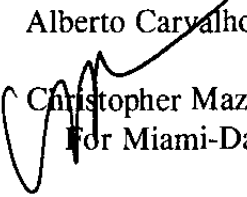


# Memorandum

19 West Flagler Street ♦ Suite 220 ♦ Miami, Florida 33130  
Phone: (305) 375-1946 ♦ Fax: (305) 579-2656  
visit our website at [www.miamidadeiq.org](http://www.miamidadeiq.org)

To: Alberto Caryvalho, Superintendent, Miami-Dade County Public Schools

From:  Christopher Mazzella, Inspector General  
For Miami-Dade County Public Schools

Date: February 25, 2010

Subject: M-DCPS Response to the OIG's Request for a 90-day Status Report,  
Ref. IG08-25SB

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The Office of the Inspector General (OIG) is in receipt of your updated response, dated February 5, 2010, regarding the Miami-Dade County Public Schools (M-DCPS) continuing implementation of our audit recommendations and the reforms taking place within the Office of Risk and Benefits Management regarding the M-DCPS workers' compensation (W/C) program (Attachment A). Also noted is your District Action Plan, which we have included herein as Attachment B. We are pleased with the on-going efforts by M-DCPS, which include, among other reforms, awarding a new contract for W/C claims administration and managed care services that resulted from an open and transparent competitive process. We are encouraged that recently revised procedures and new contract terms will greatly improve contractor performance, enhance program services to injured M-DCPS employees, and save the district money.

In addition, the OIG is pleased to learn that M-DCPS has recovered over \$400,000 in overpayments for hospital services (including the \$67,000 originally reported by the OIG) and over \$8,400 in penalty and interest payments made by the M-DCPS that were unreimbursed by the current service provider, Gallagher Bassett Services, Inc. (GB). Your response also noted that another \$27,868 has been received by M-DCPS in ongoing reimbursements. Reimbursement in full to M-DCPS by its contracted vendor is fully expected and warranted. On that note, the OIG believes that M-DCPS is leaving itself shortchanged by at least \$50,000 it paid for physical therapy (PT) services. We believe the issue is a simple one—M-DCPS should have received the 25% discount off Florida fee schedule rates for PT services effective October 1, 2008 forward, from those PT providers that agreed to participate and be paid the discounted rate.

The attached Letters of Agreement (Attachments C-1 and C-2), prepared and executed by GB on behalf of M-DCPS, clearly state "Effective 10/01/08, Gallagher Bassett Services agrees to pay [provider's name] for the following approved medical services ... 25% off Florida Fee Schedule." Unless otherwise qualified within the body of the

agreement itself, the standard business practice would be that those specified payment terms would be effective as of the expressly stated date—October 1, 2008. Notwithstanding, GB explains in a January 6, 2010 letter (see Attachment D) that for these agreements, the effective dates—as written in the agreements—do not apply. In fact, GB states that in reality the effective date of such an agreement is somewhere between 30 to 60 days after the signatures are secured. In one instance, that requirement would have pushed forward the agreement's stated effective date by up to seven months. Lastly, we note that GB, in its correspondence, did not provide M-DCPS with the actual effective dates of these agreements. We strongly encourage M-DCPS to re-examine its position and GB's response on this issue.

Overall, we are satisfied that M-DCPS' response demonstrates a commitment by the district to improve its W/C program, service injured employees, enhance vendor accountability, and save the district money. Accordingly, we consider this audit closed and resolved except for the one finding concerning PT discounts and associated recommendations (as noted above). Accordingly, there is no additional action required of M-DCPS concerning this audit.

#### Attachments

cc: Hon. Solomon C. Stinson, Chairman  
and Members, Miami-Dade County School Board  
Members of the School Board Audit Committee  
Jose Montes de Oca, Chief Auditor, M-DCPS  
Dr. Richard Hinds, Assoc. Superintendent and CFO, M-DCPS  
Scott B. Clark, Risk and Benefits Officer, M-DCPS



# Miami-Dade County Public Schools

*giving our students the world*

**Superintendent of Schools**  
Alberto M. Carvalho

**Miami-Dade County School Board**  
Dr. Solomon C. Stinson, Chair  
Perla Tabares Hantman, Vice Chair  
Agustin J. Barrera  
Renier Diaz de la Portilla  
Dr. Lawrence S. Feldman  
Dr. Wilbert "Tee" Holloway  
Dr. Martin Stewart Karp  
Ana Rivas Logan  
Dr. Marta Pérez

February 5, 2010

Mr. Christopher Mazzella  
Inspector General  
19 West Flagler Street, Suite 220  
Miami, Florida 33130

**RE:           OIG AUDIT REPORT, MIAMI-DADE COUNTY PUBLIC SCHOOLS  
WORKERS' COMPENSATION PROGRAM, Ref. IG08-25SB**

Dear Mr. Mazzella:

As requested, please accept this letter, with attachments, as the 90-day informational report on the above-referenced Audit Report.

