



City of Hollywood

Aon Risk Services, Inc. of Florida Aon Optics® TPA RFP Proposal

09/17/2020

Introduction

Aon Risk Services, Inc. of Florida, through its affiliate Aon Risk Consultant, Inc. (“Aon”) offers a fully integrated range of services from risk identification and control to assessment and alternative risk financing. These capabilities include industry leading captive management services as well as property and casualty risk control, claims management and engineering solutions. We provide our clients with comprehensive and tailored solutions, through a consistent global approach.

Advanced Analytics for Results-Driven Claim Service Provider Third Party Administrator Service Evaluation

Selecting a new claims administration partner is a critical component of any risk management strategy. Aon offers dedicated expertise and proven methodologies in the area of Claims Service Provider (CSP) program marketing. We have managed some of the largest Third-Party Administrator (TPA) and Carrier reviews in the U.S., enabling us to drive critical insight and measurable outcomes for our clients. Our vast relationships with leading administrators also supports our ability to provide an outstanding level of service. Moreover, our data-driven process is a true differentiator in the marketplace. We team with clients to:

- Bring proven experience, objectivity and credibility to the selection process
- Provide candid, realistic and contemporary Aon Optics® and Managed Care market insights, comparisons and client experiences
- Deliver quantifiable financial, administrative, and claims handling improvements
- KPI's providing critical directional guidance relative to potential TPA outcomes

A Process Aligned to your Strategic Vision

We partner with key client stakeholders to ensure we have a clear understanding of both near- and long-term objectives. We then work closely with these stakeholders to ensure our review process aligns with your strategic vision to help you select only those vendors that provide the best match to meet your objectives. Ultimately, you will be positioned to make better-informed business decisions that will achieve the most administratively efficient, least disruptive and cost-effective claims management service programs.

Some of the elements that Aon experts can assess on your behalf include, but are not limited to:

- Account management – a single point of contact to ensure a cohesive and results-driven approach
- Staffing models, geographies and service locations – aligning service structure tailored to your organization's needs and approach
- Case load requirements – managing the impact of adjuster workloads to improve outcomes
- Pricing methodology – determining the best financial model to deliver program ROI
- Reserving practices – balancing your financial philosophy with aligned practices
- Quality assurance and training – ensuring continuous and sustained improvement for best claim outcomes
- MMSEA reporting requirements – driving statutory compliance and accountability
- Adherence to special handling – developing critical communication and service triggers
- Litigation/Subrogation management – Promoting results-driven litigation outcomes and maximizing claim recoveries
- Managed care components – maximizing savings and minimizing transaction costs

- Data and RMIS capabilities – managing accurate, efficient and timely claims information and analytics
- Transition planning – ensuring smooth program implementation by establishing clear objectives, timelines and procedures
- Service contracts – negotiating the most beneficial terms and conditions

Aon Optics® Process Methodology

The Aon Optics® selection process enables you to objectively evaluate and consider alternative vendor partners, as well as your current claims administration and medical management vendors. Aon will identify, pre-qualify, and document qualified Claims Administrators capable of:

- Effectively aligning with your specific claims administration policies
- Creating quality controls and metrics for claims management that will provide you with more consistent claims handling and better execution on claim files, thereby reducing claims cost over time and ultimately lower your casualty cost of risk
- Leveraging specific pricing methods to improve the value of managed care services associated with your program, while providing you with greater certainty around the cost of those services
- Delivering an identifiable, measurable and improved Return on Investment (ROI)

Proposed Scope of Services

Aon's Client Promise (figure 1) describes the philosophy of how we work with our clients through a continual improvement model that drives sustainable solutions. This proposal will outline the process and services throughout relevant to Discover, Develop, Deliver, and Review phase.



