

Washington Self-Insurers Association

REQUEST FOR PROPOSAL

**HEARING AID PROVIDER &
SERVICE AGREEMENT**

FOR

**WORKERS' COMPENSATION SELF-INSURED EMPLOYERS
AND/OR THEIR THIRD PARTY ADMINISTRATORS**

Issued January 13, 2020

Complete copies of proposals must be received

by

4:00 p.m. Pacific time

on Friday, February 28, 2020

at

Washington Self-Insurers Association

828 7th Avenue SE

Olympia, WA 98501

Contact Person:

Kris Tefft, WSIA Executive Director

Phone 360-754-6416 or 1-800-736-7296

Fax 360-352-8172

TERMINOLOGY

The following terms will apply to this Request for Proposal.

- a) **Contract** means the written agreements resulting from this Request for Proposal executed self-insured employers or their workers' compensation third party administrators, and the contractor;
- b) **Contractor** means the successful proponent to this Request for Proposal who enters into a written provider agreement with WSIA and may then contract with self-insured employers or their workers' compensation third party administrators;
- c) **Must, or mandatory**, means a requirement that must be met in order for a proposal to receive consideration;
- d) **Proponent** means an individual or a company that submits, or intends to submit, a proposal in response to this Request for Proposal;
- e) **Should, or desirable**, means a requirement having a significant degree of importance to the objectives of the Request for Proposal.

REQUEST FOR PROPOSAL PROCESS

INQUIRIES

All inquiries related to this Request for Proposal are to be directed, in writing, to the following. Information obtained from any other source is not official and should not be relied upon. Inquiries and responses will be recorded and will be distributed to all Proponents.

Kris Tefft, Executive Director
Washington Self-Insurers Association
828 7th Avenue SE
Olympia, WA 98501
Telephone 360-754-6416 or 1-800-736-7296
Fax 360-352-8172
E-mail kris.tefft@wsiasn.org

PRE-BID TELEPHONE CONFERENCE

A telephone conference to address contractual requirements, questions or concerns by the prospective bidders will be held at the time and location indicated below. Participation in the phone conference is optional. If changes or clarification are required as a result of the phone conference, a written proposal addendum will be issued.

Optional Pre-Bid Submission Telephone Conference

Date: January 31, 2020
Time: 10 a.m. Pacific Time
Phone Number: Call WSIA at 360-754-6416 or 1-800-736-7296 at least one business day before the phone conference to arrange participation.

CLOSING DATE

5 complete copies of each proposal must be received by 4:00 p.m., Pacific Time, on Friday, February 28, 2020 at:

Washington Self-Insurers Association
828 7th Avenue SE
Olympia, WA 98501

Proposals must not be sent by facsimile. Proposals and their envelopes should be clearly marked with the name and address of the Proponent and the project title "Hearing Aid Provider Contract".

LATE PROPOSALS

Late proposals will not be accepted and will be returned to the proponent.

EVALUATION COMMITTEE

Evaluation of proposals will be by a committee formed by WSIA.

EVALUATION AND SELECTION

The evaluation committee will check proposals against the mandatory criteria. Proposals not meeting all mandatory criteria will be rejected without further consideration. Proposals that do meet all the mandatory criteria will then be assessed and scored against the desirable criteria. WSIA's intent is to enter into a contract or agreement with the proponent who has the highest overall ranking.

NEGOTIATION DELAY

If a written agreement or contract cannot be negotiated within thirty days of notification of the successful proponent, WSIA may, at its sole discretion at any time thereafter, terminate negotiations with that proponent and either negotiate a contract or agreement with the next qualified proponent or choose to terminate the Request for Proposal process and not enter into a contract or agreement with any of the Proponents.

ESTIMATED TIME FRAMES

The following timetable outlines the anticipated schedule for the Request for Proposal and contract process. The timing and the sequence of events resulting from this Request for Proposal may vary and shall ultimately be determined by WSIA.