Attached, please find the District Action Plan which tracks the 31 individual recommendations as outlined in your report. As reported to the District's Audit Committee on Tuesday, January 26, 2010, the Superintendent is in concurrence with 29 of the 31 recommendations.

The following information will support the individual recommendations, some of which applies to multiple recommendations.

Recommendations #1, #2, #3, #5, #15, #17, #21, #24, #26

As you are aware, the School Board authorized issuance of Request For Proposal (RFP) # 006-KK10, in which the OIG had significant input. Proposals received in response to the RFP were opened at the regular bid opening held in the School Board auditorium on January 26, 2010. The following companies submitted proposals:

Employers Mutual (EMI)  
Johns Eastern  
Opticomp (Blue Cross/Blue Shield of Florida)  
Gallagher Bassett  
Sedgwick CMS

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Mr. Christopher Mazzella  
February 5, 2010  
Page 2

Pursuant to School Board Rule 6Gx13- 3F.1.022, Professional Services Contracts For Insurance or Risk Management Programs – Policy, The Superintendent recommended, and the Board approved the make-up of the Superintendent's Ad-Hoc Committee to evaluate proposals and make a recommendation for award to the Superintendent.

The Board's consultant, Siver Insurance Consultants, Inc., have begun organizing the received proposals' information into spreadsheets which will be presented to the Ad-Hoc Committee. Dates for the first Ad-Hoc Committee meeting are currently being finalized.

#### Recommendation #4

The Board's consultant, Siver Insurance Consultants, Inc. continues to audit claim payments. Staff is considering alternatives for ongoing strategic auditing of self insured workers' compensation, third party liability and health insurance claims.

#### Recommendation #6

The OIG Audit on the District's Workers' Compensation Program was presented to the Audit Committee meeting of Tuesday, January 26, 2010. As has been past practice, staff will continue to provide all audits to the Committee.

#### Recommendations #7, #8

A thorough review of Interest and Penalty payments dating back to 2004 has been completed. The review produced \$8,447.24 in payments which were made out of the District's Imprest Account and had not been reimbursed by Gallagher Bassett Services. These funds have been received and deposited.

The remaining \$27,868.78 has been received by the District in ongoing reimbursements from Gallagher Bassett to the District. Copies of each individual check reimbursing the District on a file by file basis is among the backup material provided, along with proof of deposit of these funds. Moving forward, staff has developed a system to more easily identify these reimbursements.

#### Recommendation #9

Being that the State of Florida requires any interest and penalty payments to be made from the claim file for EDI purposes, staff has now developed a tracking system to identify P&I payments when made, and reimbursements when received. A sample is attached.

Mr. Christopher Mazzella  
February 5, 2010  
Page 3

Recommendation #10, #11, #12

Staff and Siver have worked closely with Gallagher Bassett and Coventry to review the results of the requested inpatient hospital audit.

The original OIG review found overpayments of \$67,647 on 10 claims. Siver reviewed these claims and found that appropriate adjustments for contracted discount arrangements caused the actual overpayment amount to be \$72,683.01. The funds have been reimbursed by Gallagher Bassett and attached are copies of checks for \$67,647 and for \$5,036.

Gallagher Bassett and Coventry also reviewed 160 other hospital bills paid between 7/1/07 and 8/31/09. The findings were a total of 47 overpayments and 13 underpayments for a net overpayment of \$185,068.55. Gallagher Bassett reimbursed \$339,983.62 (check copy attached) for overpayments and staff authorized payments of \$120,265.07 to providers for underpayments.

Siver reviewed 14 bills, representing the under and over-payments, to verify the accuracy of Coventry's findings. Of those bills found by Coventry to have been paid incorrectly, Siver found 2 of those bills requiring further adjustment. The subsequent adjustment reduces the actual overpayment amount by \$34,650. Staff has directed Siver to review an additional 10% of these invoices prior to finalizing any additional financial adjustments.

In total, including the original invoices reviewed by the OIG, the total net overpayments for hospital invoices paid between 7/1/07 and 8/31/09 were \$257,752.16.

Siver additionally reviewed 10 hospital inpatient bills paid between 9/1/09 and 12/20/09 and found 1 claim also in need of adjustment. This invoice was underpaid by \$5,872.50. Gallagher Bassett is processing the correction.

