



## TPA & Risk Services for Workers' Compensation

Presented to:



Closing Date: March 15, 2017 at 5:00 p.m.

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**25 Years**  
TPA & Risk  
Services  
Expertise

**95%**  
Avg. Client  
Retention

**100  
Years**  
in Workers'  
Compensation

**95%**  
of Clients  
Would  
Recommend  
PMA



OLD REPUBLIC INSURANCE GROUP

March 15, 2017

Julia Scott-Valdez, Asst. Village Manager/Human Resources Director  
Village of Oak Park  
Human Resources Department  
123 Madison Street  
Oak Park, IL 60302

Dear Julia,

On behalf of PMA Companies, thank you for the opportunity to submit a proposal for workers' compensation Third-Party Administrative (TPA) & Risk Services. We understand that your business and risk management priorities include creating a safer, healthier workplace and reducing your total cost of risk. Our approach to risk management aligns our priorities with yours, helping to maximize the results we can achieve together.

This proposal outlines why PMA Management Corp., a PMA Companies third-party administrator, is the best choice to be your partner in managing risk. Key highlights of our workers' compensation TPA & Risk Services proposal include:

- Unique **holistic approach**—which provides pre-loss, loss-reduction, and post-loss strategies to reduce your total cost of risk
- An **innovative company with a stable leadership team**, and **service-driven culture**—all focused on protecting workers while preventing claims and reducing their costs
- **Public Entity expertise** earned through **decades of experience and research collaboration** with various national self-insurance and public risk organizations
- A professional **service team** leveraging PMA's 100 years of specialized workers' compensation expertise and infrastructure
- **Low target caseloads and new assignments** for claims professionals to facilitate greater focus on each claim
- A continuously evolving and fully integrated **managed care program** driven by a **strategically sequenced approach** that uses six levels of **nurse intervention** and **predictive data analytics** to assess lost-time claims and cost effectively get injured workers the **right care at the right time**
- **24/7 Customer Service Center** that supports you, your injured workers, and their medical providers, enabling our claims professionals to focus on cost-effective claims resolutions.

At PMA, we have created a 100-year success story one relationship at a time. We are passionate about doing what we say, and delivering exceptional value to our clients. We look forward to the opportunity to partner with you in managing your risk, improving your program results, and exceeding your service expectations.

Sincerely,

Jack Stone  
Sr. Account Executive  
[Jack.Stone@pmagroup.com](mailto:Jack.Stone@pmagroup.com)  
847-605-5520



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# Executive Summary

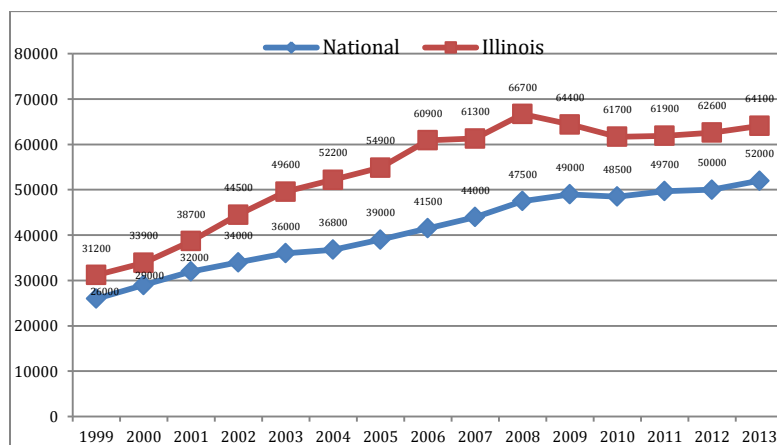
Ranked by Business Insurance among the largest providers of Workers' Compensation third-party administration and risk services in the United States, you can count on PMAMC for expert workers' compensation claims and risk management services. As a Public Entity this is especially true, as PMAMC has well over 100 Public Entity clients, including about 30 in IL alone.

Owned by Chicago-based Old Republic Cos. (NYSE: ORI) with \$17 billion in assets, PMA Cos., headquartered in Blue Bell, PA has been in business for 100 years. PMA Management Corp. (PMAMC), the TPA operation, was formed in 1991. Our Schaumburg, IL office has over 60 employees currently and we are growing. 100 years of experience means we understand that risk management is an increasingly complex and costly discipline, and that we can have a significant impact on your bottom line.

For example, workers' compensation cost and complexity, **especially in IL**, are driven by a number of factors:

- The aging of America's workforce
- A growing presence of comorbid medical conditions, such as hypertension, obesity, and diabetes impacting work injuries and recovery times
- Escalating pharmacy costs and narcotic use/abuse
- Rising inpatient and outpatient medical costs
- Changing state and federal regulatory requirements, including Electronic Data Interface (EDI) reporting requirements, Medicare Affordable Care Act, Medicare Secondary Payer, and ICD-10.

## WC Lost Time Claim Costs Continue to Increase Nationally and in Illinois



\*Source – National Council on Compensation Insurance August 2015

We are uniquely positioned to help reduce the Village of Oak Park's frequency and severity of Workers' Compensation claims, including your loss costs, outstanding reserves, and overall risk management budgets.

We also work on your behalf to identify, pursue, and recover subrogation funds—money that can reduce your total cost of risk.

PMAMC's TPA & Risk Services business client retention averages over 95% and client satisfaction averages 95% (would recommend), per independent surveys. We aim to deliver tangible value every day, striving to exceed your service expectations and improve your financial results.



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# Company Profile

## About PMA Companies

PMA Companies provides risk management solutions and services in the U.S., specializing in workers' compensation and offering property and casualty insurance. Headquartered in Blue Bell, PA, PMA has over 100 years of workers' compensation experience. As part of Old Republic Companies (NYSE: ORI)—one of the nation's 50 largest publicly held insurance organizations with consolidated assets of \$17.99 billion (as of June 30, 2016)—PMA offers long-term financial strength and stability.

## About PMA Management Corp.

PMA Management Corp. offers a unique, holistic approach to managing your total cost of risk and providing results-driven TPA and Risk Services. PMA Management Corp. provides complete, multi-level claims and risk management services—including claims administration for workers' compensation, commercial auto, commercial property, and general liability, as well as medical cost-containment programs and risk control services. PMA Management Corp. has been partnering with self-insured, self-insured group/trust, captive, and unbundled clients to understand their loss drivers, implement effective risk control and cost containment measures, and optimize the claims process since 1991.

## Industry Expertise

Although customers in any industry can benefit from PMA Companies' unique holistic approach, we've developed particular expertise in the Public Entity area.

Our largest TPA business segment, we serve 100+ state and local governments, including:

- Municipal Insurance Cooperative Agency (IL), with 25 municipal members
- City of Rockford, IL
- City of Peoria, IL
- Village of Oak Lawn, IL
- City of Moline, IL
- Metropolitan Water Reclamation District of Greater Chicago, IL (2016 Teddy Award Honorable Mention)
- Prince William County, VA (client for 20+ years and Business Insurance 2013 Risk Manager of the Year)

## About PMA Companies

- 100+ years of workers' compensation experience
- 450+ TPA clients with client retention averaging 95%
- Active member of:



- Thought leadership:
  - **Workers' Compensation Benchmarking Survey Results, Facts, and Solutions**, which highlights findings of research by URMIA and PMA Companies
  - **Zero In on Workers' Compensation Cost Drivers**, which highlights findings of research by PRIMA and PMA Companies
  - **Integrating Risk Management and Wellness Programs**
  - **Predicting and Preventing Severe Workplace Injuries**



Through decades of experience and research collaboration with the National Public Risk Management Association (PRIMA) organization, PMA has amassed deep insights on your workers' compensation challenges. Our recent joint PMA/PRIMA workers' compensation survey of the organization's members revealed an aging workforce, controlling claim frequency, and returning injured employees to work as most public entity risk managers' top concerns. We help you manage those issues through our holistic approach to claims management—taking proactive steps for more effective loss prevention, management, and analysis. PMA's pre-loss services aim to reduce the overall frequency and costs of claims. When claims occur, our experienced adjusters and nurses work to reduce the amount of disability, while our comprehensive managed care services help reduce the overall cost of medical bills and prescription medications. PMA's online resources enable public sector risk managers to track key results and respond promptly to emerging issues in their programs. In addition, your PMA client service manager, working in concert with one of our risk control consultants, can deliver a scorecard of results with a Stewardship Report designed especially for public entities. Your mission is to serve your constituents; ours is to support your success.

## Spotlight on Success *Prince William County, Virginia*

Located in northern Virginia, Prince William County provides a full range of local government services, including police, fire and rescue, court, library, and parks and recreation, to approximately 419,000 residents.

### Partnership Results as of 2013

- Above-average in-network usage, driving an average of 32% savings in billed medical charges
- 71% of claims reported within 24 hours
- Return-to-Work process starts with contact with the injured worker, the medical provider, and the employer within 24 hours of receiving a claim
- The County's Risk Management Division Chief, Lori Gray, named 2013 Risk Manager of the Year by *Business Insurance*

PMA and representatives from the county meet quarterly—and sometimes more often—to discuss pending claims and strategies for moving the cases forward. This keeps the partnership on track and the county's results trending positively.



*"We have an outstanding relationship with PMA. They truly develop a partnership and work with us—it's a team approach. I choose PMA year after year because they help us achieve positive results. PMA means success to me."*

Lori Gray | Risk Management Division Chief | Prince William County



# PMA's Holistic Approach to Risk Management

## Unique Approach to TPA and Risk Services

PMA's holistic approach integrates three key strategies that can help you reduce the frequency and severity of your claims by focusing on risk control, claims, managed care, and risk management information services:

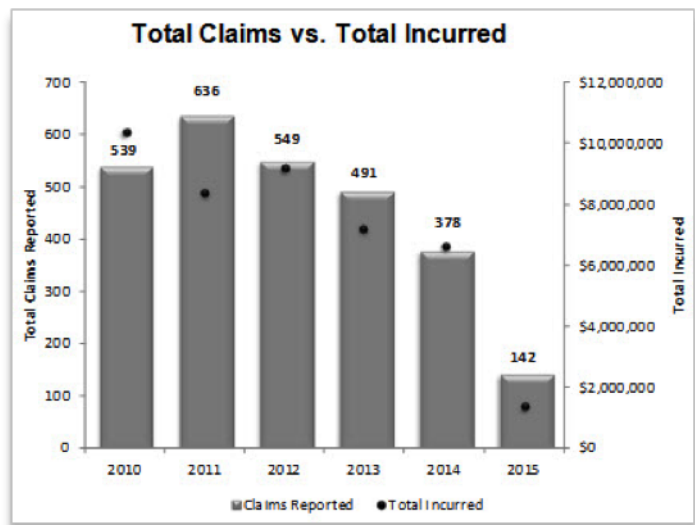
- **Pre-Loss – Prevents** claims before they occur.
- **Loss-Reduction – Mitigates** the cost of claims that do occur with timely, quality medical treatment, integrated claims and managed care services, and return-to-work programs.
- **Post-Loss – Learn from losses that have occurred** so your organization can prevent similar losses from occurring again.



### Pre-Loss

We will partner with you to understand your loss drivers and implement effective risk control measures. Our pre-loss strategies typically include the following:

- **Risk Management Assessment** – We can perform an assessment of your operations and risk management program to identify your past loss exposures and opportunities for future improvements to lower frequency and severity of claims.
- **Goal Setting** – We will collaborate with you to establish goals and identify performance metrics to guide our improvement efforts.
- **Planning** – We will work with you to develop a plan to guide the improvement process and enhance results for a greater return on investment.



Sample chart tracking frequency and severity of workers' compensation claims.

PMA offers a full range of in-person and online risk control services and resources, including access to PMA Websource®, our interactive online safety and risk management portal.

### Loss-Reduction

Our **claims service** is designed to aid in reducing your overall exposures and controlling your costs. Early intervention on each claim will help us manage claims to cost-effective resolutions and mitigate your exposure on all claims. Each step of our comprehensive claims management process is structured to achieve favorable results.

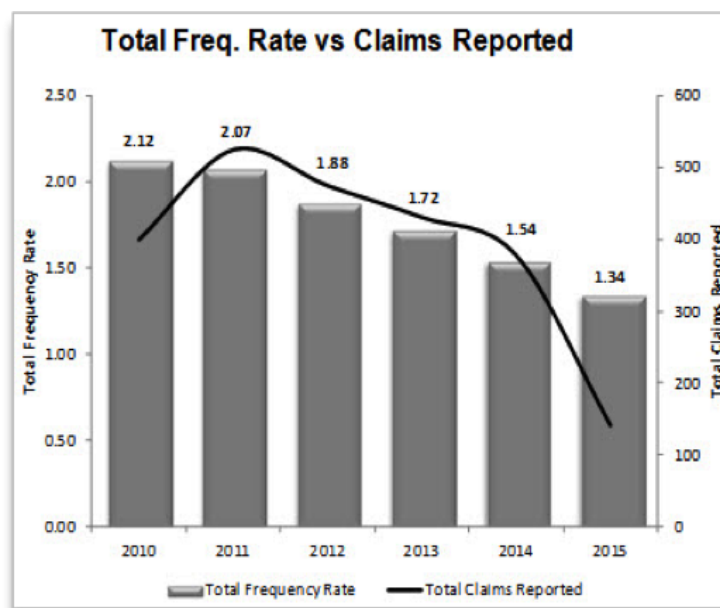
Our **managed care program**, which is fully integrated with our claims service and claims management system, focuses on:

- Predicting high-risk/high-cost claims for timely intervention
- Obtaining timely, quality care for injured workers
- Managing medical costs
- Reducing total claims costs.

