulting in an overall score.

In awarding points to the evaluation criteria, the evaluator/evaluation committee will consider the following guidelines:

Superior Response (40 points): A superior response is a highly comprehensive, excellent reply that meets or exceeds all of the requirements of the RFP. In addition, the response covers areas not originally addressed within the RFP and includes additional information and recommendations that would provide both valuable and beneficial to MSF. This response is considered by the evaluation committee member to be an excellent standard, demonstrating the offeror's authoritative knowledge, practice and understanding of the services desired.

Good Response (30 points): A good response meets all the requirements of the RFP and demonstrates in a clear and concise manner a thorough knowledge and understanding of the project and subject matter, with no deficiencies noted.

Fair Response (20 points): A fair response meets most requirements set forth in the RFP. The offeror demonstrates some ability to comply with guidelines and requirements of the project and demonstrates knowledge of subject matter.

Poor Response (10 point): The response minimally meets most requirements set forth in the RFP. Offeror demonstrates minimal knowledge of subject matter.

Failed Response (0 point): A failed response does not meet the requirements set forth in the RFP. The offeror has not demonstrated sufficient knowledge of the subject matter.

All proposals should address the following items, including either a description of the implementation of each service listed or documentation of the required criteria. Each item is eligible for 0 – 40 points, based on the scoring standards described above.

6.1 EVALUATION CRITERIA

I. Provider Network

Total points possible = 40; 40% weight

- A. Describe offeror's contracted provider network in Montana in accordance with 3.0.4 – Provider Network by name, specialty, geographic location, license type (e.g. MD, PA, NP, PsyD, RPT, OT, etc.), and those providers directly contracted with offeror's network and those who are part of the offeror's network as a result of a lease from another network. Additional consideration will be given for the offeror with a deeper penetration of directly contracted providers in the primary practices.

II. MCO Personnel**Total points possible = 40; 10% weight**

A. Describe the positions, qualifications and number of all personnel who will administer the contract, ensure compliance with requirements, and manage the day-to-day operations of the MCO. Submit resumes for currently filled positions that include title, qualifications, credentials and responsibilities within the MCO in accordance with Section 3.0 – Scope of Services.

Up to 40 points are possible for this section and will be awarded as follows:

- Administrative Staff 8 points max
- Medical Advisor 16 points max
- Provider Relations Staff 16 points max

III. Operation of MCO / Services Offered by MCO**Total points possible = 200; 30% weight**

Respond separately to each section, describing offeror’s ability to provide, and approach to delivering, the services in Section 3.0 – Scope of Services as follows:

- 3.0.6 MCO Administrative Responsibilities 40 points max
- 3.0.7 MCO Medical Advisor Responsibilities 40 points max
- 3.0.8 MCO Provider Relations Responsibilities 40 points max
- 3.0.9 MCO Panel Provider Responsibilities 40 points max
- 3.0.11 Transition Plan 40 points max

IV. MCO Compensation**Total points possible = 40; 20% weight**

This section will be scored with a range of 0 – 40 points. More points will be awarded to the offeror with the overall MCO compensation that is most cost-beneficial, predictable, that promotes the provision of timely and appropriate medical care and early return to work, and that supports our business needs and goals.

A. Describe the pricing structure to be applied and paid for services offered by the MCO including the cost to assume cases enrolled in the current MCO at time of contract initiation.

V. Reference Checks / Financial Stability**Pass / Fail**

A. Offeror shall provide a minimum of three (3) references that are using services of the type proposed in this RFP. The references may include state government or universities where the offeror, preferably within the last five (5) years, has successfully provided Managed Care services. At a minimum, the offeror shall provide the company name, the location where the services were provided, contact person(s), customer’s telephone number, e-mail address, and a complete description of the service type, and dates the services were provided. These references may be contacted to verify offeror’s ability to perform the contract. MSF reserves the right to use any information or additional references deemed necessary to establish the ability of the offeror to perform the conditions of the contract. Negative references may be grounds for proposal disqualification.

VI. Interview

MSF will select up to 3 of the top scoring proposals for on-site interviews. If selected, offeror will be required to make an oral presentation at MSF to clarify their RFP response or to further define their offer. In either case, offerors should be prepared to send qualified personnel to Helena, Montana, on April 28 or 29, 2010, to discuss the proposal. Oral presentations shall be at the offeror’s expense. Based on discussion and information provided at the presentation, MSF will finalize the scoring of each proposal.