Coventry has accepted full responsibility for not paying these inpatient bills appropriately. Pursuant to the reimbursement schedules with contracted hospitals, Coventry has different reimbursement rates for urgent care versus non-urgent care admissions. Coventry staff selected the wrong reimbursement platform for 38% of inpatient bills. All reimbursements have been received and deposited into District funds. Coventry has closed the office which misapplied these payments and the bill review is now being conducted in a more streamlined, automated approach. Copies of all received checks for associated claims are provided as back up to this letter.

Mr. Christopher Mazzella  
February 5, 2010  
Page 4

#### Recommendation #13, #14

An audit of Physical Therapy (PT) provider payments has been conducted. A copy of a letter from Gallagher Bassett is provided as back up to this letter; however, staff believes that the payments made were in accordance with the proper provider contract in force at the time services were performed. Gallagher Bassett has re-issued Flex Net Letters of Agreement which more clearly state the effective date of the contract (and reimbursement rates) to be effective upon execution of the contract, not when the document is issued. The audit of PT payments did reveal underpayments to some PT providers which has been rectified.

Siver has reviewed recent payments for flex-net PT providers in October to verify that the proper discount arrangements were loaded into Coventry's system. We recommended addition of two TIN numbers because Select Physical Therapy bills under multiple TINs. All other PT invoices reflect accurate discounts.

#### Recommendation #16

As documented in the Action Plan, staff is not in agreement with this recommendation. Although not fully satisfied with the results of the program, which is why it was terminated, the payments made while the program was in place was appropriate and in accordance with negotiated deliverables.

#### Recommendation #18

Adjusters have received updated training with regard to engaging claimants with regard to where they obtain prescribed medications.

#### Recommendation #19

Staff is working with Gallagher Bassett and Siver to create a timeline for a survey which will request information on prescriptions and quality of care in general.

#### Recommendation #20

Staff is working with GB to continue sending effective communications to claimants on a number of issues, including the pharmacy program and wellness initiatives.

Mr. Christopher Mazzella  
February 5, 2010  
Page 5

#### Recommendation #22

The re-pricing mechanism for all physician-dispensed pharmaceuticals is in place and is creating savings to the District. For the fourth quarter in 2009, \$82,557 has been saved. Based upon December, 2009 savings, annual savings for this program could reach \$400,000.

#### Recommendation #23

As outlined in the Action Plan, staff is not in agreement with this recommendation. As outlined in Recommendation #22, regardless of where filled, the reimbursement will not exceed the amount which would have been paid the PBM.

#### Recommendation #25

This requested review will be conducted as outlined in Recommendation #4 and will be conducted at the claim payment level, as opposed to the funding level.

#### Recommendation #27

A finalized draft contract was provided to the Office of the School Board Attorney on January 12, 2010 and is under review. A copy of the draft contract is provided as back up to this letter.

#### Recommendation #28

As indicated in the District Action Plan, a Request For Information (RFI) will be created to seek proposals for the Field Case Management function after the claims administration procurement process is completed.

#### Recommendation #29

As indicated in the District Action Plan, this fee vs. expense platform has been requested by the current vendor, and will be part of any Request For Information (RFI) issued for these services.

#### Recommendation #30

Staff is currently working on options to be included in the Fiscal Year 2010-2011 budget.

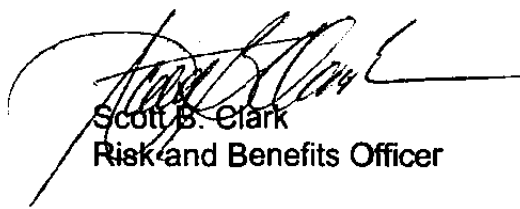
Mr. Christopher Mazzella  
February 5, 2010  
Page 6

Recommendation #31

Staff is currently working to expand safety and loss prevention awareness within existing resources.

Should you have any questions regarding this information, please let me know.