PMA's managed care program includes Nurse Triage on all Lost Time claims (available 24/7 Nurse Triage via PMA Care 24), Medical Bill Review, Workers' Compensation PPO & Specialty Networks, Nurse/Medical Code Examiners, Pharmacy Benefits Management, Pharmacy Nurse Intervention, Nurse Case Management, and a Utilization Review Program with Medical Peer Review.

### Post-Loss

PMA will analyze your loss history, benchmark your performance against your peer group (where possible) and industry results, and report back to you through our stewardship reporting process. More important, we explain ways to improve your program and implement best practices. Our goal is to help you develop best practices that enhance your program and facilitate timely claims intervention.



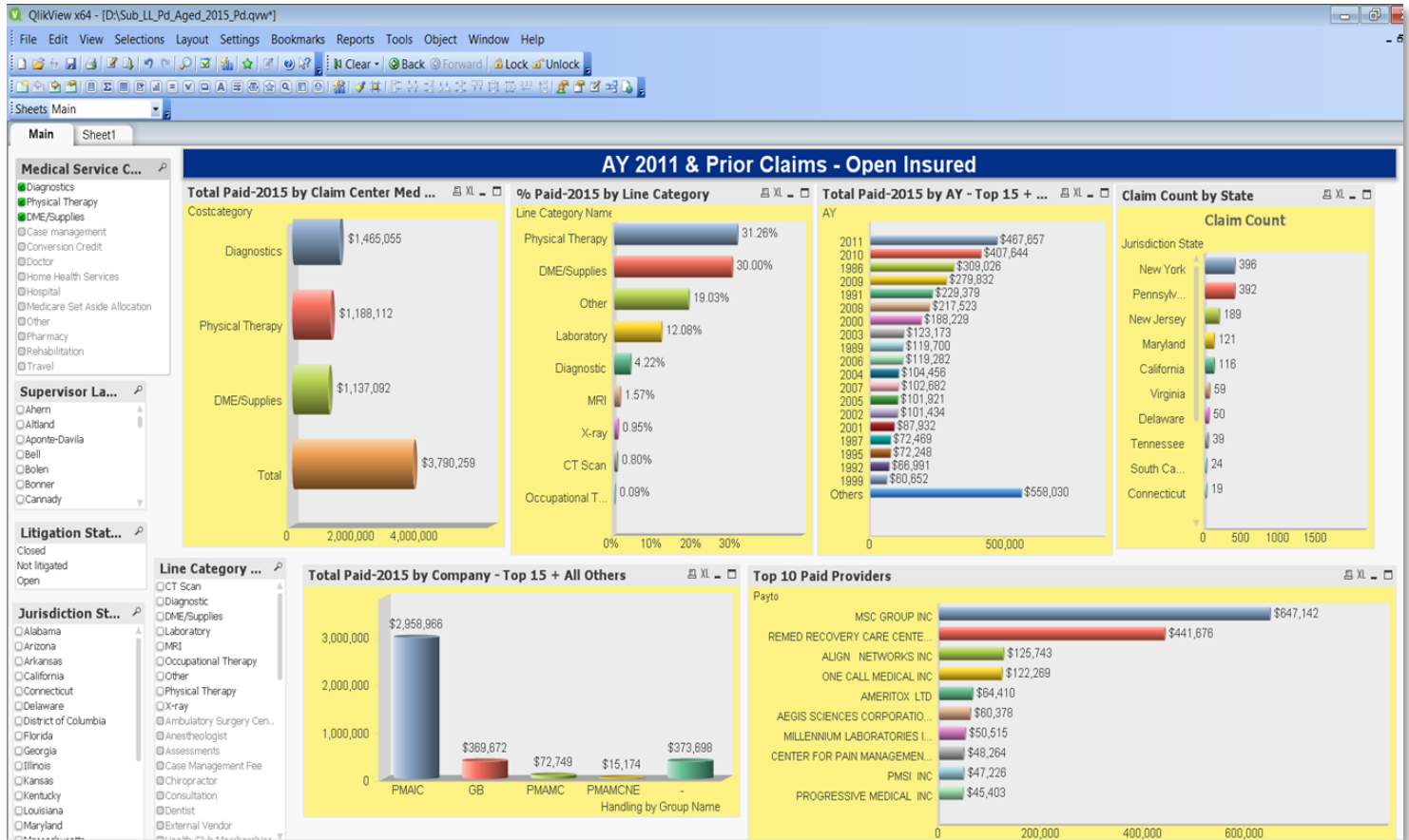
*Sample chart tracking worker's compensation claims frequency rate.*



## PMA Data Analytics & Visualization Tools to Spot Trends

With a robust collection of workers' compensation claims data in an enterprise-wide data warehouse, we are able to benchmark your results against organizations in our database and often against other entities within your industry. We can drill down to benchmark the performance of each location, providing valuable insights into relative strengths and opportunities for improvement. Additionally, we are able to quantify the potential financial impact of loss trends and continually monitor performance improvements over time. All of this information is presented to you using leading edge data visualization tools from Qlik.

*Comprehensive Qlik data visualization tool allows faster trend spotting for more timely intervention*



## Results that Make a Difference

PMA's holistic approach can achieve a positive impact on your risk management efforts. We will work with you to execute pre-loss, loss-reduction, and post-loss strategies complete with multilevel claims and risk management services, including:

- **Account Management Team** – Account Executive, Client Service Manager, Triage Nurses, Nurse Case Manager, Risk Control Consultants, Claims Professionals, Quality Assurance Specialists, and Customer Service Representatives
- **Triage/Intervention Nurses** – intervene on lost-time and high-risk medical-only workers' compensation claims
- **Pharmacy Nurse Specialists** – dedicated to prescription drug oversight with focus on regulating narcotic dispensing
- **Quality Assurance Program** – Quality Assurance Specialists ensure consistency in all areas of claims management services
- **Special Investigative Unit** – trained specialists who investigate potentially fraudulent claims and, where appropriate, refer claims to local authorities and assist with prosecution
- **PMA Websource®** – an online-only portal of safety and risk management resources
- **Benchmarking and Stewardship Reporting** – turns data into actionable information for better business decisions



# The Building Blocks of Your Success

## Account Management

As a TPA and Risk Services client, you will be supported by a team that will become an extension of your risk management resources. Your team will include an Account Executive, Client Service Manager, Triage Nurses, Nurse Case Manager, Risk Control Consultants, Claims Professionals, Quality Assurance Specialists, and Customer Service Representatives. A claims supervisor leads the claims team, which also includes a 24/7 Customer Service Center.

By assigning these teams, PMA provides you with direct contacts for any questions you may have. The results: strong, collaborative relationships, a deeper understanding of your business needs, and, ultimately, greater value for your business.

## Special Handling Guidelines

As a PMA client, we will create for you custom claims handling guidelines at the onset of our partnership (and periodically thereafter) that explain how we need to service your account. This can include settlement authority levels, attorney selection, reserve notifications, and more.

## Stewardship Reports

PMA also provides annual Stewardship Reports, which outline trends that have an impact on your organization's total cost of risk. Your Stewardship Reports provide benchmarking, pending analysis, risk profiles, and risk management analysis, as well as recommendations to help you make risk management decisions.

PMA's goal is simple—to reduce the frequency and severity of your workers' compensation claims creating a safer, healthier workplace.

### PMA's Commitment to Service

- **24/7 Customer Service Center** at 1-888-476-2669
- **pmacompanies.com**, our interactive website featuring:
  - Injured Worker Center
  - Workers' Compensation Guide for Injured Workers
  - Pharmacy Search Tool
  - Temporary Pharmacy Cards
  - Return-to-Work Information
  - State Workers' Compensation Resources

## Spotlight on Success *City of Concord, North Carolina*

Home to over 79,000 residents, Concord is the largest city in Cabarrus County, North Carolina and has more than 900 full-time employees.

### Partnership Results as of 2013

- 77% takeover claim closure rate
- 30% reduction in lost-time claim frequency
- Return-to-Work initiatives reducing duration of claims/aiding injured employee recovery
- PMA Cinch® offers daily claims status and trending data in more than 20 customizable reports



*"Utilizing PMA Cinch enables Risk Management to effectively manage and track workers' compensation claims."*

Julie Waller | Safety, Health & Risk Manager | City of Concord

## Our Results-focused Claims Service

### Highlights of Our Claims Service

- **SSAE 16 (SOC 1) Certified**—Annual certification that assures a high degree of operational controls specific to client data and loss funds
- **Assigned team**—including claims professionals, a Claims Supervisor, a Client Service Manager, Nurse Case Managers, and Customer Service Representatives
- Adjusting staff with an **average of 17 years** of workers' compensation claims handling experience
- **Target low average caseloads** and new assignments for claims professionals—facilitating more thorough claims management and greater control over loss development
- Averaging **15 years of experience**, our **Client Service Managers oversee** your program installation and creation of special handling guidelines, and serve as the primary point of contact for Stewardship Reports and claims relationships
- **Prompt and thorough investigation** that includes determination of compensability and subrogation potential, as well as "indexing" each injured worker's lost-time claims with the Central Index Bureau to prevent payment of duplicate benefits and to help identify and prevent fraudulent activity
- **Quality Assurance Specialists** who audit claims files and review open lost-time claims approaching 90 days
- **Tenured, committed team** backed by PMA Companies' ongoing **formal claims training program**, as well as support for higher education and **industry certifications**

PMA designed our claims service to reduce our clients' overall exposures and control costs. Each step of our comprehensive claims program has been structured to achieve results, including driving claims to resolution in a timely, thorough, and cost-effective manner.

We recruit and retain claims professionals with strong technical knowledge in workers' compensation. In fact, our adjusting staff has an average of 17 years of workers' compensation claims handling experience. As part of our holistic approach, we maintain a tight linkage between claims management, managed care, and risk control—enabling us to continually identify and help you address emerging loss trends while seeking to reduce your loss costs.

### Staffing

The key to our success lies in the people who we employ. PMA is committed to providing its clients with the highest quality claims management services, and this can only be accomplished through strong, knowledgeable employees. Our claims professionals take ownership of their work, and fully dedicate themselves to each claim they handle.

### Caseloads that Facilitate Proactive Claims Management

PMA's claims professional caseloads and support resources, such as our 24/7 Customer Service Center, are established to allow our claims professionals to give each claim the time and attention it requires. This allows us to complete more thorough investigations, and to exercise greater control over loss development. The average caseload handled by our claims professionals is typically 120 - 150 files, with new average monthly assignments of 7 - 12 files.

### Focused Training

Led by a Claims Training Manager focused on creating and executing various claims training programs, PMA claims professionals regularly receive formal and informal training through internal and external resources addressing all disciplines, including claims, legal, managed care/medical providers, and risk control. We also frequently use one-on-one training sessions between supervisors and claims professionals to focus on specific topics, enabling supervisors to provide continuous improvement training to each claims professional. Our training sessions serve to educate our claims professionals on new policies and procedures, new case law developments, and changes in rules and regulations.

## Loss Reporting

PMA offers you a selection of claims reporting options so you can choose the channel that's most convenient for you and that best suits your needs. We can receive Injury Reports electronically through PMA's website or through PMA Cinch, our internet-based risk management information system. You can report losses from mobile devices, including iPhones, iPads, Android smartphones, and tablets. Telephone, fax, and mail reporting options are also available.

Claims reported electronically are immediately assigned a PMA claim number, and that claim number will instantly be provided to you. For all reported claims, acknowledgement letters will be mailed or e-mailed to designated client contacts.

## Investigation

Upon receipt of a lost-time claim, we will conduct an aggressive investigation that includes:

- Review of First Notice of Loss by Triage Nurse looking for indications of high-risk claims
- "Indexing" the injured worker with the Central Index Bureau to prevent duplicate benefits and identify previous injuries and potential fraudulent activity
- Three-point contact within 24 hours of claim assignment
- A compensability determination
- An assessment of subrogation potential

Combining our people, processes, and powerful claims management information system (CMIS), we identify high exposure claims characteristics like comorbidities, psycho-social factors, injured worker age, body mass index (BMI), and length of employment. This critical information helps our claims professionals and triage nurses intervene early in the process to deliver a proactive approach designed to achieve positive outcomes.