APPENDIX A: CONTRACT

APPENDIX A

CONTRACT FOR MANAGED CARE ORGANIZATION SERVICES

Contract ID Number -

This agreement is made by and between **MONTANA STATE FUND**, hereinafter "MSF", 5 South Last Chance Gulch, Helena, Montana 59601, and _____, _____, referred to herein as "Contractor", _____.

SECTION 1 SCOPE OF WORK

SECTION 2 CONTRACT TERM/RENEWAL

The term of the contract shall be July 1, 2010 through June 30, 2013. Renewals of the contract, by mutual agreement of both parties, may be made at 2-year intervals, or any interval that is advantageous to MSF. This contract, including any renewals, may not exceed a total of 7 years, at the option of MSF. This instrument shall not be effective until duly signed by all the parties hereto.

SECTION 3 GENERAL TERMS OF PAYMENT

1. Payment to Contractor will be made by electronic funds transfer. All Contractors will be required to provide banking information at the time of contract execution in order to facilitate MSF electronic funds transfer payments. Banking information may be provided on a Form 1199A prepared by Contractor's bank, or a voided check.
2. Payment terms may be modified at contract renewal dates upon agreement of both parties.

SECTION 4 ACCESS TO RECORDS -- RETENTION OF RECORDS

The Contractor agrees to provide the department, Legislative Auditor, or their authorized agents, access to any records necessary to determine contract compliance (Mont. Code Ann. § 18-1-118). The Contractor agrees to create and retain records supporting the services rendered or supplies delivered for a period of three years after either the completion date of the contract or the conclusion of any claim, litigation, or exception relating to the contract taken by the State of Montana or third party.

SECTION 5 ASSIGNMENT AND TRANSFER

Neither MSF nor the Contractor shall subcontract or assign its obligations under this contract without prior written consent of the other party. If subcontracting or assignment is approved, all requirements of the contract shall be binding to the subcontractor or assignee.

SECTION 6
CERTIFICATE OF AUTHORITY TO TRANSACT BUSINESS

Any business intending to transact business in Montana must register with the Secretary of State. Businesses that are incorporated in another state or country, but which are conducting activity in Montana, must determine whether they are transacting business in Montana in accordance with sections 35-1-1026 and 35-8-1001, MCA. Such businesses may want to obtain the guidance of their attorney or accountant to determine whether their activity is considered transacting business.

If businesses determine that they are transacting business in Montana, they must register with the Secretary of State and obtain a certificate of authority to demonstrate that they are in good standing in Montana. To obtain registration materials, call the Office of the Secretary of State at (406) 444-3665, or visit their website at <http://www.sos.state.mt.us>.

SECTION 7
HOLD HARMLESS/INDEMNIFICATION

The Contractor agrees to protect, defend, and save the state of Montana, MSF, its officials, agents, and employees, while acting within the scope of their duties as such, harmless from and against all claims, demands, causes of action of any kind or character, including the cost of defense thereof, arising in favor of the Contractor's employees or third parties on account of bodily or personal injuries, death, or damage to property arising out of services performed or omissions of services or in any way resulting from the acts or omissions of the Contractor and/or its agents, employees, representatives, assigns, subcontractors, except the sole negligence of MSF, under this agreement.

SECTION 8
ADVERTISING/NEWS RELEASES

The Contractor shall not advertise or share information concerning this contract in any form, or with any media without prior written consent from MSF. This does not prohibit the Contractor from sharing contract information needed for provider relationships or efforts needed to carry out other functions described in this contract.

Upon execution of this agreement, the Contractor may issue a press release announcing said execution, provided MSF has first reviewed said release for accuracy and content. MSF shall give approval/disapproval. Approval of the press release may not be unreasonably withheld.

SECTION 9
COMPLIANCE WITH LAW

The Contractor must, in performance of work under the contract, fully comply with all applicable federal, state, or local laws, rules and regulations, including the Montana Human Rights Act, the Civil Rights Act of 1964, the Age Discrimination Act of 1975, the Americans with Disabilities Act of 1990, and Section 504 of the Rehabilitation Act of 1973. Any subletting or subcontracting by the Contractor subjects subcontractors to the same provision. In accordance with section 49-3-207, MCA, the Contractor agrees that the hiring of persons to perform the contract will be made on the basis of merit and qualifications and there will be no discrimination

based upon race, color, religion, creed, political ideas, sex, age, marital status, physical or mental disability, or national origin by the persons performing the contract.