Sincerely,



Scott B. Clark  
Risk and Benefits Officer

SBC:mgr  
L046

Attachments

cc: Mr. Alberto M. Carvalho  
Dr. Richard H. Hinds  
Ms. Patra Liu



**District Action Plan  
OIG Report**

FINAL	DISTRICT'S ACTION PLAN
(1) Prospectively, any successor contract should clearly state M-DCPS' expectations for a customized network; the vendor's obligations to produce, administrate, and manage the network; the expected levels of participation by providers; and penalties or other remedies for failure by the vendor to provide M-DCPS with the services it contracted for.	Agree – RFP 006-KK10 includes all recommendations and will be captured in the new third party contract. OIG has reviewed and approved language in RFP and sample contract.
(2) Any future M-DCPS contract for WC program services should contain a more encompassing "Access to Records" clause that would allow auditing entities, such as the State Auditor General's Office, OPPAGA, the School Board's Office of the Chief Auditor, as well as the OIG, a higher degree of access to financial records, contracts and contractor performance and cost data that is related to the provider's performance under the agreement.	Agree – Requirements in RFP 006-KK10 includes all recommendations and will be captured in the new third party contract. OIG has reviewed and approved language in RFP and sample contract.
(3) M-DCPS must include specific performance measures in future WC program contracts, including outcome reporting of <u>its provider's</u> actions/performance that are directly tied to changes—both positive and negative—to lost time, claim amounts, and cost savings, <u>and other objectively determined performance measures or outcomes.</u>	Agree – Requirements in RFP 006-KK10 includes all recommendations and will be captured in the new third party contract. OIG has reviewed and approved language in RFP and sample contract.
(4) M-DCPS should periodically audit claim files and other reported data, as a basis for an objective assessment of GB's or a future provider's performance.	Agree – District currently uses Siver to audit claim payments. Staff is looking at various recommendations for future audits for third party claims administration and self insured healthcare claim audits.
(5) The M-DCPS contract must prescribe remedies, should GB or a future provider fail to meet the standards.	Agree – Requirements in RFP 006-KK10 includes all recommendations and will be captured in new third party contract. OIG has reviewed and approved language in RFP and sample contract.
(6) M-DCPS should require the RM Officer to report to the SB, or a designated committee, the results of any audits and periodically report on the performance measures.	Agree. This has been the practice to date. The audits conducted by Deloitte Consulting, LLP on this program were presented to the Audit Committee in 2003, 2004, and 2005, respectively.
(7) M-DCPS should require GB to account for any penalty and interest fees paid out of the Imprest Fund, from January 1,	Agree – All reimbursements have been accounted for and deposited into District accounts.

ATTACHMENT B

FINAL	DISTRICT'S ACTION PLAN
<p>2009 to the present and remit to M-DCPS any such charges incurred during the period..</p>	
<p>(8) M-DCPS should promptly collect \$36,316 from GB for the identified unauthorized charges.</p>	<p>Agree - A thorough review has proven that \$8,447.24 of the identified \$36,316 was due to the District. This \$8,447.24 has been collected and deposited. The remaining \$27,868.78 Penalty and Interest payments which are correctly paid from the claims file, were reimbursed via normal third party recovery reimbursement checks from GB. Unfortunately, these payments were not easily identified as reimbursements for Penalties and Interest payments. GB has identified all check numbers for said reimbursements and District staff is finalizing the review of all past deposits to assure that these funds have been collected. Siver will provide outside review.</p>
<p>(9) M-DCPS should enact controls to ensure that these types of unauthorized charges cannot be paid from the Imprest Account or, at a <u>minimum</u>, that the unauthorized charges will not go undetected.</p>	<p>Agree - The State of Florida requires these payments be made from claims files for the EDI requirements. GB's current system identifies payments for penalties and interest due to TPA error and reimburses the client. With the introduction of the SAP Account Receivable, these reimbursements can be identified and booked separately from other claim reimbursements/recoveries.</p>
<p>(10) M-DCPS should ensure that GB follows up on its request to Coventry that it complete an audit of all hospital and acute care center bills since July 1, 2007. Additionally, M-DCPS should require that the audit period be extended to the present date and that GB/Coventry provide the results to the OIG.</p>	<p>Agree. Staff requested a full hospital audit from GB/Coventry for all inpatient bills incurred from July 1, 2007 through present. A full accounting and reimbursement has been performed and is being reviewed by staff and Siver. The hospital audit has been broken down into 4 tiers starting with the hospital bills audited by the OIG, with the following three tiers for every other inpatient hospital bill incurred and paid subsequent to 7-1-07 through 12-20-09. Of the \$67,647.00 identified in overpayments for inpatient hospital bills, the actual overpayment for these claims was determined to be \$72,683.71, all of which has been reimbursed by GB and deposited. Additional overpayments as a result of staff's audit of all inpatient bills in tiers 2 and 3 total \$339,983.62, all of which has been reimbursed by GB and deposited. A review of tier 4 audits is underway.</p>
<p>(11) M-DCPS should require GB to "audit" its own processes and procedures and report back what happened to the review and audit that GBMCS was <u>required</u> to perform and/or why</p>	<p>Agree. GB has conducted a thorough review of the bill paying procedures in place by its managed care vendor, Coventry. Coventry contracts with hospitals for inpatient admissions differ depending upon</p>