**Medical Summary**  
Medical Summary | Medical Management | ODG | Medical Log Notes

Edit | New Log Note

**Medical Profile**  
Law Firm  
Medical Contact Allowed?  
**Contact Condition**  
Comorbid Conditions? ☒ Comorbid  
Psycho-Social Factors? ☒ Psycho-Social  
Age 60  
Gender Male

**Prescription Manager**  
Effective date  
Expiration date  
Billing Restriction  
Accident Description

Enter Height in Feet 6 and Inches 0 or Total Height in Inches 72  
Weight (lbs) 300  
BMI (Calculated) 40.7 (Overweight/Obese BMI > 25; Morbid BMI > 45;)  
Surgery No

*Medical Summary tab showing injured worker's medical profile*



**Medical Management**  
 Medical Summary | **Medical Management** | ODG | Medical Log Notes

Edit | New Log Note

**Comorbid Disability Factors**

Factor	Description	Ed.	ICD Code	Diagnosis Description	Status	Provider	IW Diagnosed	PMA Notified	Claim Impact?	Comments
Obesity	Overweight and Obesity	10	E66.3	OVERWEIGHT	Treatment - None				Yes	

**Psycho-Social Disability Factors**

Factor	Description	PMA Notified	Resolution Date	Claim Impact?	Comments
Family	Married	07/01/2016		No	M 2
Length of Employment	Less Than 1 Year			Yes	

Medical Management tab showing any comorbid and psycho-social disability factors

Information collected by our claims and nurse teams throughout the initial and ongoing claims management process is fed into PMA's powerful CMIS, which is connected to Official Disability Guideline (ODG) treatment software helping to:

- Assist the adjuster and nurse in estimating the length of disability (ELOD)
- Establish specific treatment protocols and mileposts
- Create return to work expectations for the injured worker and treating provider(s)
- Generate an ODG Risk Assessment Score (RAS) meant to display the potential complexity of the injury scenario based on injured worker demographics

CPT Codes					
Duration Guidelines					
Duration history					
Date	Recommended RTW Duration (Days)	Actual RTW (Days)	Medical Cost Est.	Medical Reserves	
07/25/2016 11:48 AM	15	24	\$5,742.54	\$60,920.00	

Duration and medical cost calculator

As soon as the injured worker returns to work, the adjuster inputs the official return to work date into the CMIS. Comparing the ELOD with the ALOD then provides opportunities to demonstrate real indemnity and medical savings achieved, and allows for critical feedback to medical providers in terms of claims outcomes.

Our ongoing three-point contact with you, your injured worker, and the medical provider will facilitate aggressive management of recovery and return-to-work strategies, from the inception of the claim through its conclusion.

During three-point contact, our claims professionals will:

- Perform a comprehensive investigation, including accident details, mechanism of injury, prior claims and medical history, and contact all appropriate witnesses
- Assess the appropriateness of a nurse case management assignment
- Determine the estimated length of disability and communicate this to the injured worker to establish return-to-work expectations for all parties



- Work cooperatively with the medical provider to obtain modified duty capabilities, and promptly communicate those capabilities to the client and injured worker
- Conduct recorded interviews when appropriate
- Provide notification to the appropriate contact in all cases involving catastrophic injuries or fatalities

Begin evaluating subrogation and other recovery potential in order to reduce your loss exposure; subrogation recovery efforts are conducted by the claims professionals handling the claims after completing our investigation, and within 14 days of claim assignment, we will provide you with a compensability recommendation.

The screenshot displays the 'Medical Management' interface. At the top, there are tabs for 'Medical Summary', 'Medical Management', 'ODG', and 'Medical Log Notes'. Below these are 'Edit' and 'New Log Note' buttons. Two yellow boxes highlight ODG risk assessment scores: 'ODG risk assessment score is greater than 60.' and 'ODG risk assessment score is 81.'. Below these are tabs for 'CPT Codes', 'Duration Guidelines', and 'Duration history', along with a 'Get data from ODG' button. A red box highlights the 'ODG Results' section, which includes 'RAS (Risk Assessment Score)' with a green bar and a checkmark, and 'Actual' values for 'Days' (24) and 'Medical Reserves' (\$60,920.00). Below this is the 'Injury / Illness Diagnosis' section with a table of diagnoses. A red box highlights the 'Claimant Details' and 'Confounding Factors' section, which includes a 'Refresh Confounding Factors' button. The 'Claimant Details' table lists Claimant Age (60), Claimant Jurisdiction (Iowa), and DOL Job Class. The 'Confounding Factors' table lists Diabetes, Hypertension, Obesity, Depression, and Smoker. The 'Legal Representation' section lists Surgery/Hospital Stay and Substance Abuse.

Order	Ed.	ICD Code	Diagnosis Description	Valid From	Valid To	Compensable	Section 111	Comments
Primary	10	S06.9X1A	UNS IC INJ LOC 30 MIN/LESS INIT ENC	07/01/2016		Yes	Yes	

Claimant Details		Confounding Factors (Derived from Disability Factors)		Legal Representation
Claimant Age	60	Diabetes	Depression	Surgery/Hospital Stay
Claimant Jurisdiction	Iowa	Hypertension	Smoker	Substance Abuse
DOL Job Class		Obesity	Yes	

*Injured worker's risk assessment score based on all medical conditions and factors*

## Reserving

We set reserves for the realistic value of a claim based on the most current information available at the time of review. Reserves are set when the compensability decision is made during the investigation phase of the claims handling process, and reserve changes are considered as the facts and circumstances of the loss develop. Reserves are reviewed when the claims professional works the file, and all claims are reviewed regularly for reserve adequacy by the claims supervisor.

PMA will consult with you on all reserve changes in excess of an agreed upon threshold, which will be memorialized in your Special Handling Guidelines. Rationale for all reserves will be documented in claims file log notes, and will be detailed when reserve changes are requested.

## Independent Medical Examinations (IME)

IMEs can be initiated when the length of disability exceeds expectations, the cause of the work injury is in question, a determination of the reasonability and/or necessity of a medical treatment plan is needed, or when physical capabilities for return-to-work at a modified job must be obtained.

The benefits and costs of an independent medical examination will be explained to you on a claim-by-claim basis, and will only be initiated upon your approval.

### Spotlight on Success

#### City of Cumberland, Maryland

The City of Cumberland, Maryland, the county seat of Allegany County and home to nearly 22,000 residents, maintains full-time police, fire, water and sewer, public works, administration, and parks and recreation departments.

##### Partnership Results as of 2015

- Return-to-Work Program brings injured employees back to work with light-duty assignments shortening the duration of claims
- Preferred Provider Network (PPN) penetration of 94% helped save \$159,000 in medical expenses 2014-2015
- Total medical savings of nearly \$945,000 since 2006

*"It's simply about communication and awareness. Our committee discussions and reviews of accidents have already helped us to develop improved safety policies, like reporting all injuries, large or small, within 24 hours."*

Jeff Rhodes | Director of Administrative Services & Risk Manager | City of Cumberland



## Settlement Authority

Authorization will be requested prior to the settlement of a litigated workers' compensation claim. For non-litigated claims, we will exercise discretionary authority up to our agreed upon threshold, which will be memorialized in your Special Handling Guidelines.

Our claims professionals will provide written requests for authority for litigated claims, and non-litigated claims where the proposed settlement exceeds the agreed upon threshold, in advance of the proposed settlement date. Requests will include a detailed evaluation of the claims exposures, along with input from defense counsel and your risk manager.

## Location Coding

All claims reported to PMA will contain a client specified location code. A dropdown menu of location codes will be available for claims reported electronically through PMA Cinch.

## Claim Reviews and Stewardship Meetings

We are committed to providing our clients with all of the tools and information necessary to effectively manage their workers' compensation programs. This is accomplished by providing access to detailed claims information through PMA Cinch, by conducting in-person or telephonic claims reviews, and through the presentation of our annual Stewardship Reports.

Formal claims reviews can be scheduled upon request, but we are anticipating quarterly claim reviews. These reviews will serve to provide up-to-date loss information, and will allow all parties to discuss detailed action plans and resolution strategies on the selected claims files being reviewed.

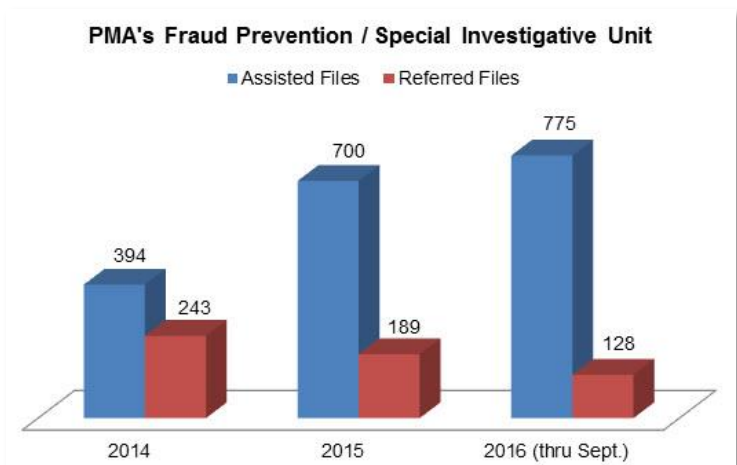


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In addition, we provide a detailed stewardship report on an annual basis to review the overall results of your program against your risk management goals. This report provides an extensive financial analysis, a detailed analysis of loss information, and a comprehensive review of risk-management data. This report is used both to demonstrate the results that have been obtained and to identify loss trends, enabling you to determine exactly where to focus your ongoing risk management efforts.

### Fraud Control – Special Investigative Unit (SIU)

PMA employs a full-time Special Investigative Unit. The SIU is staffed with industry fraud professionals with over 25 years of experience who are committed to detecting, deterring, and preventing fraud while protecting the assets of our clients. The SIU is active with industry professional organizations and in working with related regulatory bodies. The Corporate SIU Coordinator is a Board Member of the PA Insurance Fraud Prevention Authority and the SIU is active in the International Association of Special Investigative Units. Our Unit works in conjunction with the PMA claims professionals, receiving referrals from claims adjusters, supervisors, managers, and clients. This collaborative approach has resulted in significant savings for our clients and criminal insurance fraud prosecutions in many states. PMA's SIU is responsible for fraud investigations, fraud training, regulatory anti-fraud compliance, private investigator vendor management, and maintaining PMA's Anti-Fraud Plan.



*Reflects all PMA Companies results*

Each claim is reviewed for red flag fraud indicators by the claims adjuster and the claims supervisor. Inconsistencies are pursued and our SIU assists with the investigation and information gathering with services to support making appropriate claims decisions, including:

- Social Media Search
- Skip trace (locate an individual, address history, relatives, etc.)
- Confirm personal information (name/ DOB/ SSN, liens, judgments/bankruptcies, etc.)
- Background investigation
- Order police report
- Criminal and/or civil record search

When a misrepresentation is material to the claim, an insurance fraud referral is prepared and sent to the appropriate Fraud Bureau/DOJ/District Attorney or Attorney General. A questionable claim submission may also be made to the National Insurance Crime Bureau. PMA will track the status of referred claims and the potential for recoveries or restitution.

### Return-to-work/Stay-at-work

A formal return-to-work/stay-at-work program is arguably the single most effective method of reducing your workers' compensation claims costs. PMA's claims and managed care professionals will collaborate to create or



enhance a formal program for you. In addition, we employ a disability management strategy on lost-time claims. Our return-to-work/stay-at-work program consists of:

- Open communication with PMA claims professionals, nurses, and you
- Modified work programs, including light duty and alternative assignments
- Independent medical examinations
- Vocational rehabilitation
- Use of occupational disability guidelines

Our claims professionals will maintain ongoing contact with you and your injured workers with the goal of safely returning them to work.

We can assist you in developing a work program in which employees perform a modification of their regular jobs, or different jobs altogether, until they are capable of resuming their normal work duties.

### Litigation Management

Regardless of assignment to counsel, our claims professionals remain committed to the quality of claims handling for each of their assigned files. Our aggressive litigation management procedures include stringent attorney selection (if applicable), collaborative development of defense strategies with counsel, counsel's submission of budgets, and legal bill review. To control costs, counsel generally performs only legal work, while PMA staff oversees investigations and negotiations.

### Responsible Reporting Entities (RREs)

Self-insured entities are considered primary payers and Responsible Reporting Entities (RRE) and must register as such. PMA has a comprehensive program to comply with your reporting requirements of the Medicare Secondary Payer Statute, and will handle all Section 111 reporting once you have registered as an RRE and selected PMA as your reporting agent. We partner with ExamWorks, which acts as our reporting agent.

## Spotlight on Success *Rockland County, New York*

Located just 16 miles from New York City and home to nearly 300,000 residents.

### Partnership Results as of 2015

- Holistic approach with Risk Control, Claims, and Managed Care resources delivering positive program results since 2005
- Recoveries totaling \$3.1 million over past 10 years
- Net Managed Care savings of \$2.2 million (75% savings) in last 12 months



*"We can log into the [PMA risk management information] system and check the status of a claim at any given time. We can also run reports to track claims by department or in aggregate for the county to isolate any high claim areas."*

Annette Marro | Workers' Compensation Coordinator | Rockland County

## Comprehensive and Integrated Managed Care to Help Control Claims Costs

The total average cost of a lost-time workers' compensation claim in the United States was \$53,000 in 2015. Medical and pharmacy costs are nearing 60 percent of expenses for workers' compensation claims. PMA Companies offers the expertise, capabilities, and programs to effectively manage these costs while helping you return employees to work.