Figure 1: Aon's Client Promise Platform

Aon's **Focused Evaluation Approach** has worked successfully with complex organizations like the City of Hollywood. Our selection process effectively enhances productivity, stakeholder satisfaction, and ultimately drives down program costs. The approach eliminates multiple handoffs, redundancies, administrative complexities, and inconsistent claim management models, all factors that increase the cost of claims administration. To better help the City of Hollywood assess and consider an appropriate third-party administrator, Aon will create a customized RFP based your program goals and objectives. Activities include:

- **Discover –**
 - Meeting with the City of Hollywood to determine vendor requirements (for example, crafting a Statement of Requirements, number of vendors to involve, medical case management protocols, pricing models, and a decision to determine if pending claims will be transferred to the new administrator
 - Review the City of Hollywood loss data, sorted by claim type and state for input into pricing outline.
 - Review of the City of Hollywood existing special handling instructions or Best Practices
 - Review of the City of Hollywood's incumbent Claim Service Provider (CSP) contract
- **Develop –**
 - Create standard RFP pricing outline incorporating the City of Hollywood's historical claim experience and to compel CSP's to price service in a manner that will contribute to competitor comparison.
 - Modification of our standard Statement of Requirements representing a blend of Aon's version of best practices and the City of Hollywood's special handling instructions. This ensures that all CSP's are quoting against the same service expectation
 - Create an RFP template to distribute electronically to selected TPA's containing;
 - General Information:

- Brief description of the City of Hollywood operation(s)
 - Critical operational jurisdictions
 - Program start date
 - Involved coverages
 - Timeline:
 - Response due date
 - Decision date.
 - Program inception date
 - Proposal Request
 - Proposal Instructions
 - Attach populated pricing outline
 - Attach Statement of Requirements
 - Attach loss data
 - Assist with creation of pre-bid presentation and coordinate scheduling of same for this RFP
- *Deliver –*
 - Analyzing RFP responses and cost components providing
 - A summary of activity to date and next steps.
 - A side by side pricing comparison
 - An excel document embedded with all TPA documents
 - Collaboratively identifying finalist vendors based on the City of Hollywood requirements and fees
 - Scheduling finalist presentations, with pre-determined subject matter to be addressed
 - Take a leadership role during finalist presentations.
- *Review –*
 - Review and discuss with the City of Hollywood critical selection considerations to aid in the selection of their CSP partner
 - Negotiate final rates and determine appropriate performance guarantees, if applicable
 - Notifications to competing CSP advising of client's decision
 - Ensure timely implementation of new program by assigned casualty claim consultant

Timetable

(Assuming City of Hollywood Meeting Approval on 11/4/2020 and extension of contract from current TPA to 5/31/2020)

Proposed Activity	Estimated Date of Activity
Conduct interview with City of Hollywood to validate initial information and complete a Statement of Requirements	11/06/2020
Schedule and complete a pre-bidder's conference with City of Hollywood and invited claims service providers	11/20/2020
Send out the electronic RFP to selected vendors	11/20/2020
Complete analysis of the RFP responses and identify finalist for presentations to City of Hollywood	12/18/2020
Schedule and complete presentations by selected finalists	Month of January 2021
Present selection committee results to the claims service provider awarded the program	02/01/2021
Final contract and fee negotiations	Months of March/April 2021
Program start date	05/31/2021

Absent written agreement extending the project, this project will conclude by August 1, 2020

Data and Participation

While we attempt to streamline and limit the amount of time the City of Hollywood must spend on this process, Aon will require the following from the City of Hollywood:

Documents:

- 3-year loss run for all lines of coverage being considered. A standard loss run will typically suffice as long as it includes:
 - Type of coverage (i.e. WC, AL, GL, etc.)
 - Type of loss:
 - WC - Medical Only, Indemnity, Managed Medical, etc.
 - GL and PL – Bodily Injury, Property Damage, etc.
 - Auto - Bodily Injury, Property Damage, PIP/No fault etc.
 - State - Incident and Jurisdiction
- Three years of Managed Care data, broken out into annual results, to include:
 - Total number of bills reviewed annually
 - Number of bills by PPO and Out of Network
 - Number of Prescription bills
- Current Service Handling Instructions for all lines being considered
- Current Claim Service Provider contract