FINAL	DISTRICT'S ACTION PLAN
these transactions were processed incorrectly.	the type of admission, specifically urgent care versus non-urgent care admissions. The Coventry office which was responsible for bill review and authorizing these payments misapplied the urgent care admission reimbursement on several bills resulting in these substantial overpayments. Coventry has closed this office and has introduced a much more robust methodology of bill review to determine reimbursement amounts. All bill reviews are now being conducted with new controls in place, and a review of recent inpatient bills reflects accurate reimbursements. Staff will continue to work with Siver to perform periodic audits of bills to assure accuracy.
(12) M-DCPS should initiate collection of the \$67,647 in overpayment identified herein, as well as for any other overpayments identified in the aforementioned audit of all hospital and acute care bills from July 1, 2007 to the present.	Agree. As indicated in recommendation #10, payment of \$72,683.41 has been received and deposited. An additional \$339,983.62 has been received and deposited.
(13) M-DCPS must ensure that the correct PT provider rates are entered into the bill review engine and that payments are made in accordance with each PT provider's LOA.	Agree. Staff is working with GB/Coventry to assure appropriate reimbursement rates are in the Coventry system. GB/Coventry has updated all contractual reimbursement rates in the Coventry system. Siver will provide outside review.
(14) M-DCPS should require GB to perform an audit of all PT provider payments, from September 1, 2008 to the present, to exactly determine the overpayment amount and, thereafter, seek collection of the overpayment or require GB to return funds to M-DCPS, based upon the 3.5% overpayment rate as applied to the total dollar value of PT payments made since September 1, 2008 to the present.	Agree. A full audit of PT provider payments has been conducted. Due to the fact that the PT bills were paid in accordance with the discount applicable at the time of payment, retroactive adjustments to reflect the Flex Net Letters of Agreement (LOA) is not possible. GB has revised the LOA's to clear up any confusion about when the applicable Flex Net Discounts will become effective. Payment adjustments to providers who were underpaid have been made.
(15) Prospectively, future contracts should ensure that the program provider/vendor is held responsible for overpayment errors and that associated penalties and interest applies.	Agree. Requirements in RFP 006-KK10 and sample contract provisions as recommended by OIG stipulate that the vendor is responsible for penalties and interest incurred due to administrator error or omission.
(16) M-DCPS should seek the return of \$90,540 from GB for a deliverable that was never provided.	Disagree. At the time staff was negotiating the terms of the GB managed care contract in 2007, GB offered their custom physical therapy (PT) network which was an optional service and not part of the core managed care services. The cost of this additional service was negotiated at \$20/bill and was incorporated into the District's contract with GB. Staff believes that deliverables for the additional charge which totaled

FINAL	DISTRICT'S ACTION PLAN
	<p>\$90,540, for MedRisk were received; however, the direction of the program was not meeting staff's objectives for outcome measurement which was important within the scope of the new contract. As a result the program was canceled as of May, 2008. A component of the fee was the further development of custom physical therapy programs and reporting. The discounted arrangement though MedRisk provided additional savings to the District that the core service would not have generated. Although attempts were made to expand the network with additional providers, the network was not expanded due to disinterest on the part of other physical therapy centers. The program was discontinued as not being value-added and having the focus of what staff wanted to achieve; however, that does not mean that services, even though unsatisfactory from an outcome standpoint, were not provided for a period of time. The OIG is correct that staff and Siver questioned the value of the fee paid for the program delivered. This cost/benefit analysis resulted in the program's termination.</p>
<p>(17) Any successor contract must include terms and obligations relating to a workers' compensation pharmacy program. Program specifications should include goals and objectives such as a target injured worker participation level; minimum drug purchase discounts; and, importantly, a measurement methodology that would provide M-DCPS with accurate, real-time, and relevant data that could be used to better manage drug purchases by injured workers and to benchmark GB's performance.</p>	<p>Agree – Requirements in RFP 006-KK10 includes all recommendations and will be captured in the new third party contract. OIG has reviewed and approved language in RFP and sample contract.</p>
<p>(18) GB <u>should</u> train and educate claims adjusters and provides greater supervisory oversight on adjuster claim files.</p>	<p>Agree - Adjusters and Supervisors are receiving ongoing training to engage claimants and guide them with regard to proper pharmacy procedures.</p>
<p>(19) GB <u>should</u> survey <u>current and former</u> injured workers to ascertain why they did not use the WC pharmacy program, and prepare an action plan to address injured worker's concerns.</p>	<p>Agree - Staff believes a survey is important, but cautions that a challenge exists in the creation of this survey due to the fact that claimants believe they are utilizing appropriate pharmacy networks, although the claim gets picked up on the backside of the transaction from a third party biller. Staff recommends that this survey be expanded to capture additional information from the current and previous injured workers as to the</p>