PMA's Managed Care programs are driven by our integrated, in-house team that is highly credentialed and 100 percent focused on workers' compensation.

### PMA's Strategically Sequenced Managed Care Programs

PMA provides fully integrated, industry-leading Managed Care capabilities to minimize costs and ensure seamless delivery of services to our clients. Our comprehensive program of services includes Complex Bill Review, Fee Schedule and UCR reductions, Pharmacy Benefit Management, Opioid Management, Preferred Provider Network utilization, Disability Management, Peer Review, and Utilization Review. We combine our risk management and medical expertise, technology, data analytics, and third-party partners to optimize performance. This approach enables us to more effectively assess and manage cases with the goal of maximizing outcomes while minimizing costs for our clients.

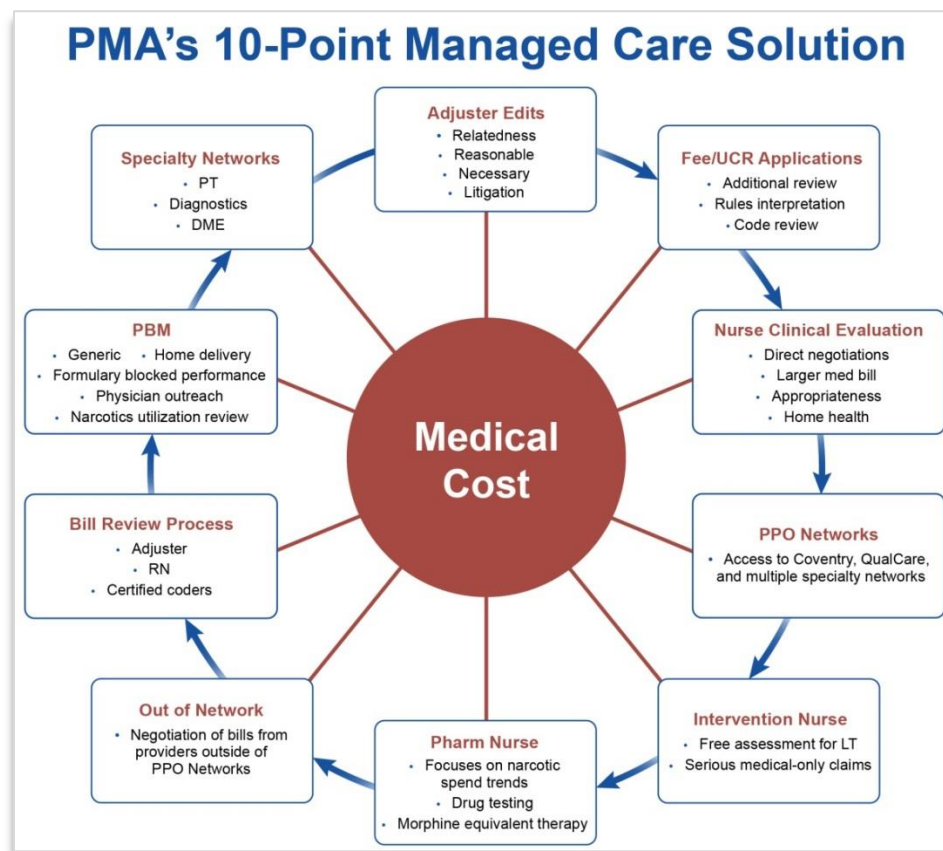
Our Managed Care programs include:

- **Complex Bill Review.** PMA's Complex Bill Review (CBR) team includes coding specialists and Registered Nurses who perform a clinical review of medical bills to ensure coding accurately reflects the services billed. If errors are detected by this team the bill is adjusted and sent back to the medical provider for an explanation. Our CBR examiners apply clinical guidelines, ensuring appropriate billing based on clinical reports. Our expert coders review bills for compliance with complex state-mandated rules and regulations.
- **Medical Bill Review Program Fee Schedule & UCR Reductions.** Our sophisticated imaging and workflow software performs a thorough review of all medical bills, identifying duplication, potentially unrelated services, and improper billing practices. PMA reduces medical bills to state fee schedules and UCR based on the rules and regulations of the state. PMA's Managed Care team continuously analyzes appropriate fee schedule and UCR application to all medical bills to ensure we are maximizing medical bill savings accordingly.
- **PPO Networks.** PMA utilizes strategic partnerships throughout its marketing territories to offer clients access to a comprehensive provider network for workers' compensation claims. This includes an Expert Provider Organization that specializes in physical therapy and occupational therapy services. A team approach is employed by PMA's Managed Care, Claims, and Account Management staff to educate clients on the benefits of using a network and encourage injured workers to seek treatment from network providers for more efficient and effective injury management.

Example of PMA's Strategically Sequenced Medical Bill Review		
START 60%+ Savings END	<b>PMA TPA Billed Charges All States*</b>	<b>\$460,540,177</b>
	Denied Charges	-\$108,666,687
	Fee Schedule/UCR	-\$92,104,876
	Code Specialist Review	-\$19,647,770
	Duplicate Bill Review	-\$5,148,277
	Complex Bill Review	-\$16,601,197
	PPO Savings	-\$36,495,018
	Out of Network Bill Review	-\$1,380,803
	<b>Medical Bill Savings</b>	<b>\$280,044,628</b>
	<b>Final Paid Charges</b>	<b>\$180,495,549</b>
<small>*2015 PMA TPA Billed Medical Charges</small>		



- **Out-of-Network Program.** To complement our standard bill review process, PMA offers an out of network negotiation (OON) program. Our OON program provides savings below traditional state fee schedule or usual and customary charges for certain medical services provided outside of PMA's preferred provider network. We utilize industry leading programs for re-pricing and negotiation services. Out-of-network bills are re-priced with selected thresholds, dependent upon bill type and state jurisdiction. Our network portfolio includes both customary networks, as well as specialty networks.
- **Pharmacy Benefit Management (PBM) Program.** To help contain insureds' workers' compensation pharmacy costs, PMA has partnered with one of the nation's largest full-service providers of technology-enabled, clinically-driven services for prescription management devoted exclusively to workers' compensation and liability markets. Our program delivers utilization control, targeted intervention, and care management solutions to address drug utilization, prescriber activity, and medication mix (the primary drivers of workers' compensation pharmacy costs). Our PBM program offers full adjudication of physician dispensed and third party invoices for pharmaceutical products. Additionally, the program includes retail pharmacy (with over 60,000 pharmacies), mail order pharmacy, clinical management and formularies, as well as on-line resources for reporting and education.



- **PBM Pharmacy Intervention Program.** PMA employs a comprehensive Pharmacy Intervention model that utilizes multiple resources, including Pharmacy Nurse Specialists who are Registered Nurses fully integrated into PMA claims process. Pharmacy Nurses use a portfolio of intervention strategies, including outreach to injured workers' medical providers, pharmacist drug reviews, drug testing and monitoring, and peer-to-peer reviews to prevent or remedy prescription drug dependency problems. Pharmacy clinical interventions are designed to drive better medical outcomes for injured workers and reduce fraud potential. Additionally, PMA leverages data mining and business intelligence to identify Pharmacy intervention



opportunities. This medical-centric approach focuses on injured worker prescription trends relative to high morphine equivalent dosages (MEDs), prescribed compounds, direct physician dispensed regimens, brand to generic opportunities, and potential for home delivery application to name a few. Each of these areas of concentration and trend analysis drive toward appropriateness of utilization, enhanced cost reduction, and reasonable cost avoidance.

- **Panel Creation.** PMA employs an easy-to-use website tool that allows insureds (where jurisdictionally allowed) to quickly locate network providers, pharmacies, and ancillary services, as well as create provider panels according to your requirements.

- **Specialty Preferred Diagnostic Imaging Program.** PMA works with industry leaders for access to their networks of providers of diagnostic imaging services, e.g., Magnetic Resonance Imaging (MRI), Computed Tomography (CT Scan), Electromyography (EMG), and Nuclear Medicine (Bone Scans). This access provides highly efficient referral and scheduling services for injured workers who require diagnostic services, as well as networks of contracted diagnostic imaging providers that offer services at discounted rates.

- **Specialty Preferred Programs/Networks.** Our customized network strategy delivers an additional opportunity to increase network penetration and target workers' compensation cost drivers. PMA's Specialty Preferred Programs feature select relationships with industry-leading managed care companies that offer specialized expertise and high-quality, nationwide resources. PMA conducted a rigorous due diligence evaluation process when selecting Specialty Preferred vendors. Specialty Preferred Programs offer prospective and retrospective clinical review to ensure appropriate medical care is provided to injured workers.

- **Specialty Preferred Physical Therapy Program.** Physical therapy contributes significantly to workers' compensation medical expenses, fueled by both treatment costs and frequent utilization. To tackle these cost drivers, PMA partners with networks of pre-screened and credentialed physical medicine providers, including the largest national network in the workers' compensation industry. This clinically-based program effectively manages utilization and cost through evidence-based treatment guidelines, regular communication, and early alerts on off-track cases.

## Physical Therapy

40%  
Average Reduction

- **Specialty Preferred Durable Medical Equipment (DME) Specialty Program.** Injured employees often require specialized medical equipment and devices to return to work. With prices rising and medical equipment choices proliferating, PMA strategically partners with selected national medical equipment providers to expertly navigate this field. Our strategic partners provide competitive discounted rates for medical equipment and ensure the quality and functionality of all prescribed medical equipment. PMA effectively manages these partnerships to ensure optimal cost savings as well as appropriate utilization and supply of needed equipment for injured employees.

## Example of PMA's Strategically Sequenced Pharmacy Bill Review

<b>START</b>	<b>Billed Charges All States*</b>	<b>\$78,903,376</b>
44% Discount	Formulary & Blocked	-\$13,952,715
	Physical Outreach	-\$1,806,457
	Retrospective Drug Review	-\$214,004
	Step Therapy	-\$735,322
	High Cost Compound Review	-\$989,367
	Total Utilization Savings	-\$17,697,865
END	Total Contracted Savings	-\$16,973,714
	<b>Pharmacy Bill Savings</b>	<b>\$34,671,579</b>
	<b>Final Paid Charges</b>	<b>\$44,231,797</b>

\*2015 PMA TPA Billed Pharmacy Charges

- **Disability Management.** The PMA Disability Management Program is staffed with highly skilled Registered Nurses with varied occupational health expertise. Our Nurse Case Managers work in an integrated fashion with our Claims professionals, treating providers and injured workers to facilitate an appropriate treatment plan and achieve timely, safe return-to-work. PMA evaluates comorbid, age and psycho-social factors to evaluate risk and develop claim strategies to impact quality of care, costs and return-to-work outcomes. PMA conducts case management by telephone and in person. On-site case management facilitates the proactive management of complex claims. When appropriate, PMA partners with the largest workers' compensation case management providers for additional services.
- **Complex Catastrophic Case Management.** PMA leverages internal clinical management resources along with expert vendor partners to manage catastrophic injuries. We combine our clinical and claims management expertise with the specialized expertise and networks of catastrophic medical providers to manage claims to a better outcome at lower costs. Cases are managed by PMA specialized resources and proactively reviewed monthly to help drive optimum clinical and claims approaches and provided the best treatment plan appropriate for the injured worker at reduced costs.
- **Medical Peer Review.** PMA proactively addresses questionable medical treatment, particularly causation and treatment effectiveness issues. We engage a provider, board certified in the same specialty as the treating provider, to review the treatment file and render an expert opinion of medical treatment recommendations.
- **Product Management.** We continually assess market trends and insureds' needs to design new managed care products and services. Based upon our analysis, we develop innovative products and services to enhance the quality of PMA's medical management program and ensure our program continues to be best-in-class.
- **Quality Management.** PMA's quality team adheres to best practices guidelines and regulatory requirements. Audits of internal nurses and external vendors' nurses are conducted quarterly. Together with the PMA Regulatory Compliance Team, the Quality Management/Audit Unit ensures that PMA's partners meet all jurisdictional guidelines.
- **Utilization Review.** PMA evaluates the medical necessity of diagnostic or treatment procedures with our UR programs. We review procedures prospectively, concurrently, or retro-actively using evidence-based guidelines per each state. Our goal is to ensure the injured employee receives appropriate medical treatment and returns to work promptly. PMA pursues additional review if the treating provider disputes the UR decision.
- **Triage Intervention Program.** A specialized and dedicated team of Registered Nurses. The program goal is to identify and intervene on high-risk workers' compensation claims, starting immediately after first notice of the loss. The nurses act quickly to determine the need for case management intervention, expedite appropriate medical treatment and direction into medical networks and establish return-to-work strategies. The Triage Intervention Program is active throughout the life cycle of workers' compensation claims to facilitate immediate intervention if red flags arise. PMA takes an aggressive stand on the application of evidence based medicine and leverages skilled nursing and jurisdictional rules to reduce fraud, waste and abuse.
- **PMA Care 24.** An optional, dedicated branded PMA Managed Care program committed to immediate first level clinical assessment by an RN of employee's condition after a reported incident. The RN discusses incident and employee's condition with the employee to determine the most appropriate level of care to initiate treatment for initial physician diagnosis and necessary course of action. This service helps streamline appropriate care identification which in turn helps mitigate costs through the avoidance of

inappropriate initial treatment. Additionally, PMA Care 24 promotes enhanced cost containment through in-network optimization and utilization.