SECTION 10
COMPLIANCE WITH WORKERS' COMPENSATION ACT

The Contractor is required to supply MSF with proof of compliance with the Montana Workers' Compensation Act while performing work for MSF. (Mont. Code Ann. §§ 39-71-120, 39-71-401, and 39-71-405.) Neither the Contractor nor its employees are employees of the MSF. The proof of insurance/exemption must be in the form of workers' compensation insurance, an independent contractor exemption, or documentation of corporate officer status and must be received by MSF before contract will be executed, and must be kept current for the entire term of the contract.

CONTRACTS WILL NOT BE EXECUTED WITH CONTRACTORS WHO FAIL TO PROVIDE THE REQUIRED DOCUMENTATION.

Coverage may be provided through a private carrier or through the Montana State Fund (406) 444-6500. An exemption can be requested through the Department of Labor and Industry, Employment Relations Division (406) 444-1446. Corporate officers must provide documentation of their exempt status.

SECTION 11
LIAISON

MSF has designated Bridget McGregor as liaison to whom Contractor is to direct its communications concerning the Agreement. Contractor has designated _____ or his designee, as its liaison to whom MSF is to direct its communications concerning this Agreement.

SECTION 12
CONTRACT TERMINATION

1. MSF or the Contractor, with 30 days written notice to the other, may at any time during the term of this contract, terminate this contract with cause, or if the other party:
 - a. fails to perform its contractual duties or responsibilities; or
 - b. does not meet expected performance levels; or
 - c. does not meet time frames to improve performance levels as developed by MSF and the Contractor.
2. Either party may cancel this contract without cause with 30 days written notice.
3. MSF, or the Contractor, may terminate this contract at any time if either entity ceases to exist.
4. In the event of contract termination/cancellation, the Contractor will transfer all records related to a referred claim to either MSF or a new Contractor, and neither MSF nor the new Contractor may be charged for the transfer.

SECTION 13
MODIFICATION OF CONTRACT

1. No modification of this agreement shall be valid or binding unless such modification is in writing, duly dated, and executed by all parties to this original agreement.
2. If any portion of this contract becomes void by order of a court of law, all other sections of this contract remain in place with full force and effect.

SECTION 14 **INSURANCE REQUIREMENTS**

1. The MCO shall be required to procure and maintain for the duration of the contract, at its cost and expense, primary insurance coverage for injuries to persons or damages to property including contractual liability which may arise from or in connection with work performed by, or under general supervision of, the MCO, his agents, representatives, employees, and subcontractors under this contract. This insurance shall cover such claims as may be caused by any negligent act or omission.
2. The MCO's insurance coverage shall be primary insurance as respect to the State Fund, its officers, officials, employees and volunteers and shall apply separately to each project or location. Any insurance or self-insurance maintained by the State Fund, its officers, officials, employees or volunteers shall be in excess of the MCO's insurance and shall not contribute with it.
3. The State Fund, its officers, officials, employees, and volunteers are to be covered and listed as additional insureds; for liability arising out of activities performed by or on behalf of the MCO, including the insured's general supervision of the MCO; products and completed operations; premises owned, leased, occupied, or used.
4. The MCO must provide a certificate for commercial general liability, to include bodily injury, personal injury, property damage and automobile liability insurance with combined single limits of not less than \$1,000,000 per occurrence, with a \$2,000,000 aggregate from an insurer with a Best's Rating of no less than A-.
5. The MCO must also provide a certificate for professional liability insurance with combined single limits of not less than \$1,000,000 per occurrence, with a \$3,000,000 annual aggregate.
6. A certificate of insurance from an insurer with a Best's rating of no less than A- indicating compliance with the required coverages has been received by the Montana State Fund, PO Box 4759, Helena, Montana 59604-4759. The MCO must notify the State Fund immediately, of any material change in insurance coverage, such as changes in limits, coverages, change in status of policy, etc. The State Fund reserves the right to require complete copies of insurance policies at all times.

CONTRACTS WILL NOT BE EXECUTED WITH CONTRACTORS WHO FAIL TO PROVIDE THE REQUIRED DOCUMENTATION.

SECTION 15 **LIMITS OF AGREEMENT**

1. This instrument contains the entire Agreement between the parties, and no statements, promises of inducements made by either party, or agents of either party, which are not contained in the written Agreement shall be valid or binding. This Agreement may not be enlarged, modified or altered except as provided in Section 13, Modifications of this contract.