Participation:

- Review and comment on Statement of Requirement document
- Telephonic meeting to review summary document once bids are received – typically 1-2 hours
- Assistance with coordination of oral presentation dates and times

Project Team and Roles

Project Management

Leslie Batterson will serve as project manager. She will work with the City of Hollywood and the project team to provide senior oversight and management to ensure that the engagement is executed successfully, on time, and within budget. She provides national experience having completed numerous projects involving a variety of national accounts.

Leslie has extensive experience in all areas of the third-party administrator management and has significant expertise analyzing costs associated with claims administration. She will participate in all aspects of the project including preparation of RFP documents, interaction with CSP markets, coordination of and leadership role within all meetings/calls with CSP's, analysis of CSP responses, and preparation of proposal summary documents.

Data Analytics

Daniel Gucciardo will serve as the data analytics lead in our Tampa Office. His role will be to review the final RFP's and provide the RFP comparison documents to the City of Hollywood Team.

Leslie M. Batterson, CSP

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Responsibilities

Leslie Batterson's responsibilities include the delivery of client specific casualty claims consultative support designed to track and improve processes assisting to reduce client loss costs, mitigate losses and expedite claim settlements. Employing post-loss activities dedicated to best meet all levels of client need, Leslie is able to provide appropriate advocacy, oversight and marketing support in an efficient and effective manner, while ensuring the highest level of service from carriers, third party administrators, vendors and related experts.

Additionally, as a Business Partner Solutions leader, she works with Claims and Risk Control partners to further the relationships at Aon, while providing important feedback from our Aon team members and acting as a liaison for opportunities and growth.

Experience

Leslie has over 30 years of industry experience and has been with Aon since 2007. Prior to joining Aon, Leslie held Environmental, Health, Safety and Risk Management positions at Sara Lee Corporation – a fortune 100 Global company in Chicago. Leslie first began working in the industry in 1987 for Chubb Insurance as a Loss Control Representative and moved to join Sara Lee Corporation in 1990.

Expertise

Leslie's area of expertise includes claim advocacy for Workers Compensation and Liability Programs. This includes: Claim Compensability, Claim File Review and Resolution, Reserve Review, TPA and Vendor Specifications, Service Instructions, Performance Standards, Audits and Service Comparison. Expertise in Multi-State jurisdictions. Additionally, Aon Certified in the Claim Auditing and the Claim Review Process.

Currently serves as the Thought Leader for Claim Service Provider Selection Team, powered by Aon Optics®. Aon Optics® assists clients in making strong decisions on Claim Service Providers, by utilizing a transparency based process with outcome based decisions.

Industry Expertise

Healthcare industry, Retail industry, Professional and Financial Services Industry and the Food and Agri Business Industry.

Education

Leslie earned a MBA degree from Lake Forest Graduate School of Management in 1998 and a Bachelor of Science degree in Occupational Safety in 1987 from Illinois State University.

Certifications

Certified Safety Professional (CSP)

Remuneration

SERVICE DESCRIPTION	PRICING	ACCEPTED
Full TPA RFP, plus implementation	28,890	

Aon has based our fees on the information received to date and believe our proposal will meet the specific requirements. However, should requirements change following our proposed engagement; we respectfully reserve the right to a commensurate revision to the fee agreement, to be agreed upon prior to the delivery of any additional service.

The pricing includes the value of our intellectual capital, professional time for preparation, research, analysis, travel, on-site and off-site time, and deliverables identified plus related travel expenses.

Invoicing

The Tampa, Florida office of Aon Risk Services, Inc. of Florida will invoice Client for these services.