EVENT	Anticipated DATE
Request for proposal issued	January 13, 2020
Optional Pre-Bid Telephone Conference	January 31, 2020 at 10am PT
Request for proposal closes	February 28, 2020 at 4pm PT
Finalist Interviews	March 19, 2020
Proposal evaluation completed	Week of March 23, 2020
Negotiation of provider agreement and review of draft standard employer/TPA contracts commence	Week of March 30, 2020
Provider agreement signed	April 30, 2020
Service delivery starts	July 1, 2020

PROPOSAL PREPARATION

SIGNED PROPOSALS

The proponent must ensure its proposal includes a letter, or statement(s), substantially similar in content to the sample proposal cover letter provided in Appendix B, signed by a person authorized to sign on behalf of the proponent, and to bind the proponent to statements made in response to this Request for Proposal.

ALTERNATIVE SOLUTIONS

If alternative solutions are offered, please submit the information in the same format as a separate proposal.

IRREVOCABILITY OF PROPOSALS

By submission of a clear and detailed written notice, the proponent may amend or withdraw its proposal prior to the closing date and time. Upon closing time, all proposals become irrevocable. By submission of a proposal, the proponent agrees that should its proposal be successful, the proponent will enter into an agreement or contract with WSIA.

CHANGES TO PROPOSAL WORDING

The Proponent will not change the wording of its proposal after closing and no words or comments will be added to the proposal unless requested by WSIA for purposes of clarification.

PROPONENTS' EXPENSES

Proponents are solely responsible for their own expenses in preparing a proposal and for subsequent negotiations with WSIA, if any. If WSIA elects to reject all proposals, WSIA will not be liable to any Proponent for any claims, whether for costs or damages incurred by the Proponent in preparing the proposal, loss of anticipated profit in connection with any final agreement or contract, or any other matter whatsoever.

PROPOSAL VALIDITY

Proposals will be open for acceptance for at least 90 days after the closing date.

CURRENCY AND TAXES

Prices quoted are to be:

- a) In U.S. dollars;
- b) Inclusive of duty, where applicable;
- c) Including all taxes.

COMPLETENESS OF PROPOSAL

By submission of a proposal the Proponent warrants that if this Request for Proposal includes designing, creating, or providing a system, or managing a program, **ALL COMPONENTS REQUIRED TO RUN THE SYSTEM OR MANAGE THE PROGRAM HAVE BEEN IDENTIFIED IN THE PROPOSAL, OR WILL BE PROVIDED BY THE CONTRACTOR AT NO CHARGE.**

ADDITIONAL TERMS

Where applicable, the names of approved sub-contractors listed in the proposal will be included in the contract or agreement. No additional subcontractors will be added, nor other changes made, to this list in the agreement or contract without the written consent of WSIA.

ACCEPTANCE OF PROPOSALS

- a) This Request for Proposal should not be construed as an agreement to purchase goods or services. WSIA is not bound to enter into a contract or agreement with the proponent who submits the lowest priced proposal or with any proponent. Proposals will be assessed in light of the evaluation criteria. WSIA will be under no obligation to receive further information, whether written or oral, from any proponent.
- b) Neither acceptance of a proposal nor execution of an agreement or contract will constitute approval of any activity or development contemplated in any proposal that requires any approval, permit or license pursuant to any federal, state, or municipal statute, regulation or by-law.

DEFINITION OF CONTRACT OR AGREEMENT

Notice in writing to a proponent that it has been identified as the successful proponent and the subsequent full execution of a written provider agreement with WSIA, and the execution of possible written contract(s) with self-insured employers or workers' compensation third party administrators will constitute a contract for the goods or services, and no proponent will acquire any legal or equitable rights or privileges relative to the goods or services until the occurrence of both such events. The agreement or contract will include, but not be limited to, the terms set out in Appendix A.

LIABILITY FOR ERRORS

While WSIA has used considerable efforts to ensure an accurate representation of information in this Request for Proposal, the information contained in this Request for Proposal is supplied solely as a guideline for proponents. The information is not guaranteed or warranted to be comprehensive or exhaustive. Nothing in this Request for Proposal is intended to relieve proponents from forming their own opinions and conclusions with respect to the matters addressed in this Request for Proposal.

MODIFICATION OF TERMS

WSIA reserves the right to modify the terms of this Request for Proposal at any time at its sole discretion. This includes the right to cancel this Request for Proposal at any time prior to entering into a contract with the successful proponent.

OWNERSHIP OF PROPOSALS AND PUBLIC DISCLOSURE

All documents, including proposals, submitted to WSIA become the property of WSIA. Because some members of WSIA are public entities, all documents received may be subject to the provisions of the Public Disclosure Law.