- **Medical Cost Projection & Medical Cost Analysis.** PMA provides two medical cost analysis services that help evaluate future medical costs based on past and current medical trends specific to the claim. PMA's Medical Cost Projection service helps establish appropriate and comprehensive future medical reserve considerations. PMA's Medical Cost Analysis service provides a clinical assessment and validation of projected medical reserves. Both of these services are implemented and managed by internal PMA clinical experts.

## Risk Control Services

PMA's approach to risk control involves developing an understanding of your business, getting to know your risks, and formulating strategies and programs for managing them. Our services are customized to your organization's particular needs. Our mission is to provide you with state of the art services that control loss costs and increase profitability.

As part of our unique holistic approach, we can perform a risk management assessment—diving deep into current performance to identify action plans to reduce both the frequency and severity of losses. We can help you to evaluate and mitigate risk as you undertake key business decisions. We can also provide ongoing monitoring and benchmarking to track progress over time.

Working in concert with PMA's Claims and Managed Care teams, PMA Risk Control can play a key role in our holistic approach utilizing both pre- and post-loss initiatives designed to reduce your total cost of risk. We offer a full range of risk control services, including safety program evaluations, hazard analysis, safety training, safety perception surveys, and loss frequency/severity reviews. We can help you establish and monitor a flexible, goal-oriented action plan for your safety programs.

### PMA Webservice®

As a TPA client you will have access to PMA Webservice—an on-line portal of safety and risk management resources exclusively for our clients. Our Risk Control Consultants designed PMA Webservice to offer convenient access to practical loss prevention and safety information and solutions—including technical bulletins, safety and compliance training programs, monthly webinars led by PMA industry specialists, as well as tools and resources to enhance your safety and health programs.

In PMA Webservice, you can:

- Register for monthly webinars led by PMA industry specialists
- Pose risk management questions to industry experts
- Download industry white papers



- Review technical bulletins
- Obtain safety and compliance training programs
- Access tools and resources to enhance your organization's safety and health programs
- Receive discounts on services such as compliance training

# How We Deliver Results

## *PMA People*

We are known for delivering tangible value and having a service-driven culture with knowledgeable, experienced, and passionate employees. You will have a designated—and integrated—service team to execute our holistic approach, consisting of, as appropriate, any number of the following professionals:



## What to Expect

All members of your service team will have clearly defined roles and responsibilities:

- Your Account Executive will be responsible for all business aspects of our relationship with you—including new and renewal pricing, services and service team coordination, creation and execution of your legal contract, and overall customer satisfaction.
- Your Client Service Manager will oversee all aspects of the claims service relationship—including onboarding, orientation of our respective service teams, coordination of claims reviews and Stewardship Reporting, and your overall satisfaction with our claims service.
- Your Nurse Case Manager will provide professional medical insights both to our claims team and to your team—helping to identify clinical techniques and strategies that can support positive medical management outcomes.
- PMA's Risk Control professionals can offer strategies for reducing the frequency and severity of losses and creating a safer, healthier workplace.
- Our claims professionals will adjudicate and resolve each claim in a consistent and timely manner in accordance with industry standards and your special handling guidelines.
- Finally, our Customer Service Center will support the high-level claims service needs of PMA Companies' customers, claims staff, medical providers, and vendor partners.

## PMA Partnership Approach

Remember, PMA does more than just provide TPA and risk services—we are your **partner in risk management**. As such, we will be an extension of your risk management team and will work with you to drive down your total cost of risk by focusing on:

- Reducing frequency of claims
- Reducing severity of claims
- Educating you about your loss drivers and making recommendations for improvement
- Reducing indemnity and medical costs
- Reducing your workers' compensation budget

## PMA Technology

PMA's innovative technology tools support our holistic approach to reducing your total cost of risk.

### PMA Claims Center

Claims Center is our powerful claims management system allowing for improved data capture and reporting. With an all-lines system from Guidewire Software at its core, PMA Claims Center streamlines claims professional activities and improves claims professional efficiency. Further, this system enables us to perform the sophisticated analytics that drive our holistic approach.

### PMA Cinch — Access to Powerful Information that Impacts Financial Results

PMA is passionate about helping our clients take a smart, more strategic approach to risk management that drives business value. Timely, comprehensive, and meaningful claims and loss information is crucial in understanding risk exposures.

**PMA Cinch Claims Reporting**

EASY CLAIMS REPORTING WITH IMMEDIATE GENERATION OF A PMA CLAIM NUMBER

Report a loss with our screen, helping to ensure you submit the right information the first time. PMA immediately sends you a claim number and you can attach documents, e.g., statements, medical bills, and state forms to your loss report.

**PMA LOSS REPORTING**

**WORKERS' COMPENSATION**

Employee Information

Occurrence Information

Contact Information

**Claim Submission**

\* Fields in blue are required.

The Claim Entry Wizard has been completed. You may add additional comments below and click the Submit button to send the data to PMA.

Comments

Enter miscellaneous claim details in the comments box below.

Comments:

Maximum 900 Characters

☐ Record Only

Claim Information Email

Click on the checkbox below to receive an email copy of the claim information just entered.

☐ Send Email Copy



PMA Cinch enables your risk management executives and other professionals to manage their claims information—everything from the big picture to details of your loss information. It offers busy executives a quick snapshot of your risk management situation, and the robust capabilities and flexibility of Cinch allow your daily taskers to pinpoint the information that can significantly impact your bottom line. By analyzing trends and taking quick corrective action, you can enhance your operating performance, lower costs, and improve your financial results.

### PAYMENT DETAIL SCREEN

PMA Cinch Payment Detail Screen allows you to select from a Payment Information Screen that includes medical, indemnity, expense, and loss payments. You see extensive payment and claims information, right down to whether or not a specific payment has been cashed.

On a day-to-day basis, Cinch will give you timely and convenient access to information about claims. The tool features an “Executive Dashboard” for a high-level view of activity. It also enables users to drill down, analyze, and develop reports and graphs about a wide range of information, including:

- **Executive Summary Tool**  
Utilize an interactive tool to organize and view both aggregate and individual claims information.
- **More Flexibility & Data Analytics**  
View claims information per your parameters—location, type, status, and accident date range.
- **Full-Color Charts & Visuals**  
Data appears in easy-to-view graphs, charts, and tables, allowing you to grasp information quickly.
- **Comprehensive Data**  
Display elements are based upon detailed data in your existing loss reports.
- **Ease of Use**  
The Dashboard is highly intuitive and requires no training.

### CREATE GRAPHS

The Analysis Tool enables you to create full-color graphs and charts from your data.

We have continuously enhanced PMA Cinch based on feedback from client focus groups. We listened to our clients and gave them the reports and tools they need to make decisions about their workers' compensation programs.

#### **PMACompanies.com — 24/7 Access to Cinch and our Injured Worker Center**

Our corporate website, [pmacompanies.com](http://pmacompanies.com), offers user-friendly functionality for reporting a claim, accessing PMA Cinch, and locating a network provider. PMACompanies.com also offers a robust Injured Worker Center—giving your employees convenient 24/7 access to PMA Companies contact information, pharmacy search, frequently asked questions about return-to-work, state resource links, and a workers' compensation guide for injured workers.

#### **Disaster Recovery Program & Enterprise Risk Management**

For security reasons, specific information about our disaster recovery program is not sent to our clients. However, detailed information regarding PMA's security programs and processes is available for review and inspection at PMA's Corporate Headquarters in Blue Bell, PA.

Data and electronic images are backed-up on tape daily and sent to a vendor partner for secure off-site storage. Additionally, PMA has a comprehensive disaster recovery program that is managed by another vendor partner, DBSI.

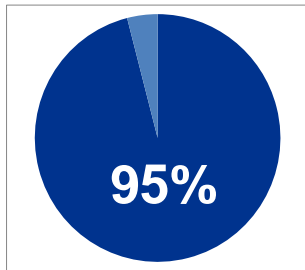
In the event that a disaster should occur, our imaging technology makes it possible for our claims professionals to manage your losses from any PMA branch office without any discernable interruption in service to you.

Our backup/recovery site is dynamically connected to our primary site so that data is constantly being updated in both locations. This allows us to seamlessly switch to the backup site if a primary site disruption is encountered.

# Points of Pride

## *Building Relationships One Client at a Time*

### *Client Satisfaction & Retention*



- We conducted six independent client satisfaction surveys in the years 2007 to 2016. On average, 95% of respondents report that PMA meets or exceeds their service expectations.
- Our independent 2016 Client Satisfaction Survey showed that 95% of our clients would recommend PMA to a friend or colleague.
- PMA's TPA & Risk Services has an average client retention rate of 95%.

### *Nationally Recognized Clients*



**Business Insurance's 2013 Risk Manager of the Year® Lori J. Gray, Risk Management Division Chief for Prince William County, VA.** For more than a decade, PMA Companies has partnered with Prince William County in Virginia on its workers' compensation and risk management program. We are proud of our partnership and the success we have helped this client achieve.



#### **Risk & Insurance Teddy Awards for Workers' Compensation**

- **2015 Winner – Barnabas Health**, a PMA client since 1998
- **2016 Winners – Excelsa Health and Hampton Roads Transit**
- **2016 Honorable Mentions – Metropolitan Water Reclamation District of Greater Chicago and Atlantic Health System**

### *Expertise*



**25 Years** of TPA & Risk Services expertise

**100 Years** of specialized workers' compensation experience



## Disclaimer

The Spotlight on Success summaries included in this proposal show results that PMA has achieved for particular clients. Your results will vary. These summaries are not intended, and should not be interpreted, as guarantees, promises, representations, or assurances concerning the results we can achieve for you.

# Pricing Proposal

PMA offers a complete and comprehensive claims management program.

## Claims Handling Activities:

- Investigation
- Three-Point Contact
- Action Planning
- Claims Processing
- Compensability Decisions
- Subrogation / SIF Investigation
- Excess Reporting & Recovery
- Fraud Prevention / SIU Capabilities
- Account Management
- Quality Assurance Program Oversight
- Structured Settlements
- Pre-Settlement Advisories
- EDI with State as Required
- 1099 Reports
- Settlement Authority
- Resolution Negotiation
- Litigation Management
- Check Issuance
- Payment Registers
- Claim Review Meetings
- Stewardship Meeting
- Self-Insurance Re-Application Assistance
- First Report of Injury Filed with State Agency
- Customized Claim Handling Instructions
- Reserve Advisories
- Patriot Act Compliance
- Office of Federal Asset Control Compliance
- Claim Acknowledgements
- Direct Deposit of Indemnity Payments

## PMA's Managed Care:

- Medical Bill Review
- Complex Bill Review
- Out-of-Network Bill Review
- Early Intervention Nurse Assessment on Lost Time Claims
- PPO & Specialty Network Access
- PPO Radius Listing & Mapping to Locations
- Pharmaceutical Benefit Management
- Case Management

## Safety/Loss Prevention Services:

- Websource Access
- PMA Technical Bulletins
- PMA Monthly Web Events Training
- 300+ Safety Videos/DVD Library
- WC Performance Indicator Report \*
- Risk Management Assessment\*
- PMA Insights White Papers
- PMA Engineering & Safety Services\*

\*Separate fee may apply

## RMIS Services:

- Executive "Dashboard"
- Internet Claim reporting via Cinch
- Claim Number Notification
- Real Time Access to Claim Log Notes
- Client Diary System
- Loss Analysis Reports
- Managed Care Savings Reports
- Reserve Analysis Reports
- Email Claims Professional Capabilities
- "Schedule My Reports" Feature

## Loss Adjustment Expenses:

- Independent Medical Exams
- Medical Bill Review
- Complex Bill Review
- Out-of-Network Bill Review
- Case Management Expenses
- Utilization Review Expenses
- PPO Network Access Fees
- Private Investigators
- Medicare Section 111 Reporting Fee
- Central Index Bureau /National Insurance Crime Bureau
- Legal Fees / Attorney Fees
- Records Reproduction Fees

*Client is responsible for the payment of all Loss Adjustment Expenses including, but not limited to, the above.*



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## Option 1 - Life of Contract - Per Claim

### *New Claims Handling*

		Year 1	Year 2	Year 3
	<b>Estimated Claims</b>	<b>Per Claim Rate</b>	<b>Per Claim Rate</b>	<b>Per Claim Rate</b>
Workers' Compensation Lost Time	20	\$785	\$785	\$785
Workers' Compensation Medical Only	25	\$131	\$131	\$131
WC - Incident Only	if any	\$25	\$25	\$25
<b>Total</b>		<b>\$18,975</b>	<b>\$18,975</b>	<b>\$18,975</b>

### *Take-over Claims Handling – See Notes*

	<b>Estimated Claims</b>	<b>Per Claim Rate</b>	<b>Per Claim Rate</b>	<b>Per Claim Rate</b>
Workers' Compensation Lost Time	25	\$275 recurring	\$275 per open	\$275 per open
Workers' Compensation Medical Only	15	\$110 one-time		
<b>Total</b>		<b>\$7,205</b>		