Aon invoices are due upon receipt. Aon reserves the right to apply a late fee to accounts unpaid for 30 days from the date of invoice. Accounts unpaid for 75 days from the date of invoice may be cause for Aon to suspend all performance under this Agreement upon a 14-day written notice unless payment in full is received within 14 days from the date of the written notice. In the event of a suspension of services, Aon shall have no liability for any delay or other damage, contractual or otherwise, caused by or arising out of the suspension of services for nonpayment. Acceptance by Aon of any payment more than 75 days old shall not serve as a waiver of Aon's contractual right to suspend services for nonpayment.

In the event the Client fails to pay within 45 days from the date of the invoice, Aon reserves the right to retain counsel and/or commence litigation to collect the account. In the event Aon retains counsel and/or commences litigation to collect the account, the Client agrees to indemnify and hold Aon harmless from any and all loss, liability costs and expenses including, but not limited to, reasonable attorney fees and other litigation expenses arising out of Aon's efforts to collect the invoice. The Client consents to and agrees to submit to jurisdiction and venue in the courts of the State of Illinois for any litigation commenced by Aon to collect the account

Aon US Business Terms

Client Responsibilities

Aon will deliver the Services based upon the information that the Client and its representatives provide. The Client is responsible for the accuracy and completeness of the information and Aon accepts no responsibility arising from the Client's failure to provide such information to Aon. Aon must receive promptly the information to deliver the Services as well as the Client's prompt updates to any information where there has been a material change which may affect the scope or delivery of the Services, such as a change in the nature of the Client's products or equipment, systems, and/or processes that are the focus of Aon's service(s).

Contract Review; General Advice

In instances where Aon provides summaries of contractual requirements or provisions, or any suggested additional or alternative wordings to any contract at the Client's request, such language must be reviewed by the Client's legal advisor before Client takes action based upon Aon's statements. Aon does not and cannot provide legal advice, and Client acknowledges that none of the services provided by Aon are of a legal nature, unless separately negotiated.

In instances where Client desires Aon to provide expert testimony, Client acknowledges and agrees that any such testimony is furnished based on Aon's qualifications and knowledge as a professional whose competency is founded in optimizing the design of performance, safety and comfort of products, systems, and processes. Aon does not and cannot provide opinions concerning any liability associated with, or caused by, the design of any product, system, and/or processes.

Use of Logos

Unless otherwise instructed by the Client, Aon will use the Client's logo, pictures, and other publicly available information to effectively market the Client's Programs or for use in Aon's business records.

Jury Waiver

Each party agrees to waive its right to a trial by jury in any lawsuit or other legal proceeding against the other party and/or its parent(s), affiliates, or subsidiaries, in connection with, arising out of or relating to this Agreement or any services provided to the Client by Aon or its affiliates. In any such action or legal proceeding, neither party shall name, as a defendant any individual employee, officer or director of the other party or its parent(s), affiliates or subsidiaries.

Governing Law and Entire Agreement

This Agreement contains the entire understanding and agreement between the parties with respect to the subject matter described herein and supersedes and replaces all prior and contemporaneous agreements, whether written or oral, as to such subject matter. This Agreement [Proposal] may be modified only by a written agreement signed by both parties. This Agreement [Proposal] shall be governed by and construed in accordance with the laws of the State of Florida without regard for its conflicts of law rules.

Standard Terms and Conditions

Aon risk consulting services, summaries, surveys, reports and recommendations are purely advisory and for the purpose of assisting the Client in Client's development of its risk control and claims procedures. Such services and/or surveys are limited in scope. Observations and recommendations are the result of practices and conditions observed and information made available to us at the time of our visit and receipt of information, and do not purport or constitute an inspection nor verify that the Client is in compliance with federal, state and local laws, statutes, ordinances, recommendations, regulations, consensus codes or other standards ("Applicable Laws and Standards") which may be applicable to such practice and conditions. Client's completion of the recommendations does not relieve the Client from the responsibility of complying with such Applicable Laws and Standards. The report or deliverable provided under this Agreement should not be considered a definitive listing of all existing hazards nor an absolute solution to all indicated hazards. No responsibility for the implementation, management and operation of risk control and claims procedures is assumed by Aon.