PROGRAM REQUIREMENTS

OVERVIEW

The Washington Self-Insurers Association (WSIA), for the benefit of the self-insured workers' compensation employers in the State of Washington and pursuant to WAC 296-23-165, is soliciting proposals on certain Durable Medical Equipment (DME) relating to hearing loss and for services related to the maintenance and serviceability of such equipment.

The intent of this proposal is to obtain directly from a hearing aid provider(s) a Provider Agreement to supply, fit, repair, maintain, and service various types and models of hearing devices supplied under this contract. This standard price contract will be made available to self-insured employers and their representatives

WSIA RESPONSIBILITY

WSIA intends to utilize this solicitation to obtain volume purchase pricing and quality service levels for the dispensing of hearing aids, should WSIA's members choose to use the successful proponent's network of providers on a voluntary basis. A Provider Agreement would be established between WSIA and the proponent outlining:

- Hearing aid and services pricing
- Fees
- Hearing aid network of providers
- Minimum service levels for self-insured's injured workers
- Minimum service levels for self-insured employers
- Marketing opportunities for proponent to discuss program with WSIA members
- Open to all WSIA members in good standing

We encourage the proponent to review the Washington State Labor and Industries fee schedule and structure for hearing aid supplies and services (Attachment C). This is not a solicitation for a Price Agreement Contract between WSIA and the successful provider. The intent of the RFP is to help facilitate WSIA member employers and their Third Party Administrators in having an opportunity to use a highly qualified, approved hearing aid provider network for their injured workers' hearing aid service needs.

BACKGROUND

Beginning in 1996, WSIA has entered into agreements for hearing aid supplies and services with the successful proponent of a RFP processes. Those agreements included a statewide network of dispensing audiologists. WSIA is soliciting new bids as the term of the current contract is expiring June 30, 2020.

The current hearing aid provider pays WSIA a marketing fee as a percentage of all new hearing aids dispensed and batteries purchased, in order to help offset the cost of WSIA's management oversight of this program and market the provider to the members.

PROJECT SCOPE

All WSIA member self-insured employers in good standing, and/or their third party administrators, may individually purchase hearing aid supplies and services from the successful Proponent according to the terms of the agreement between WSIA and the successful Proponent. However, employers and/or their third party administrators will not be obligated to order hearing aids from the contractor through the agreement between WSIA and the successful Proponent.

While participation shall be at the option of each self-insured employer, WSIA will encourage them to enter into a business relationship (individual contract if the self-insured employer or TPA requires it) with the Proponent and purchase from the Proponent according to the terms of the agreement. All orders from such eligible purchasers are subject to the same contract terms, conditions and pricing. WSIA accepts no responsibility for payment for such purchases and is not a party to nor will it serve as a guarantor for any party.

Through WSIA's current Hearing Aid Provider and Services Agreement, the following new hearing aids have been dispensed over the last few years:

Year:	New Hearing Aids Dispensed
2019	1139
2018	974
2017	763

TERM OF CONTRACT

The contract or agreement term shall be for a period of no more than 72 months and is projected to be effective from July 1, 2020 through June 30, 2026.

WSIA reserves the right to negotiate an extension of the contract or agreement for additional contract or agreement terms or portions thereof. At no time will WSIA's negotiations with the contractor bind any self-insured employer or its third party administrator to the terms of the contract or agreement between WSIA and the successful proponent. Total contract period with extensions shall not exceed six years. Contractor/provider shall respond within fifteen (15) calendar days following receipt of WSIA's request for a contract or agreement extension.

EVALUATION CRITERIA

The following criteria form the basis upon which evaluation of proposals will be made.

MANDATORY CRITERIA

The following are mandatory requirements. Proposals not clearly demonstrating that they meet them will receive no further consideration during the evaluation process.

- a) The proposal must be received at the closing location by the specified closing date and time.
- b) Proposal must be in English and must not be sent by facsimile.
- c) Five copies of the proposal must be submitted.
- d) Proposal must contain a signed letter or statement(s) substantially similar in content to the sample proposal cover letter.
- e) Proposal must contain a written, current pricing list for multiple types of hearing aids and hearing aid services. List must include details such as the manufacturer of hearing aids proposed. The price for each new hearing aid device or a pair of devices must include all necessary diagnostic work up procedures, patient testing, fitting, orientation, routine maintenance, ear mold(s), and routine cleaning. Also include firm pricing for repairs to hearing aids, as well as firm pricing for batteries.

