

# PUBLIC RISK



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# How to Prepare Your Proposal in Advance of RFP Release

BY THOM NEWMAN



**T**hat time has come once again when you must go out to bid for your workers' compensation or property and casualty claims administration program. Unfortunately, what some entities do to prepare for the every three-to-five-year renewal may do more harm than good. So, here are three things entities do to prepare for an upcoming proposal that are counterproductive, and three ways to prepare that can help you decide best.

### THREE WAYS TO PREPARE FOR A PROPOSAL THAT ARE COUNTERPRODUCTIVE:

#### REHASHING THE PAST PROPOSAL.

If you write the proposal without determining what has changed in your program over the past three-to-five years, it may not be complete, and it certainly will not be optimized to make an informative decision. Preparing to write a proposal does not mean writing to go faster or to be simply compliant with purchasing's RFP requirements (timing, contract terms, etc.). It means writing to make sense of what is important in your workers' compensation program. There may be sections of your proposal that are routine and do not or will not need to change (settlement authority levels, caseloads, etc.), and there may be sections where you think nothing needs to change. It's the latter proposal sections that you might be better off spending the time thinking about how to optimize in writing; this will help you best understand what the TPA has to offer. Examples of this may be enhancements in risk management information systems,

MSA updates, imposed pharmacy benefit management regulations, and more.

You might think rehashing past content will make the proposal completion go faster. However, what you are probably doing is creating a path of least resistance that TPA's will take to respond. In other words, you may get a "canned" response without sufficient details. Instead, you should be thinking what it will take to make the best decision for your injured worker and his or her recovery, being compliant, and have the best access to claims details and analytics for informative decision making.

#### NOT MAKING YOURSELF AVAILABLE AHEAD OF RELEASE.

Knowing what you are about to undergo and structure in your proposal may be helpful by having a discussion with a TPA. Arranging for time to meet before proposal release, rather than the question and answer process in the early, time-limited stages after release, can help you better organize your thoughts on paper. There can be a huge disconnect if what you are rehashing in writing

is not in line with what TPA's can offer as part of the response process. In other words, you may be selecting the wrong TPA's to participate. Also, making yourself available before the proposal process can reduce any errors or misinformation otherwise not caught in the final presentation process, or worse, after contract signing. Expert analysis and industry insight by the claims administrator can help both parties make a decision if they should proceed together.

#### PREPARING YOUR SCORING

**HEAVILY ON PRICE.** Don't. Your workers' compensation claims program must not be run as if it were a commodity; people who have a vested interest in your risk management program must run it. A TPA worth its weight does not see its customer as a commodity. Pricing it with an all is equal attitude can hurt your outcome by costing you more in the end. A weighted heavy pricing score will make it more likely that the TPA will describe the service either without all the details or by "throwing the kitchen sink" into their response. Either way, the TPA may not be presenting the whole benefit of their solution compared with your needs.



The key takeaway here is that the things that are best to do to prepare for a proposal do not involve making proposal writing easier. They involve making proposal writing clear, instructional and focused... While the final words come in the form of a signed agreement, it's never too early to choose your questioning wisely, lest you suffer the time, cost and humiliation for choosing unwisely.

### THREE WAYS TO PREPARE FOR A PROPOSAL THAT WILL HELP YOU DECIDE BEST:

**RECOGNIZE THE POINTS YOU WANT THE TPA TO MAKE.** Ask the proper questions and sometimes ask them twice. You want to be able to not only write a comprehensive proposal but also, reinforce through repetitiveness what sections of the proposal are most important to you. What matters most may be included in a questionnaire, but you may also suggest the TPA discuss these matters in a methodology section or response to a scope of services agreement. Also, allow the TPA to address how they can assist you best. You can do so by allowing them to differentiate themselves from the field and explain what their value proposition may be. The key takeaway here is clarity in questioning and instructions is best to prepare for the rest of the process. After all, you do not want the wrong finalists in your presentation.

**INVOLVE ALL PARTIES AFFECTED BY WORKER'S COMP.** Before drafting a proposal, it would benefit you to include as many reviewers as possible to discuss areas of concern for injury claims. Parties involved in the review process may include loss control and safety personnel, department/division managers or supervisors, each of whom is intimately familiar with lost time woes and the causes behind the injuries. These key personnel may provide valuable insight. What claims investigation approaches are you going to take? What staff will you offer us? Who pursues subrogation? What is your return-to-work methodology? These are things you must be able to articulate before you start writing about them.

In addition to pre-proposal preparation, key reviewers will benefit the final decision if they sit on a panel to review the proposal responses. You should position everything against everything; your requirements against the TPA's willingness to comply; price against value; clarity over canned response, etc. The better you can join forces, the more likely your decision to choose the best presentation finalists and ultimately the best TPA for your workers' compensation program.

**REQUEST A SUFFICIENT LIMIT TO THE RESPONSE.** You should consider your time and the time of your reviewers when drafting a proposal. You may have to review four, five, six or more responses at one time and within a particular, time-limited schedule. If you ask targeted questions and limit the responses to a few sentences, you are likely to get a more clear response to that question. Additionally, placing a limit on the total number of pages is another consideration to keep the responder focused. Many proposal responses require exhibits and unlimited exhibits go in the appendix for proper fallback review. If you try to figure out every response without proper questioning and format requirements, you're just asking for a disaster because each page will spawn confusion that ends with thumbing through all pages to find the response you expect. The more you can do to limit the proposal response before the RFP is released, the better your chances of being

able to verify your program match the TPA's offering before the deadline clock forces you to choose finalists and plan schedules.

The key takeaway here is that the things that are best to do to prepare for a proposal do not involve making proposal writing easier. They involve making proposal writing clear, instructional and focused. It also involves capturing what matters most to your program, how and who articulates your line of questioning in writing, how you want the responders to clarify positions/processes and how you're going to analyze your responses. While the final words come in the form of a signed agreement, it's never too early to choose your questioning wisely, lest you suffer the time, cost and humiliation for choosing unwisely. ■

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