Proprietary Rights and Confidentiality

All data supplied by Client shall be and remain at all times the sole and exclusive property of Client. Aon agrees that all Client data provided to Aon under this Agreement which is marked "confidential or proprietary" shall be

received in confidence and shall not be disclosed to any third parties except as reasonably necessary for Aon to perform its Services hereunder or to comply with any validly issued subpoena or court order.

Aon, shall retain all right, title, and interest, including all intellectual property rights, in and to all Aon computer programs, templates, flowcharts, architecture designs, tools, specifications, drawings, sketches, models, samples, records, documentation, modules, software, products, designs, methodology, analytical processes, computer equipment, forms, procedures, and internal reports used, as well as, ideas, concepts, know-how, techniques, knowledge or data, owned, developed, conceived, authored, made, invented, discovered, written, or created by Aon in the performance of its services hereunder ("Prior Works").

Client acknowledges and agrees that Aon is in the business of providing consulting services to clients utilizing Aon's Prior Works and derivatives thereof, and nothing contained herein shall prohibit Aon from using any of Aon's general knowledge or knowledge acquired under this Agreement to perform similar services for others; provided however, that Aon shall not use any of Client's data in providing services to others or provide to others any custom software created by Aon specifically for Client.

Limits of Liability

Clients agrees that Aon and its personnel shall be released to the fullest extent permitted by applicable law from any and all claims, liabilities, costs and expenses attributable to any knowing misrepresentation by Client, its directors, its officers and/or its employees except for claims attributable solely to the negligence of Aon. In no event shall Aon be liable to Client, whether in tort (including negligence), contract or otherwise for any amount, in the aggregate, in an amount in excess of the total fees paid by Client under this Agreement, except to the extent fully and finally determined by a court of competent jurisdiction to have resulted from the willful misconduct or fraudulent behavior of Aon, and neither Aon nor Client shall be liable to the other for any consequential, indirect, lost profit, lost opportunity or similar damages relating to Aon's Services provided under this Agreement.

This Liability Limitation shall apply to the Client and extend to the Client's parent(s), affiliates, subsidiaries, and their respective directors, officers, employees and agents (hereinafter, each a "Client Group Member" and together, "Client Group") wherever located that seek to assert claims against Aon, and its parent(s), affiliates, subsidiaries and their respective directors, officers, employees and agents (each an "Aon Group Member" and together, "Aon Group"). Nothing in this Liability Limitation section implies that any Aon Group Member owes or accepts any duty or responsibility to any Client Group Member.

If the Client or any Client Group Member asserts any claims or makes any demands against Aon or any Aon Group Member for a total amount in excess of this Liability Limitation, then the Client agrees to indemnify Aon for any and all liabilities, costs, damages and expenses, including attorneys' fees, incurred by Aon or any Aon Group Member that exceeds this Liability Limitation.

Proposal Acceptance Page

Based on the above scope of service and the deliverables provided, cost for this project is:

\$28,890 (Flat Fee)

To accept this proposal, please sign in the indicated area below. ***This document can be returned to Leslie Batterson at leslie.batterson@aon.com***

The City of Hollywood hereby authorizes Aon Risk Services, Inc of Florida ("Aon") to proceed with the provision of services as described in previous sections. All information provided by the City of Hollywood to Aon for the purposes of the project will remain the property of the City of Hollywood and will be treated as strictly confidential. Templates, reports and sample documents provided to the City of Hollywood shall be used internally for the City of Hollywood's purposes in preventing and controlling loss and will not be shared outside the company.

This proposal shall be valid until 12/31/2020

	City of Hollywood		Aon Risk Services, Inc. of Florida
Signature:		Signature:	
Printed Name:		Printed Name:	Brian Kuhlman
Title:		Title:	Senior Vice President
Date:		Date:	