Please compare your current pricing list to the Washington State Fee Schedule for hearing aid services, provided in Appendix C. Should you wish to propose an alternative pricing model along with the requested pricing model, please include and clearly label the proposed alternative model.

Please describe how you propose handling future product/pricing changes.

- f) All diagnostic and dispensing services supplied under this contract or agreement must be performed by a currently Licensed Audiologist.
- g) All hearing aids provided under the contract must come with at least a twelve month warranty, including a twelve month damage warranty. Hearing aids must be new, and never worn by any individual.
- h) Proposal must include a current, complete list of any **Washington, Oregon, Alaska, and Idaho** state network providers. Proposals may include a national list of network providers.
- i) Proposal must include statistics on the number of new hearing aids dispensed within Washington State through the proposed network of providers for 2014-2019.
- j) The successful Proponent must specifically agree not to advertise or publish information concerning the contract or agreement between WSIA and the successful Proponent in any form or media without prior written consent of WSIA. The Proponent shall be responsible to see that all sub-contractors follow this requirement.
- k) The successful Proponent agrees that no advertising is allowed by it or its subcontractors that includes any reference, either directly or indirectly to "WSIA", any self-insured member, any third party administrator member, "Labor and Industry Patients", "Labor and Industry Clients", "hearing loss due to workplace exposure", "work or worked around loud noise", etc. Failure to comply with this contract requirement may result in the immediate termination of the contract.
- l) Proponent must be, at the time of the proposal receipt date, an established business with all required licenses, facilities, equipment, and trained personnel necessary to perform work specified in this RFP.

DESIRABLE CRITERIA

Proposals meeting the mandatory requirements will be further assessed against the following desirable criteria.

- a) All supply and service costs at or below Washington State Fee Schedule (see Appendix C)
- b) A description of the proposed methodology for meeting the needs contemplated in this RFP, including repairs, service and quality assurances.

- c) The respondent should demonstrate they have the capacity and resources to complete hearing instrument orders and to dispense them in accordance with the contract or agreement provisions. This includes the number and type of staff proposed to fulfill the contract or agreement (as well as the staffs qualifications), including processing orders, responding to inquiries, conducting billing, and maintaining records.
- d) Ability and interest in attending periodic WSIA programs, trainings, and conferences to promote WSIA’s hearing aid program, and inform member employers of general hearing loss issues and hearing aid solutions.
- e) Describe any services you may offer regarding hearing prevention. This may include hearing loss prevention programs, annual employee routine hearing screenings, or other related services.

PROPOSAL FORMAT

The following format and sequence should be followed in order to provide consistency in Proponent response and ensure each proposal receives full consideration. All pages should be consecutively numbered.

- a) Proposal cover letter as per Appendix B.
- b) A short (one or two page) summary of the key features of the proposal.
- c) The body of the proposal, including pricing.

PROPONENT CHECKLIST

This checklist has been provided solely for the convenience of the proponent. Its use is not mandatory and it does not have to be returned with the proposal.

- | | |
|--|---|
| <ul style="list-style-type: none"> ✓ Everyone involved in putting together the proposal has read and understood the requirement. ✓ The proposal meets all the mandatory requirements. ✓ The cover letter has been signed and attached. ✓ The proponent’s name and the project title “Hearing Aid Provider Contract” appear on the proposal envelope. | <ul style="list-style-type: none"> ✓ Five copies of the proposal have been made. ✓ The proposal will definitely be at the closing location before the closing time. ✓ The proposal is being delivered by hand, courier, or mail – not fax. |
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APPENDIX A

SELECTED CONTRACT OR AGREEMENT CLAUSES

COMPLIANCE WITH LAWS

The contractor will give all the notices and obtain all the licenses and permits required to perform the work. The contractor will comply with all laws applicable to the work or performance of the contract or agreement. Any contract or agreement resulting from this Request for Proposal will be governed by and will be construed and interpreted in accordance with the laws of the State of Washington.