FINAL	DISTRICT'S ACTION PLAN
(20) <u>GB should</u> engage <u>the</u> M-DCPS assistance in communicating to its injured employees the desirability of their using the WC program pharmacy program provider to supply their pharmaceutical needs.	quality of their care, etc. Agree - Risk Management staff is working with GB to create effective communications which can periodically be sent to injured workers reminding them of proper pharmacy procedures, as well as other useful information on workers' compensation and return to work issues.
(21) In future contracts, <u>the</u> M-DCPS should include performance measures showing injured worker participation, including a defined acceptable performance level with a sliding scale of non-performance that results in fee reductions or other financial penalties.	Agree - Staff supports the creation of benchmark goals for injured worker participation to the extent that adjuster intervention and counseling changes behavior. Unfortunately, the third party billers continue to aggressively challenge appropriate intervention at both the retail level where the injured worker is directed by the PBM and at the physicians offices where dispensing occurs. Some of these issues are outside the adjuster's scope of what they can achieve.
(22) LOAs should be amended <u>to set strict criteria for when physicians may dispense medications, such as for first fill opportunities and for other emergencies; the language should be changed in prospective LOAs.</u> Footnote: <u>This is a revised recommendation from the draft report.</u>	Agree - As this recommendation differs from the recommendation in the draft report, this response will differ from the staff's response in the final OIG audit. Staff will work with GB to determine appropriate language to be inserted in existing LOA's as well as LOA's entered into in the future to identify the re-pricing procedures in place as well as identifying parameters for physicians dispensing pharmaceuticals.
(23) Future contracts should include provisions that direct the WC program manager to include language in medical provider agreements that direct those medical providers who choose to dispense pharmaceuticals from their offices to process the pharmaceuticals through the pharmacy benefits manager under contract.	This recommendation is not a workable solution due to the fact that Pharmacy Benefit Managers (PBM) use their buying power from pharmaceutical manufacturers and contract with retail pharmacies. Individual physician's offices are not contracted with PBM's. The physician offices have contracts with third party billers such as Third Party Solutions, etc. to provide turn key pre-packaged pharmaceuticals inclusive of billing services. As such, there is no way to process physician-dispensed pharmaceuticals through the PBM. Currently, the PBM is identifying the pharmacy claims made by physicians and re-pricing the reimbursement to the level which would have been paid had the pharmaceutical been provided through the retail pharmacy. The third party billers are attempting to subvert this practice by changing Tax Identification Numbers (TIN) for the billings. As these TIN changes occur, the PBM will identify them and re-price the drugs accordingly.
(24) Future contracts for pharmacy programs should require the WC program manager to provide that an effective	Agree - RFP 006-KK10, includes specific guidelines for physician-dispensed pharmaceuticals with regard to pricing. Staff will develop

FINAL	DISTRICT'S ACTION PLAN
<p>mechanism is in place to ensure that reasonable efforts are made to re-direct <u>injured workers</u> and that all prescriptions filled outside of the contracted pharmacy program are conveyed to the pharmacy benefits manager and incorporated into the pharmacy program.</p>	<p>solutions in the future to re-direct injured workers to utilize contracted pharmacies where possible.</p>
<p>(25) <u>M-DCPS should</u> use staff to perform frequent analysis of transactions paid out of the Imprest Fund; trace payments and perform comparables analysis. Have periodic audits conducted of the Imprest Fund by internal and external resources.</p>	<p>Agree – Staff concurs that periodic audits both internal and external should continue to be performed as they have been historically. While transactions paid from the imprest fund cannot gauge the accuracy of the claim payments being made by the third party administrator, staff believes that when the appropriate checks are performed at the claim payment level, then the funding of the incurred liabilities by the imprest account will be accurate. Future transactional audits can include periodic tracing of individual claim payments from the time the payment is presented to the claims administrator through the imprest funding process.</p>
<p>(26) Prospectively, future contracts should list specific reports to be generated by the program provider/vendor regarding the Imprest Fund along with deadlines for their delivery to <u>the</u> M-DCPS. The reports should provide useful information to <u>the</u> M-DCPS management; for instance, amounts paid to providers, amounts paid for certain services, and amounts paid for reimbursables/expenses.</p>	<p>Agree - Accept – Requirements in RFP 006-KK10 includes all recommendations and will be captured in the new third party contract. OIG has reviewed and approved language in RFP and sample contract.</p>
<p>(27) The aforementioned contract should be reviewed by the <u>SB</u> Attorney's Office.</p>	<p>Agree. An agreement has been forwarded to the Board Attorney's Office for review.</p>
<p>(28) The field case management platform should be set-up similar to M-DCPS' pool of contracted WC attorneys. This would allow M-DCPS the option to direct service requests to the most geographically convenient provider and allow MDCPS to set a competitive rate.</p>	<p>Agree. Upon selection of a Third Party Administrator as a result of RFP 006-KK10, staff will create an RFP for its Field Case Management contract to obtain proposals for these services.</p>
<p>(29) Prospectively, separate pay codes should be established for field case management services and expenses relating to these services, which would make for a more effective audit trail.</p>	<p>Agree - Staff will request that fees versus expenses be provided by the current Field Case Manager vendor, and will be included in the Request For Information (RFP) which will be issued upon completion of the current solicitation for competitive proposals on third party claims administration through RFP 006-KK10.</p>