#### Fees include:

**Claims Handling Activities - listed above**  
**Account Management**  
**Access to Websource Risk Control online mat'ls**  
**PMA Organizational Safety Institute webinars**  
**Nurse Triage – Lost Time Claims**  
**Excess and Subrogation Recoveries**  
**OSHA Log Tool**

#### Unbundled/Additional Fees:

<b>Account/Financial Administration</b>	<b>\$4,200</b>	<b>\$4,200</b>	<b>\$4,200</b>
<b>Cinch Risk Management Information System</b>	<b>\$6,000</b>	<b>\$6,000</b>	<b>\$6,000</b>
<b>6 users (\$500 for each additional)</b>			
Access to Adjuster Log Notes			
Loss Analysis Reports			
Managed Care Savings Reports			
Reserve Analysis Reports			
Web Imaging/Scanned Documents			

**Data Conversion – electronic conversion of open/closed historical data**

**\$5,500 one-time**

#### **Total Estimated Annual Fees**

**\$41,880**

**\$29,175**  
 Plus open  
 LT takeovers

**\$29,175**  
 Plus open  
 LT takeovers





## Option 2 - Life of Contract – Flat Annual Fee

	Year 1	Year 2	Year 3
<b>Flat Annual Fee</b>	<b>\$39,000</b>	<b>\$39,000</b>	<b>\$39,000</b>

### Fees include:

**Claims Handling Activities - listed above**  
**Handling of New and Takeover claims**  
**Account Management**  
**Access to Websource Risk Control online mat'ls**  
**PMA Organizational Safety Institute webinars**  
**Nurse Triage – Lost Time Claims**  
**Excess and Subrogation Recoveries**  
**OSHA Log Tool**  
**Data Conversion – electronic conversion**  
**of open/closed historical data**  
**Account/Financial Administration**  
**Cinch Risk Management Information System**  
**6 users (\$500 for each additional)**  
**Access to Adjuster Log Notes**  
**Loss Analysis Reports**  
**Managed Care Savings Reports**  
**Reserve Analysis Reports**  
**Web Imaging/Scanned Documents**

<b>Total Estimated Annual Fees</b>	<b>\$39,000</b>	<b>\$39,000</b>	<b>\$39,000</b>
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### Ancillary/ALAE Services for Per Claim and Flat Annual Fee Options:

PMA Management Corp. would like to offer the Village of Oak Park additional services to further enhance the overall cost savings to the program. Each service is outlined below:

#### Medical Bill Review

Medical Bills from providers will undergo a complete screening to reduce the bill down from its original charge for a fee of **\$8.25** per bill:

- Application of appropriate Fee Schedule
- Scan for Medical Relatedness
- Scan for Mis-coded Charges
- Duplicate Charge Detection
- Manual Edits performed by adjuster or nurses

#### Cost-Containment

Once the Medical Bill Review is completed, PMA will seek to gain additional cost savings from our various Cost-Containment Programs, for **29%** of savings achieved:

- Preferred Provider Network Access
- Out of Network Program
- Complex Bill Review
- Discount Pharmaceutical Program



<b>Telephonic/Field Case Management</b>	<b>\$95</b> per hour
<b>Risk Control Services (optional)</b>	<b>\$125</b> per hour
<b>Section 111 Reporting</b>	<b>\$6</b> per queried claim (one time charge per claim) Claims which PMA needs to query pursuant to the Agreement
<b>Custom/IS reporting (at client request)</b>	<b>\$95</b> per hour
<b>On-Site Accident Safety/Investigation Training</b>	\$300 per 4 hour session/\$600 per day, if performed by Client Service Manager or Claim Supervisor \$500 per 4 hour session/\$1,000 per day if performed by Risk Control Consultant

**Notes:**

1. This pricing is for a 2-year contract. Year 3 is an extension year, but we will keep our pricing flat in year 3.
2. For Per Claim pricing, claims handling fees are tentative, based on estimated claim counts. A claim reconciliation will be completed 60+ days after each year to determine the actual claim volume, and final fees.
3. For Per Claim pricing, takeover per claim fees for Lost Time claims are recurring. We will bill a per claim charge for each year that a Lost Time claim remains open, up to a maximum of 3 years.
4. Flat Annual Fee pricing is contingent on the number of new claim and takeover claims assumed. This quote includes up to 26 Lost Time takeovers and 10 Medical Only takeovers. If more takeovers are received, the account is subject to repricing. This quote includes up to 20 new Lost Time claims in any given contract year. If more than 20 are received, we will charge \$785 for each additional new Lost Time claim, beginning with the 21<sup>st</sup> claim.
5. For all Flat Fee pricing arrangements, if during the term of the contract, any individual occurrence results in more than 10 claimants, as determined by PMAMC, then the following additional claims handling fees above and beyond the Flat Annual Fee will apply: beginning with the 11<sup>th</sup> claim and for every claim thereafter, \$785 will be charged for each Lost Time claims and \$131 for each Medical Only claim.

## PMA Funding Options

	Traditional Escrow	Direct Funding ACH Debit
<i>Required Escrow</i>	3 months of estimated claims payments and loss adjustment expenses	<ul style="list-style-type: none"> <li>• <u>Zero</u>: Daily funding only</li> <li>• <u>Weekly funding</u>: Two weeks of estimated claims payments and loss adjustment expenses</li> <li>• <u>Monthly funding</u>: 45 days of estimated claims payments and loss adjustment expenses</li> </ul>
<i>Source of Loss Funding</i>	Escrow account held by PMA	Client's checking account
<i>Monthly Billing</i>	Escrow replenishment and loss handling fees	Loss handling fees
<i>Required Banking Documentation</i>	None	Authorization to Access Account form

### Traditional Escrow

This option is available to all large deductible and self-insured clients. With this option, the client will provide PMA with an escrow of three months of estimated paid losses and loss adjustment expenses. PMA will pay for the claims throughout the month with this account. At the end of the month, PMA will bill the client for losses and loss adjustment expenses paid along with the appropriate claims handling fees (if applicable). The client will also receive detailed loss reports showing all claims activity for the month and a cumulative claims summary report by policy/contract.

### Direct Funding – ACH Debit

This option is available to all large deductible and self-insured clients. With this option, the client will receive a daily, weekly, or monthly electronic communication from Wells Fargo Bank with the total claim checks issued that day, week, or month. On the next business day, Wells Fargo will initiate an ACH transfer to deduct the previous days' (weeks'/months') claims from the client's bank account. Payment is deposited directly into a sub-account, which is unique to the client. At month-end, the client will receive an AMPS billing statement for the loss-handling fees. The client will also receive detailed claims reports showing all activity for the month and a cumulative claims summary report by policy/contract. Reimbursement by check or client-initiated wire transfer/ACH transfer is required for payment of all fees.

**ACH Debit customers must fill out and sign the Authorization to Access Account form in duplicate and forward to the Credit/AMPS Department.**

### Direct Deposit

PMA offers eligible injured workers direct deposit of indemnity payments into their bank accounts.



# PMA Companies eBilling Solution

*Sign-up to access your invoices and statements on-line*

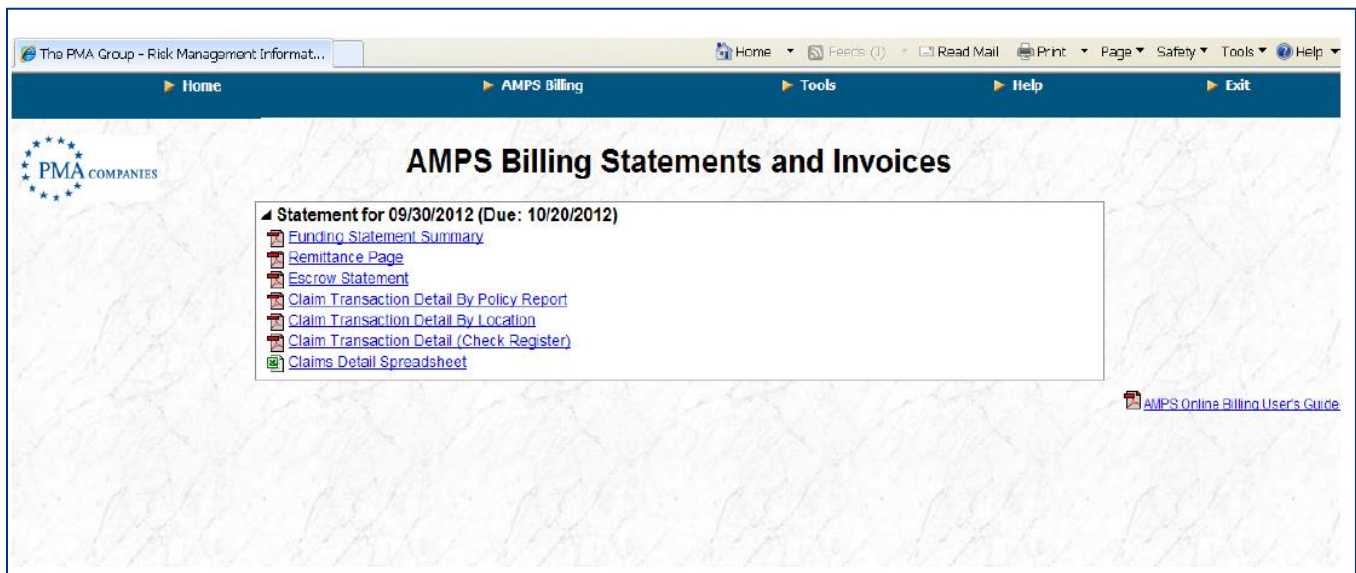
**eBilling\*** is available to PMA clients for loss funding and service fees bills. With eBilling you can easily access and view your bills electronically through our secure internet site instead of receiving paper copies through the mail.

## Consider the benefits of PMA eBilling...

- Easy access to your statements and invoices stored on-line, including previous billing information
- Invoices and statements received faster
- Automatic email notification when invoices and statements are generated
- Claims detail data in an Excel format, allowing you to format the data according to your needs
- Escrow balance, installment schedules, and pre-fund reconciliation reports, as applicable, available on-line

\* Please note that PMA eBilling does not include electronic payment remittance.

An example of what you'll see in PMA's on-line bill summary page:



To sign-up for eBilling, simply send an email to [AMPSFinancialSupport@pmagroup.com](mailto:AMPSFinancialSupport@pmagroup.com) and a PMA Representative will respond to assist you.

**\*\* Please allow up to two (2) billing cycles for activation \*\***



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# Specific Vendor Requirements

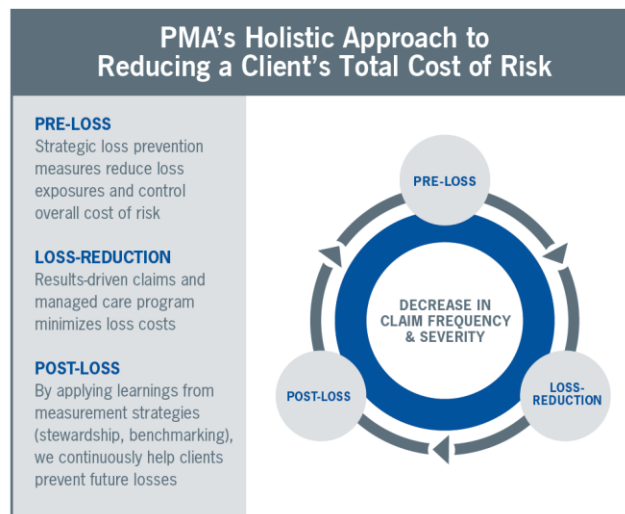
We reviewed the Specific Vendor Requirements in detail and are very confident that we will meet or exceed these requirements, with the following comments and exceptions:

- E. We anticipate quarterly meetings.
- F. 3) We suggest a dollar threshold over which reserves are subject to review and approval.
- J. We can provide dozens of reports that we believe will meet the Village's needs very well. If extensive programming/time is required to develop/generate a report, we reserve the right to charge a \$95 per hour programming fee. This would be discussed with the Village prior to beginning any work.

## Detailed Response Specifications

### A. A brief description and history of the firm.

PMA Management Corp. is the TPA subsidiary of the PMA Companies, a member of the Old Republic International. PMA recently celebrated 100 years of claims and risk management services. PMAMC was formed in 1991. The PMA Schaumburg, IL office has over 65 employees currently and we are growing. City and County governments make up a significant part of our client base. PMA Management Corp. provides a proven, "holistic" approach to help our public sector clients reduce their total cost of risk. PMA would apply the pre-loss, loss reduction and post-loss programs to help Village of Oak Park realize better outcomes for your workers' compensation claims.



PMA Management Corp. will help the Village of Oak Park's Risk Management Team achieve the delicate balance that they need, responsive claim services to its employees coupled with fiscal savings. Here's how we will accomplish this:

- Dedicate a team of passionate PMA people who will focus on executing the industry's best claims practices
- Become an "extension" of your Risk Management Department and its initiative
- Share with your team how our other public entity clients have used innovative strategies to manage their property and casualty risks
- Deliver a medical bill review/cost containment program and fee structure that saves you more money and provides great value.