INDEMNITY

Any contract or agreement resulting from this Request for Proposal will require that the contractor indemnify and save harmless WSIA, its employees and agents from and against all claims, demands, losses, damages, costs and expenses made against or incurred, suffered or sustained by WSIA at any time or times (either before or after the expiration or sooner termination of this contract or agreement) where the same or any of them are based upon or arise out of or from anything done or omitted to be done by the contractor or by any servant, employee, officer, director or sub-contractor of the contractor pursuant to the contract or agreement excepting always liability arising out of the independent acts of WSIA.

INSURANCE

Any contract or agreement resulting from this Request for Proposal may require that the contractor, without limiting its obligations or liabilities, and at its own expense, provide and maintain throughout the contract term, the following insurances with insurers licensed in the State of Washington in forms acceptable to WSIA. The contractor will provide WSIA with evidence of the required insurance naming WSIA as additional insured.

- a) Comprehensive general liability in an amount not less than \$1,000,000, inclusive, per occurrence insuring against bodily injury and property damage and including liability assumed under the contract.
- b) Professional liability in an amount not less than \$1,000,000 insuring the contractor's liability resulting from errors and omissions in the performance of professional services under the contract.

CONTRACT TERMINATION

Should either party here believe that the other has failed to substantially perform all or a material part of its obligations under the contract or agreement, it shall deliver written notice to that effect to the other, specifying the alleged default and giving the other party fifteen (15) days to cure such default. Thereafter, should the default not be remedied to the satisfaction of the non-defaulting party, the contract may be terminated upon seven (7) days written notice (delivered by certified mail). In the event of termination under this subparagraph, the contractor shall be paid an amount, in the discretion of WSIA's

Executive Director, which takes into account actual costs incurred by the contractor in performing the project work to the date of termination, the amount of work originally required which was satisfactorily completed to the date of termination, the cost to WSIA of completing the work itself, or of employing another firm to complete it, and the inconvenience and time which may be required to do so, along with any other factors which affect the value to WSIA of the project work which has been performed to the date of termination. In no event shall the contractor receive an amount based on anticipated profit on unperformed services or work.

On the giving of notice of termination by either party, contractor shall immediately begin winding down its services in anticipation of the termination, and shall be prepared to deliver to WSIA all documents and other uncompleted work on the date of termination. In the event of termination, contractor agrees to work cooperatively with WSIA to facilitate transition of services to new provider.

SOFTWARE

It is the contractor's responsibility to ensure that WSIA has all licenses required to use any software that may be supplied by the contractor pursuant to the contract or agreement.

INTELLECTUAL PROPERTY RIGHTS

WSIA will be the owner of the intellectual property rights, including patent, copyright, trademark, industrial design, and trade secrets in any product developed through an agreement or contract. Licensing and marketing rights to the developed product will not be granted in the agreement or contract. Proposals regarding these rights should not be submitted in response to this Request for Proposal and will not be considered in evaluating responses. If, in the future, WSIA elects to commercialize the developed product, the licensing and marketing rights will be negotiated separately.

APPENDIX B

PROPOSAL COVER LETTER

Letterhead or proponent's name and address

Date

Subject: *Request for proposal name*
 Request for proposal number
 List any amendment nos. and dates

The enclosed response is submitted in response to the above-referenced Request for Proposal. Through submission of this proposal we agree to all of the terms and conditions of the Request for Proposal.

We have carefully read and examined the Request for Proposal and have conducted such other investigations as were prudent and reasonable in preparing the proposal. We agree to be bound by statements and representations made in this proposal and to any agreement resulting from the proposal.

Yours truly,

(Signature)

Name: _____
(Type or print)

Title: _____

Legal name of proponent: _____

Date: _____

APPENDIX C
LNI Hearing Aid & Audiology Fee Schedule
Effective July 1, 2019

HCPCS code	Description	LNI Maximum fee
V5008	Hearing screening	\$83.13
V5010	Assessment for hearing aid	Bundled
V5011	Fitting/orientation/checking of hearing aid	Bundled
V5014	Hearing aid repair/modifying visit per ear (bill repair with code 5093V)	\$55.42
V5020	Conformity evaluation (1 visit allowed after the 30-day trial period)	Bundled
V5030	Hearing aid, monaural, body worn, air conduction	Acquisition cost
V5040	Body-worn hearing aid, bone	Acquisition cost
V5050	Hearing aid, monaural, in the ear	Acquisition cost
V5060	Hearing aid, monaural, behind the ear	Acquisition cost