FINAL	DISTRICT'S ACTION PLAN
<p>(30) M-DCPS should allocate funds and allow the RM Officer to develop an effective loss prevention program. The program should be monitored for performance and should provide training to workers on how to avoid workplace accidents common to their specific jobsite. The program should establish workshops and incorporate training on addressing injury prevention, identifying potential workplace hazards, and finding solutions to making the workplace more safe.</p>	<p>Agree. Staff is currently evaluating the options of re-creating a Loss Prevention Section internally, or creating an RFP to outsource the function with Loss Prevention Specialists.</p>
<p>(31) M-DCPS should promote a district-wide safety program ensuring that knowledge of safety criteria is used in the performance evaluations of supervisors.</p>	<p>Agree. Work has already begun on a strategic basis to raise the awareness of safety and loss prevention in key District operations.</p>

**Gallagher Bassett Services, Inc.**

THE GALLAGHER CENTRE  
TWO PIERCE PLACE  
ITASCA, IL 60143-3141

December 10, 2008

Greg Nichols  
Select Physical Therapy  
608 Castlebrook Drive  
Prattville, AL 36066

Re: Provider Fee Agreement for Gallagher Bassett Services, On behalf of Miami – Dade County Public Schools

Dear Greg:

This letter will confirm the fee agreement between RehabClinics (PTA), Inc, d/b/a Select Physical Therapy (65-0366467) and Gallagher Bassett Services, Inc, with respect to the treatment of workers' compensation injuries for employees of Miami-Dade County Public Schools as approved by Gallagher Bassett Services.

Exhibit 1: Select Physical Therapy Locations and associated TINs

Effective 10/01/08, Gallagher Bassett Services agrees to pay Select Physical Therapy for the following approved medical services.

The reimbursement rate for these services will be for treatment of workers' compensation injuries, in accordance with the State of Florida Workers' Compensation Health Care Provider Reimbursement Manual (Fee Schedule), unless alternatively stated below:

25% off Florida Fee Schedule

Invoices for approved medical services will be paid within 30 days of receipt by Gallagher Bassett Services of proper invoice, claim form and other required documentation. Invoices should be sent to:

Gallagher Bassett Services, Inc.  
P.O. Box 23812  
Tucson, AZ 85734

This fee agreement will continue in effect until terminated by one of the parties. Both parties will have the right to terminate this agreement without cause with 60 days prior written notice to the other. Modifications to this fee agreement will be upon mutual written agreement. Fees will be paid based upon the agreement in effect when services were incurred.

This is a limited fee agreement and should not be considered authority to treat employees of Miami-Dade County Public Schools. Prior authorization from the Gallagher Bassett Services adjuster is required for treatment. This agreement is not exclusive.

Select Physical Therapy confirms that the health care provider is licensed in Florida to practice medicine, and has read and is familiar with the portions of the statute, impairment guides, and practice parameters, protocols of treatment, and rules which govern the provision of remedial treatment, care, and attendance. Select Physical Therapy confirms that the health care provider understands and will adhere to Florida Statute 400.13.



**Gallagher Bassett Services, Inc.**

THE GALLAGHER CENTRE  
TWO PIERCE PLACE  
ITASCA, IL 60143-3141

For the purpose of providing quality medical care to injured workers at reasonable costs, Select Physical Therapy agrees to adhere to protocols as listed in the attached Flex Net Provider Manual.

By Gallagher Bassett Services

Signature

Title

Date

*[Handwritten Signature]*  
\_\_\_\_\_  
*[Handwritten Title]*  
\_\_\_\_\_  
*[Handwritten Date]*

By Select Physical Therapy

Signature

Title

Date

*[Handwritten Signature]*  
\_\_\_\_\_  
*[Handwritten Title]*  
\_\_\_\_\_  
*[Handwritten Date]*

cc: Scott Clark, Miami-Dade County Public Schools  
Rosa Royo, Miami-Dade County Public Schools

**Gallagher Bassett Services, Inc.**

THE GALLAGHER CENTRE  
TWO PIERCE PLACE  
ITASCA, IL 60143-3141

2009 FEB -3 AM 10:14

GALLAGHER BASSETT  
ONLY FOR FL

January 8, 2009

Marge Carretero  
Cora Rehabilitation Services  
747 S. State Road 7  
Miami, FL 33317

Re: Provider Fee Agreement for Gallagher Bassett Services,  
on behalf of Miami-Dade County Public Schools

Dear Marge:

This letter will confirm the fee agreement between Cora Rehabilitation Services and Gallagher Bassett Services, Inc, on behalf of Miami-Dade County Public Schools, for approved treatment of workers' compensation injuries for employees of Miami-Dade County Public Schools.