- Employ leading metrics such as Industry Comparisons and Loss Trending Analyses to constantly gauge our collective progress
- Report and Communicate Program results in easy to understand ways so that we can educate the Department managers and Supervisors on their costs. Education is the catalyst to changing habits.
- Utilize internet technologies including “paperless” claim files so that you and PMA can simultaneously drive claims to resolution.

We want to be your Third Party Administrator for the long term, and we are willing to make the commitments necessary to assure a long and lasting relationship.

- B. A list of all current municipal/public entity/government clients within the State of Illinois. Please include a reference contact name for each client and their phone number.

PMA Management has over 30 IL Public Entity clients, including:

- City of Rockford
- City of Peoria
- Metropolitan Water Reclamation District of Greater Chicago – 2016 Teddy Award Honorable Mention Winner
- City of Moline
- Village of Oak Lawn
- City of North Chicago
- Village of Deerfield
- Village of Glen Ellyn
- Village of Gurnee
- Village of Huntley
- Town of Normal
- City of Quincy
- Village of Streamwood
- Village of South Elgin
- Village of River Grove
- ComEd/Exelon

Please see the References Section for contact information for certain clients.

- C. Education, experience, expertise and certifications of the firm, principals, and key employees including resumes of personnel who would be assigned to the project. Also identify:

- 1) How many adjusters are currently employed?

PMA Management Corp. proposes to service this program out of our Schaumburg, IL branch office. This location has over 65 employees between our TPA and Insurance company operations. The TPA team has 13 adjusters, 2 supervisors and an AVP of Claims. All of our staff are experienced and licensed as required. Our branch operation is supported by our Corporate Operations Center and Customer Service Center (24/7, in Allentown, PA), plus the backing of PMA's 1,300 total employees.

- 2) What is the average tenure for your adjusters?

PMA Management Corp. adjusters have an average of 15 years workers' compensation experience and our supervisory staff has an average of 20 years of industry experience.

- 3) What is the adjuster's average case load?



The average PMA Lost Time adjuster caseload is 122 claims, at this time. Caseloads typically range between 120-150 open claims.

4) Will one individual handle all of the Village's claims or will they be divided by claim type?

PMA Management Corp. proposes that the service team includes John Hines as Supervisor, John Lackinger as the primary Lost Time Adjuster, and Colleen Lester as the medical only claim adjuster.

5) Accessibility and ability to respond to Village needs in a timely manner.

PMA Management Corp. is available 24 hours per day, 7 days per week, 365 days per year to respond to the Village of Oak Park's needs and to provide around-the-clock emergency service. A Claim Professional is available at all times via a toll-free number to answer questions and provide direction.

PMA Management Corp's policy is to respond to all telephone calls and written correspondence before the close of business on the day they are received. For new claims, we strive to make initial three-point contact within 24 hours.

D. Transition plan: Outline how the firm would propose transitioning from the current provider to control by the responding firm. Include the following additional information:

1) Describe process flow for claims receipt, processing/handling, investigation and payment

Upon receipt of a lost-time claim, we will conduct an aggressive investigation that includes:

- Review of First Notice of Loss by Triage Nurse looking for indications of high-risk claims
- "Indexing" the injured worker with the Central Index Bureau to prevent duplicate benefits and identify previous injuries and potential fraudulent activity
- Three-point contact within 24 hours of claim assignment
- A compensability determination
- An assessment of subrogation potential

Combining our people, processes, and powerful claims management information system (CMIS), we identify high exposure claims characteristics like comorbidities, psycho-social factors, injured worker age, body mass index (BMI), and length of employment. This critical information helps our claims professionals and triage nurses intervene early in the process to deliver a proactive approach designed to achieve positive outcomes.

Information collected by our claims and nurse teams throughout the initial and ongoing claims management process is fed into PMA's powerful CMIS, which is connected to Official Disability Guideline (ODG) treatment software helping to:

- Assist the adjuster and nurse in estimating the length of disability (ELOD)
- Establish specific treatment protocols and mileposts
- Create return to work expectations for the injured worker and treating provider(s)
- Generate an ODG Risk Assessment Score (RAS) meant to display the potential complexity of the injury scenario based on injured worker demographics

As soon as the injured worker returns to work, the adjuster inputs the official return to work date into the CMIS. Comparing the ELOD with the ALOD then provides opportunities to demonstrate real indemnity and medical savings achieved, and allows for critical feedback to medical providers in terms of claims outcomes.

Our ongoing three-point contact with you, your injured worker, and the medical provider will facilitate aggressive management of recovery and return-to-work strategies, from the inception of the claim through its conclusion.

During three-point contact, our claims professionals will:



- Perform a comprehensive investigation, including accident details, mechanism of injury, prior claims and medical history, and contact all appropriate witnesses
- Assess the appropriateness of a nurse case management assignment
- Determine the estimated length of disability and communicate this to the injured worker to establish return-to-work expectations for all parties
- Work cooperatively with the medical provider to obtain modified duty capabilities, and promptly communicate those capabilities to the client and injured worker
- Conduct recorded interviews when appropriate
- Provide notification to the appropriate contact in all cases involving catastrophic injuries or fatalities

Our claim professional will also evaluate subrogation and other recovery potential in order to reduce your loss exposure. Subrogation recovery efforts are conducted by the claims professionals handling the claims after completing our investigation, and within 14 days of claim assignment, we will provide you with a compensability recommendation.

## 2) Describe process for finalizing/closing a claim.

Medical only claims close automatically after 30 days of no activity. For Lost-time claims, the adjuster will review to verify that all payments have been issued and all activities completed, followed by closing out any remaining reserves and finally closing the file. Authorization will be requested prior to the settlement of any litigated Workers' Compensation claim. For non-litigated claims, PMA Management Corp. will exercise discretionary authority up to our agreed upon threshold, which will be memorialized in your special handling guidelines.

Our Claims Professionals will provide written requests for authority for all litigated claims, and all non-litigated claims where the proposed settlement exceeds the agreed upon threshold, at least 24 hours in advance of the proposed settlement date. Requests will include a detailed evaluation of the claim exposures, along with input from defense counsel and the client's Risk Managers.

## 3) Explain the transition process of existing claims from current TPA to a new TPA.

Upon award of the contract, PMA Management Corp. will schedule a comprehensive Service Orientation Meeting to discuss the specific claim and servicing guidelines that will work the best for you.

We will work with you to ensure that specific personnel and/or departments will be informed of the key facets of the transition. PMA will also be engaging our entire service team to begin the implementation of Claim file transfer, data conversion, funding mechanisms, PMA CINCH installation, and other initiatives.

PMA Management Corp. has successfully transitioned numerous accounts from other TPA's. Over the years, we have developed a detailed plan for the smooth transition of new accounts that will provide for uninterrupted benefits to your employees. The successful transition involves coordination from all PMA departments, including Claims, Legal, Financial, and Information Technologies.

The following outline is the detailed action items PMA will employ to effectively transition the program:

<i>Task</i>	<i>Details</i>	<i>Responsible Party</i>	<i>Date Expected</i>	<i>Date Completed</i>
Notify Current TPA of Change	Correspondence sent to current TPA notifying them of change and pending transition plan. Obtain contact for claims information and IT to assist with the change.	Client		
Initial CSM Meeting	Review Transition Plan, Determine Funding Mechanism, Obtain Location Code Structure,	CSM PMAMC		



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<i><b>Task</b></i>	<i><b>Details</b></i>	<i><b>Responsible Party</b></i>	<i><b>Date Expected</b></i>	<i><b>Date Completed</b></i>
	Change Section 111 Reporting Structure, and Establish Special Handling Instructions.			
Completed spreadsheet of takeover claims or copies of First Report of Injuries	Complete spreadsheet of all open claims for set up of claims – send to PMAMC Claims Service Manager (CSM). Please include an inventory list of open claims if sending First Reports of Injury. Also include a current loss run sorted by claim status (open/closed) including incurred, paid, reserve totals by loss line. Send to: PMA Companies 150 N Martingale Road, Suite 225 Schaumburg, IL 60173 Attn:	Prior TPA		
Open Claim Images	Copy claim images to DVD/CD or FTP site. Please include files necessary for mapping images to the individual claim files. Mapping should include, complete image file name, claim number, document type and short description of document (if possible) Send to: PMA Management Corp 380 Sentry Parkway Blue Bell, PA 19422 Attn:	Prior TPA		
Open Paper Files	Box up all open files, including an inventory list in each box, send to: PMA Customer Service Center 6990 Snowdrift Road Building A, Suite 150 Allentown, PA 18106 ATTN: (Note: This address is for mailing files only – do not send any correspondence to this address).	Prior TPA		
List of Open Litigated Files	Provide a list of open files in litigation with next scheduled hearing date and party planning to attend to represent the interest of Client. Send to PMAMC CSM (see address above).	Prior TPA		
List of Open Files with Active Nurse Management	Provide a list of open files in active nurse management. List should include claim demographic information, diagnosis, treating MD, last visit, next visit, name of nurse assigned and contact information.	Prior TPA		
List of Authorized Medications on Open files	Provide a list of medications authorized within the last 6 months on all open claims.	Prior TPA		
Notify employees and unions of TPA change.	PMAMC will provide an email notification template to advise all employees of the change of TPA, new prescription benefits manager and contact information.	CSM PMAMC		
Log notes/Status	Printed copies of log notes and most recent claim status report on open claims. Send to CSM (see	Prior TPA		

<i><b>Task</b></i>	<i><b>Details</b></i>	<i><b>Responsible Party</b></i>	<i><b>Date Expected</b></i>	<i><b>Date Completed</b></i>
Reports	address above).			
Review of Files	PMAMC will begin to review and top sheet files based upon receipt of log notes and set up claim files.	PMAMC		
Excess Information	Excel spreadsheet of all Excess carriers with contact information, policy periods and policy numbers and/or copies of all Dec pages. Send to PMAMC CSM (see address above).	Client		
Closed Claim Images	Copy claim images to DVD/CD or FTP site. Please include files necessary for mapping images to the individual claim files. Please use the guidelines above for mapping documents. Send to: PMA Management Corp. 380 Sentry Parkway Blue Bell, PA 19422 Attn:	Prior TPA		
Closed Paper Files	Boxed by accident year, include an inventory list in each box and sent to: __Client or _x_Client Storage Facility	Prior TPA		
Notify IL Workers' Compensation Commission of Change of TPA.	Employer Letter filed with Illinois Workers Compensation Commission advising of change of TPA.	Client		
Delivery of Service Contract	Initial contract completed and delivered to client for review and signature	PMAMC		
Advanced Indemnity Payments	Issue one month of advance indemnity payments on the injured workers current pay frequency. Send checks with listing including the injured workers name/attorney name, current mailing address, date last paid, WC rate, amount of each pre-pay check and pre-paid periods to PMAMC CSM (see address above). 4 Weeks of advanced payments should be mailed.	Prior TPA		
Unpaid Medical Bills	Send all unpaid medical bills to PMAMC CSM (see address above). Prior TPA stop pay date _____	Prior TPA		
New Claim Setup Date	PMAMC will begin to handle new losses as of _____.	PMAMC		
Updated list of open/reopened claims	Complete spreadsheet of all open claims for set up of claims – send to PMAMC Claims Service Manager (CSM). Please include an inventory list of open claims if sending First Reports of Injury. Also include a current loss run sorted by claim status (open/closed) including incurred, paid, reserve totals by loss line. Send to: PMA Companies 150 N Martingale Road, Suite 225 Schaumburg, IL 60173	Prior TPA		

<i>Task</i>	<i>Details</i>	<i>Responsible Party</i>	<i>Date Expected</i>	<i>Date Completed</i>
	Attn:			
Final Loss Run	Complete loss run of open and closed claims by loss line including incurred, paid and outstanding reserve amounts. Send to PMAMC CSM (see address above).	Prior TPA		
Electronic data for conversion	Copy to DVD/CD or FTP site <ul style="list-style-type: none"> <li>• Text file with fixed format preferred, Excel spreadsheet or Access data base acceptable</li> <li>• Employee files/claims</li> <li>• Payment detail by loss line</li> <li>• Log notes</li> </ul> Send to : PMA Management Corp. 380 Sentry Parkway Blue Bell, PA 19422 Attn: Darlene Lee	Prior TPA		
Issue billing invoice	Initial billing invoice issued to allow for payment of claims.	PMAMC		
Contract Signed	Service Contract Signed and Returned to PMAMC	Client/PM AMC		
Service Team Introduction	Introduction of Service Team to Management	PMAMC		
Initial claims review	Review of claims and status of transition.	PMAMC		
Training & Education.	Initial Management Training for supervisors and department heads on new program.	PMAMC		
Review of Results	Initial Stewardship	PMAMC		

#### 4) Identify the criteria and process for assignment of a case manager to claims.

Upon receipt of a lost-time claim, we will conduct an aggressive investigation that includes:

- Review of First Notice of Loss by Triage Nurse looking for indications of high-risk claims
- “Indexing” the injured worker with the Central Index Bureau to prevent duplicate benefits and identify previous injuries and potential fraudulent activity
- Three-point contact within 24 hours of claim assignment

Combining our people, processes, and systems, we identify high exposure claims characteristics like comorbidities, psycho-social factors, injured worker age, body mass index (BMI), and length of employment. This critical information helps our claims professionals and triage nurses intervene early in the process to deliver a proactive approach designed to achieve positive outcomes. This intervention can be a recommendation to utilize Telephonic or Field Case Management. We would contact the Village prior to assignment to a case manager. The referral to case management can be a specific task or a broader assignment, but the adjuster will always maintain control of the claim file and resolution strategy.