V5070	Glasses air conduction	Acquisition cost
V5080	Glasses bone conduction	Acquisition cost
V5090	Dispensing fee, unspecified hearing aid	Not covered
V5100	Hearing aid, bilateral, body worn	Acquisition cost
V5110	Dispensing fee, bilateral	Not covered
V5120	Binaural, body	Acquisition cost
V5130	Binaural, in the ear	Acquisition cost
V5140	Binaural, behind the ear	Acquisition cost
V5150	Binaural, glasses	Acquisition cost
V5160	Dispensing fee, binaural (includes up to 1 conformity eval and 2 follow up visits during the 30-day trial period)	\$1,573.95
V5170	Hearing aid, cros, in the ear	Acquisition cost
V5180	Hearing aid, cros, behind the ear	Acquisition cost

V5190	Hearing aid, cros, glasses	Acquisition cost
V5200	Dispensing fee, cros (includes up to 1 conformity eval and 2 follow up visits during the 30-day trial period)	\$943.49
V5210	Hearing aid, bicros, in the ear	Acquisition cost
V5220	Hearing aid, bicros, behind the ear	Acquisition cost
V5230	Hearing aid, bicros, glasses	Acquisition cost
V5240	Dispensing fee, bicros (includes up to 1 conformity eval and 2 follow up visits during the 30-day trial period)	\$943.39
V5241	Dispensing fee, monaural hearing aid, any type (includes up to 1 conformity eval and 2 follow up visits during the 30-day trial period)	\$786.98
V5242	Hearing aid, analog, monaural, cic (completely in the ear canal)	Acquisition cost
V5243	Hearing aid, monaural, itc (in the canal)	Acquisition cost
V5244	Hearing aid, digitally programmable analog, monaural, cic	Acquisition cost

V5245	Hearing aid, digitally programmable, analog, monaural, itc	Acquisition cost
V5246	Hearing aid, digitally programmable analog, monaural, ite (in the ear)	Acquisition cost
V5247	Hearing aid, digitally programmable analog, monaural, bte (behind the ear)	Acquisition cost
V5248	Hearing aid, analog, binaural, cic	Acquisition cost
V5249	Hearing aid, analog, binaural, itc	Acquisition cost
V5250	Hearing aid, digitally programmable analog, binaural, cic	Acquisition cost
V5251	Hearing aid, digitally programmable analog, binaural, itc	Acquisition cost
V5252	Hearing aid, digitally programmable, binaural, ite	Acquisition cost
V5253	Hearing aid, digitally programmable, binaural, bte	Acquisition cost
V5254	Hearing aid, digital, monaural, cic	Acquisition cost
V5255	Hearing aid, digital, monaural, itc	Acquisition cost

V5256	Hearing aid, digital, monaural, ite	Acquisition cost
V5257	Hearing aid, digital, monaural, bte	Acquisition cost
V5258	Hearing aid, digital, binaural, cic	Acquisition cost
V5259	Hearing aid, digital, binaural, itc	Acquisition cost
V5260	Hearing aid, digital, binaural, ite	Acquisition cost
V5261	Hearing aid, digital, binaural, bte	Acquisition cost
V5262	Hearing aid, disposable, any type, monaural	Not covered
V5263	Hearing aid, disposable, any type, binaural	Not covered
V5264	Ear mold (shell)/insert, not disposable, any type	Acquisition cost
V5265	Ear mold (shell)/insert, disposable, any type	Not covered
V5266	Battery for hearing device	\$0.97
V5267	Hearing aid supply/accessory	Acquisition cost

5091V	Hearing aid restocking fee (the lesser of 15% of the hearing aid total purchase price or \$150 per hearing aid)	By report
5092V	Hearing aid cleaning visit per ear (1 every 90 day, after the first year)	\$25.85
5093V	Hearing aid repair fee. Manufacturer's invoice required	By report
5094V	Bilateral in office tubes/dome replacement (maximum of 18 times per calendar year)	\$25.00 per unit (limited to 1 unit per date of service)
5095V	Wax guards (maximum of 104 per calendar year)	\$1.25 each