2. The request for proposal issued by MSF and the proposal of the Contractor are both herein incorporated and made part of this contract. If there are any discrepancies between the RFP, the Contractor Proposal, and this Contract, this Contract governs.

SECTION 16
SUCCESSORS AND ASSIGNS

This Agreement shall be binding on all successors and assigns of the Contractor, including successors in interest.

SECTION 17
VENUE

The Laws of Montana govern this contract. The parties agree that any litigation concerning this bid, proposal, or subsequent contract, must be brought in the First Judicial District in and for the County of Lewis and Clark, State of Montana, and each party shall pay its costs and attorney fees. (Ref: 18-1-401, MCA).

SECTION 18
FAILURE OF ENFORCEMENT IS NOT A WAIVER

Failure of MSF to enforce any of the provisions of this contract does not constitute a waiver of that provision or affect any part of this contract, or the right of MSF to later enforce that provision.

SECTION 19
BEST EFFORTS OF CONTRACTOR

1. Contractor agrees that it will at all times faithfully, industriously, and to the best of its ability, experience and talents, perform all of the duties and obligations that may be required of it pursuant to the express terms of the agreement.
2. Contractor agrees to conduct itself so as not to diminish the good will and reputation of MSF and to abide by all applicable laws, rules, and regulations.
3. Contractor further agrees to comply with, abide by, and be bound by the terms, conditions and covenants of this agreement.

SECTION 20
MSF ASSISTANCE

MSF shall not supply Contractor with any assistance in the form of personnel, office equipment, or other similar and related items, except as agreed upon between the parties.

MONTANA STATE FUND

By:_____

By:_____
LAURENCE HUBBARD
President/CEO

Date: _____

Date: _____

Approved for Legal Content by:

Contract authorized by:

NANCY BUTLER
General Counsel

PETER STRAUSS
VP Insurance Operations Support

Date: _____

Date: _____



5 South Last Chance Gulch
 P.O. Box 4759
 Helena, MT 59604-4759
 Phone: 406-444-6500
 Fax: 406-444-5963
 www.montanastatefund.com

WORK CAPACITY

Name of Physician: _____

Date of Exam: _____

PATIENT INFORMATION

Patient's Name (Please Print) _____ Claim Number _____

Social Security Number _____ Date of Birth _____

PROVIDER MUST COMPLETE THIS SECTION OF THE FORM

Is the worker medically stationary (MMI)? Yes ___ No ___ Date: _____ Anticipated Date of MMI: _____

Impairment Rating: Yes ___ No ___ Rating: _____ /or/ Anticipated Impairment Rating: _____

DISPOSITION

Check only one

Release with no restrictions (date) _____

Patient may not work until (date) _____

Restricted duty until (date) _____

PROVIDER MUST COMPLETE SECTION BELOW WHEN RESTRICTED DUTY IS IDENTIFIED

Because of the nature of injury, the worker is released with the following range of restriction to return to work:

----- Lift / Carry / Push / Pull -----

Frequency	N.A.	0-10 #s	10-25 #s	25-50 #s	>50 #s
Never					
Occasionally					
Frequently					

Activity	N.A.	Never	Occasionally	Repetitively
Bend				
Squat				
Climb				
Crawl				

Restriction	N.A.	Never	Permitted, but limited to:
Standing			<input type="checkbox"/> 2 hours <input type="checkbox"/> 4 hours <input type="checkbox"/> 6 hours
Sitting			<input type="checkbox"/> 2 hours <input type="checkbox"/> 4 hours <input type="checkbox"/> 6 hours
			<input type="checkbox"/> Alternate Sitting or Standing for _____ minutes for _____ hours per day.

REPETITIVE: Repetitive grasping / holding / manipulating with right / left / either hand limited to:

MOTION: Repetitive reaching above shoulder height with right / left / either arm limited to:

Comments/Treatment Plan:

FOLLOW-UP: Surgery _____ Date: _____

Referred to _____ Date: _____

NEXT SCHEDULED APPOINTMENT DATE: _____ **WITH** _____

Provider's Signature _____ **Date:** _____

Provider's Federal Tax ID# _____

Please Fax this Form to (406) 444-5963 or Mail to P.O. Box 4759 – Helena, MT 59604-4759