5) Describe programs or support provided for developing Return to Work and Work Hardening Programs.

A formal Return-To-Work program is arguably the single most effective method of reducing your Workers Compensation claim costs. PMA Management Corp. recognizes that in order to successfully implement such a program, claim professionals must work in conjunction with managed care experts. We currently employ a disability management strategy on all lost-time claims.

PMA Management Corp.'s Return-To-Work program consists of:

- Ongoing three (3) point contact
- Modified work programs
- Independent medical examinations
- Vocational Rehabilitation

Our Claims Professionals will maintain ongoing contact with you and your injured workers in order to return them to work as soon as they are medically able.

We can assist you in developing a modified work program in which employees perform a modification of their regular job, or a different job altogether, until they are capable of resuming their normal work duties.

- E. Price Proposal: Service Providers shall provide an itemized list of available procedures and associated prices to fulfill the scope of services outlined in this RFP including
- 1) All claim administration charges that may be charged back to individual claims under either pricing option. Please quote two ways:
    - i. Flat Fee - How many claims would be included and what is the charge per claim over that allowed number?
    - ii. Per Claim Fee for medical only claims and indemnity claims (which include legal claims).
  - 2) No additional charges will be allowed for items listed above.

Please see our Pricing Proposal above for details.

- F. References: The Village will notify all references identified in the qualified vendor's response.
- 1) Provide a reference list including any municipal clients within the State of Illinois.

PMAMC has over 30 public entity clients in IL. We invite you to contact the following customers to learn more about their experiences with our company and our unique holistic approach to reducing their total cost of risk.

NOTE: As a courtesy to our clients, we always provide notification to them that they can expect a reference call, so please contact Jack Stone at 630-640-6067, or [jack\\_stone@pmagroup.com](mailto:jack_stone@pmagroup.com) before contacting any client references.

City of Peoria  
Peoria City Hall, Human Resources Dept.  
419 Fulton Street, Room 403  
Peoria, IL 61602  
Ed Hopkins, Risk/Safety Manager  
309-494-8585

City of Rockford  
425 East State St.



Rockford, IL 61104  
Kim Ryan, Associate Director of Human Resources  
779-348-7406

Village of Oak Lawn  
9446 S. Raymond Ave.  
Oak Lawn, IL 60453

Brian Hanigan, Director of Finance and Administrative Services: 708-499-7760 or Suzanne Kelly, HR Benefits Administrator: 708-499-7769

Metropolitan Water Reclamation District of Greater Chicago  
111 East Erie St.  
Chicago, IL 60611  
Ruth Joplin, Risk Manager  
312-751-5757

- 2) Provide evidence of the firm's experience in providing service for other unionized municipalities.

Almost all of our Public Entity clients are unionized to some degree.

- 3) List other accounts the firm has served and indicate whether the Village may independently contact such accounts for an appraisal of comparable services they have received from your firm

Other, non-Public Entity IL clients, who can be contacted as client references include the following.

NOTE: As a courtesy to our clients, we always provide notification to them that they can expect a reference call, so please contact Jack Stone at 630-640-6067, or [jack\\_stone@pmagroup.com](mailto:jack_stone@pmagroup.com) before contacting any client references.

ComEd (IL) / Exelon Corp.: Christine Wendt, WC Claims Manager/Occupational Safety & Health - 610-648-7729

Saint Anthony Hospital: Phyllis Murillo, Manager of Employee Health and Workers' Compensation – 773-484-4438

CarDon & Associates: Kristina Harger, Corporate Benefits Manager – 317-600-2065

Community High School District #218: Ilsa Richardella, Finance Manager - 708-424-2000 x2541

- G. Forms and Reports: Provide samples of all forms your facility uses to report and analyze worker's compensation claims and specify how quickly reports will be available for the Village. Indicate which results can be completed, submitted or retrieved online. Please provide samples of invoices, statements and any other accounting reports. Indicate which of these documents can be accessed online.

PMA Cinch allows our clients to generate loss reports based on information that is updated monthly. We offer dozens of Standard Loss Reports through PMA Cinch, including Detailed Loss Runs for all lines of business, Loss Summaries, Repeater Reports identifying claimants or employees with multiple files, Serious Loss Reports, and Reporting Lag Time Reports. Many of these can be sorted by location, by policy, or by status (open / closed).



In addition to the Standard Loss Reports, we have the ability to provide custom and ad-hoc reports, giving you access to any loss information you need, whether it be on a frequent basis or a one-time review. There is no charge for these reports. During the account set-up process, the PMA Management Corp. Client Service Manager will work with the Village of Oak Park to determine desired reports.

For whichever Loss Funding arrangement selected, the Village would receive detailed loss payment information/statement on a monthly basis.

Please find a copy of a small sample of Standard Loss Reports, and a Funding Statement/invoice in the Attachments section.

# Required Forms

# Proposal Form

# Compliance Affidavit



## Organization of Proposing Firm

## Equal Employment Opportunity Report

## Equal Employment Opportunity Report signature page



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# Services Agreement Comments/Exceptions

After a review of the Services Agreement provided, we would like to submit the following comments and exceptions:

Page 2, C.1.d.: The sentence "The Village should be notified and shall approve all Allocated Claim Expenses prior to the expense being incurred." should either be deleted or modified. This sentence can be interpreted to require us to notify the Village on every single payment made (e.g. per-bill charge for medical bill review), which we doubt is the Village's intentions. We would suggest agreeing on a workable discretionary authority limit or by type of service (e.g. surveillance, nurse case management).

Page 4, E.: We believe this is largely unnecessary, but have no material objection.

Page 5, H.: While the language here is mutual and fair, it must be noted that neither party can get out of the agreement if it turns out to be a bad business decision. We would recommend the inclusion of a clause enabling either party to terminate the agreement without cause.

Page 7, M.: We would like to revise the language to incorporate PMA Cinch Risk Management Information System. We don't believe this will be a problem.

Page 8, N.6.: Frank Altieri, President of PMA Management Corp. needs to be the notice contact, with a CC to "General Counsel" of PMAMC our corporate office in Blue Bell, PA.

Page 8, N.7.: We are paperless and currently maintain electronic claim file records indefinitely, but that could change. We would like to reduce the required time period, especially since this would be a Life of Contract arrangement, where we would provide complete electronic records at contract termination.

Page 8, N.8.: We cannot agree to make the Village an Additional Insured to our umbrella policy.

Page 9, N.11.: HIPAA does not apply to workers compensation. We can agree to maintain the confidentiality of the Village's data, but cannot agree to do so under HIPAA requirements at this time.

Please see the following proposed language regarding Risk/Loss Control Services, Section 111 and Claim Funding. The current Loss Control Services language is acceptable, but we need the Section 111 and Claim Funding language as minimum language.

## 1. RISK CONTROL SERVICES

- a. Any risk control services provided are to assist Client in reducing Client's exposure to risk of loss. Evaluations concern only such conditions and practices as may be evident at the time of PMA's visits. **THE SERVICES PERFORMED HEREUNDER BY PMA SHALL NOT BE CONSTRUED AS APPROVAL BY PMA OF CLIENT'S OPERATIONS, PROCESSES, SERVICES, PRODUCT DESIGN OR PRODUCT FUNCTION. THE PARTIES AGREE THAT WHILE PMA WILL PERFORM RISK CONTROL SERVICES WITHIN INDUSTRY STANDARDS, NO GUARANTEES OR OTHER SIMILAR ASSURANCES CAN BE MADE BY PMA THAT IT HAS DISCOVERED ALL OF CLIENT'S PAST, CURRENT, OR FUTURE RISKS OR HAZARDS. THE PARTIES FURTHER AGREE THAT BY PROVIDING THE SERVICES SPECIFIED HEREUNDER, PMA IS NOT MAKING ANY WARRANTY, EXPRESS OR IMPLIED, AS TO THE MERCHANTABILITY OR FITNESS OF CLIENT'S PRODUCTS OR PROCESSES FOR A PARTICULAR PURPOSE, COMPLIANCE WITH ANY LAW OR REGULATION, OR ANY OTHER WARRANTY, AND ANY LIABILITY OF PMA, ITS AFFILIATES OR AGENTS, FOR DIRECT, SPECIAL, INDIRECT OR CONSEQUENTIAL DAMAGES, INCLUDING LOST PROFITS, FOR ANY CAUSE WHATSOEVER, IS EXPRESSLY DISCLAIMED, EVEN IF PMA HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH**

**DAMAGES. THIS UNDERSTANDING SHALL SURVIVE THE TERMINATION OF THE TPA AGREEMENT BETWEEN THE PARTIES.**

**2. SECTION 111 REPORTING**

- a. Client understands and acknowledges that it is a Responsible Reporting Entity (“RRE”) as defined by the Centers for Medicare and Medicaid Services (“CMS”), and is responsible for the reporting requirements as set forth in Section 111 of the Medicare, Medicaid, and SCHIP Extension Act of 2007.
- b. Client authorizes PMA to undertake Client’s Section 111 reporting requirements as Client’s Account Manager/Reporting Agent as it relates to Client’s Qualified Claims. Client further agrees to fully cooperate with PMA, including the execution of any documents necessary for such authorization.
  - i. PMA shall not provide any Section 111 reporting services for Client’s Record Only Claims.
  - ii. PMA shall not undertake Section 111 reporting activities for Client’s claims which were converted from Client’s prior TPA to PMA but were never serviced by PMA.
- c. PMA shall charge and Client shall pay a fee of \$6.00 per claim for any claim PMA needs to query to determine the injured worker’s Medicare status.
- d. Client acknowledges and agrees to provide PMA with complete, accurate, and timely data for Section 111 reporting purposes.
- e. Upon receipt of complete, accurate claim data, PMA shall commence reporting of Client’s data to CMS, and shall continue for as long as PMA provides claims handling services for Client’s Qualified Claims.
- f. PMA shall have no liability for any failure of (i) Client to register as a RRE; (ii) Client to execute any documents necessary to authorize PMA as its Account Manager/Reporting Agent; or (iii) Client or its prior TPA to report Client’s claims when they were first required to do so.

**3. FUNDING of CLAIMS and EXPENSES**

- a. PMA will establish a non-interest bearing checking account in PMA’s name (“Payment Account”) with PMA’s bank, which is to be funded by Client but which PMA will administer for the purposes of paying claims and ALAE, in accordance with the procedures set forth in this Section. PMA will provide Client with a monthly schedule (“Payment Register”) outlining all claim payments, ALAE, and correction items funded by PMA and will contain the name of the payee, date of payment, amount of payment, and claim number for all transactions occurring during the prior month.
- b. Should Client fund its claim and expense obligations by way of escrow, then the Payment Account shall be funded in an amount equal to three months estimated claim payments and ALAE, which amount may be revised by PMA in its sole discretion based upon Client’s actual claims and expense payment history. Within 15 calendar days of the receipt of the Payment Register and invoice, Client shall reimburse PMA for the total amount of payments made, which reimbursement shall replenish the Payment Account to its required balance. If at any time the Payment Account balance is depleted by 75% or more during the course of any given month, PMA shall provide written notice of such depletion to Client, and Client shall replenish the balance within two business days of receipt of notice.
- c. Should Client fund its claim and expense obligations by way of electronic transfer, PMA will automatically withdraw funds from Client’s account at Client’s bank through the Automated Clearing House System (“ACH Debit”) for deposit to the Payment Account. ACH Debit activities will occur on either a daily, weekly, or monthly basis as agreed upon in writing by the parties. Client acknowledges that it has signed an Authorization to Access Account Form prior to the inception of PMA’s services.
  - i. Should ACH Debit activities occur on a weekly basis, then the Payment Account will be funded by Client in an amount equal to two weeks estimated claims payments and ALAE which amount

- ii. Should ACH Debit activities occur on a monthly basis, then the Payment Account will initially be funded by Client in an amount equal to 1.5 months estimated claims payments and ALAE which amount may be revised at PMA's discretion at any time based upon Client's actual claims and expense payment history. If at any time the Payment Account balance is depleted by 75% or more, PMA will automatically withdraw funds sufficient to replenish the Payment Account.
- iii. Should ACH Debit activities occur on a daily basis, then the amount of the automatic withdrawal shall equal the total amount of payments made during that business day and Client shall not be required to maintain a minimum balance in the Payment Account.

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- PMA COMPANIES**



# Attachments

- Certificates of Insurance
- Sample Loss Runs
- Sample Loss Funding Statement/Invoice