Effective 10/01/08, Gallagher Bassett Services agrees to pay Cora Rehabilitation Services for the following approved medical services, per the attach schedules

The reimbursement rate for these services will be for treatment of workers' compensation injuries, in accordance with the State of Florida Workers' Compensation Health Care Provider Reimbursement Manual (Fee Schedule), unless alternatively stated below:

- 25 % off Florida Fee Schedule

Invoices for approved medical services will be paid within 30 days of receipt of proper invoice, claim form and other required documentation. Invoices should be sent to:

Gallagher Bassett Services, Inc.  
P.O. Box 23812  
Tucson, AZ 85734

This fee agreement will continue in effect until terminated by one of the parties. Both parties will have the right to terminate this agreement without cause with 60 days written notice to the other. Modifications to this fee agreement will be upon mutual written agreement. Fees will be paid based upon the agreement in effect when services were incurred.

This is a limited fee agreement and should not be considered authority to treat employees of Miami-Dade County Public Schools. Prior authorization from the Gallagher Bassett Services adjuster is required for treatment. This agreement is not exclusive.

Cora Rehabilitation Services confirms that the health care provider is licensed in Florida to practice medicine, and has read and is familiar with the portions of the statute, impairment guides, practice parameters, protocols of treatment, and rules which govern the provision of remedial treatment, care, and attendance.



**Gallagher Bassett Services, Inc.**

THE GALLAGHER CENTRE  
TWO FIBRE PLACE  
ITASCA, IL 60143-3141

Cora Rehabilitation Services confirms that the health care provider understands and will adhere to Florida Statute 440.13.

Cora Rehabilitation Services agrees to adhere to the Miami-Dade County Public Schools protocols as listed in the attached Flex Net Provider Manual.

By Gallagher Bassett Services

Signature [Handwritten Signature]

Title [Handwritten Title]

Date 2/23/09

By Cora Rehabilitation Services

Signature [Handwritten Signature]

Title Executive Vice President

Date 2/23/09

C. Scott Clark, Miami-Dade County Public Schools

Page 2

upon the agreement in effect when services were incurred.

This is a limited fee agreement and should not be considered authority to treat employees of Miami-Dade County Public Schools. Prior authorization from the Gallagher Bassett Services adjuster is required for treatment. This agreement is not exclusive.

Cora Rehabilitation Services confirms that the health care provider is licensed in Florida to practice medicine, and has read and is familiar with the portions of the statute, impairment guides, practice parameters, protocols of treatment, and rules which govern the provision of remedial treatment, care, and attendance.

Page 1



Gallagher Bassett Services, Inc.

THE GALLAGHER CENTRE  
TWO PIERCE PLACE  
ITASCA, IL 60143-3141  
1-630-285-3914  
FAX: 1877-782-9491  
e-mail address: thomas\_barnes@gbtpa.com

January 6, 2010

Scott B. Clark  
Risk and Benefits Officer  
Miami-Dade County Public Schools  
1500 Biscayne Boulevard  
Room 127  
Miami, FL 33132

Re: Finding #12: Additional Response GB Rejoinder

Dear Scott,

I am sending you this letter in follow up to your request to Mandy Vatter.

All provider reimbursement rates are bound by the Florida fee schedule and/or the Coventry agreements that were in place. For M-DCPS, we have agreed to override the reimbursement based on, the co-signed GB/M-DCPS Letter of Agreements (LOA). Changes to the reimbursement rates can only be done by a signed contract or Letter of Agreement. The effective date for the Letter of Agreement is 30 - 60 days after all signatures. We cannot revised the reimbursement rates based upon verbal instructions.

We also learned from the initially drafted LOAs, that additional time was needed to load the LOA rates into the bill review system.

To accommodate the lead time necessary to upload the rates, we have modified the LOAs to have future effective dates, so the dates the LOAs are signed will not delay the revised rates upload to the bill review system. Additionally, we tailored the LOAs to be more specific on the providers' services including CPT codes.

Two audit process are now in place. One audit is performed by Coventry. GB then audits Coventry to verify if their audit was performed correctly.

Sincerely,

Tom Barnes  
Vice President, Managed Care Products

C: Emil Bravo  
Amanda Vatter