



Request for Information (RFI)

For the State of New Jersey

**TEMPORARY DISABILITY INSURANCE
AND FAMILY LEAVE INSURANCE
MODERNIZATION PROJECT**

Released on: December 21, 2018

Issuing Office: NJ Department of Labor and Workforce Development

Table of Contents

I. Purpose of the Request for Information (RFI)	4
II. Request for Information (RFI) Submission	5
III. Electronic Question and Answer Period	5
IV. Contents of the RFI Submissions	5
V. Background	6
A. The Division of Temporary Disability and Family Leave Insurance	7
B. Current Infrastructure	7
C. Current Business Process Background	8
D. Future Vision	11
VI. Responding to the RFI	12
A. General Vendor Information	12
1. Company Information	12
B. Solutions and Recommendations:	12
1. General.....	12
3. Implementation Recommendation and Plan.....	13
4. Workflow.....	13
5. Business Rules.....	13
6. Payments.....	13
7. Technical Architecture	13
8. Maintenance.....	13
C. Development and Implementation	13
D. Operations and Support	14

REQUEST FOR INFORMATION SUMMARY SHEET

Name:	Temporary Disability Insurance and Family Leave Insurance Systems Modernization Project
Issue Date:	December 21, 2018
Closing Date and Time:	February 8, 2019 5:00 PM
Issuing Office:	Department of Labor and Workforce Development
RFI Questions Due:	January 15, 2019 at 5:00 PM
RFI questions and responses are to be sent via email to: Marianne.Bixler@dol.nj.gov RFI responses must be submitted no later than 5:00 p.m., ET, on February 8, 2019	

I. Purpose of the Request for Information (RFI)

This Request for Information (RFI) is issued by the Department of Labor and Workforce Development (LWD). The purpose of this RFI is to solicit information for possible solutions for replacement of LWD's existing Temporary Disability and Family Leave Insurance (TDI/FLI) systems. This RFI contains preliminary information to serve as a platform for discussion with the vendor community. The information in this RFI is in no way final nor does it represent what may be contained in a Request for Proposal (RFP), should one be issued. This issuance does not constitute a commitment to issue an RFP, award a contract, or pay any costs incurred in preparation of a response to this request.

LWD is exploring alternative recommendations and innovative solutions that satisfy the objectives and desired features described in this RFI, including but not limited to:

- **Transfer System** - Using another state's modernized system as a basis for TDI/FLI Benefits;
- **Commercial Off The Shelf (COTS)** - Software, with customization and extension;
- **Related Industry Offerings** - e.g. Commercial Insurance Industry claims management software (COTS) with customization and extension or other suitable packaged software;
- **Framework Based** - Proven functional TDI/FLI components integrated and extended to meet LWD's requirements;
- **Custom Solution** - Develop a TDI/FLI Benefits solution from the ground up;
- **Best of Breed Components** - Solutions/Modules/Components relevant to achieving TDI/FLI Modernization objectives;
- **Hybrid** - Combination of any of these options or others;
- **Other** innovative recommendations.

At the conclusion of this TDI/FLI modernization initiative, the expectation is that LWD will have established a modernized TDI/FLI Benefits System; interfaced with required supporting applications and agencies; converted legacy TDI/FLI data and trained the state's end-users in new system operations which will result in a high-quality, cost efficient system that is flexible for evolution and equity in public access.

All ideas and suggestions that provide alternative recommendations to designing, developing, acquiring, operating, supporting, and managing any areas of the TDI/FLI benefits solution are welcome. LWD encourages creativity and outside-the-box thinking in response to this RFI.

II. Request for Information (RFI) Submission

Responses to the State's RFI should be submitted electronically via email to Marianne Bixler at Marianne.Bixler@dol.nj.gov no later than February 8, 2019 at 5:00 PM.

III. Electronic Question and Answer Period

The State will electronically accept questions and inquiries from all potential respondents. Questions or inquiries should be submitted electronically via email Marianne Bixler at Marianne.Bixler@dol.nj.gov no later than January 15, 2019 at 5:00 PM.

Questions should be directly tied to the RFI and asked in consecutive order, from beginning to end, following the organization of the RFI; and

A. Each question should begin by referencing the RFI section number to which it relates.

The deadline for electronic questions and inquiries relating to this RFI is indicated on the RFI cover sheet. In the event that questions are posed by potential Respondents, answers to such questions will be issued by RFI Amendment. RFI Amendments, if any, will be posted on the State's website in the same manner as the RFI.

IV. Contents of the RFI Submissions

Responses to this RFI can be released to the public pursuant to N.J.A.C. 17:12-1.2(b) and (c), or under the New Jersey Open Public Records Act (OPRA), N.J.S.A. 47:1A-1.1 et seq., or the common law right to know.

All information submitted to the State in response to this RFI is considered public information notwithstanding any disclaimers to the contrary submitted by a Respondent. Proprietary and confidential information may be exempt from public disclosure by OPRA and/or the common law.

As part of its response, a Respondent may designate any data or materials it asserts are exempt from public disclosure under OPRA and/or the common law, explaining the basis for such assertion. The location in the response of any such designation should be clearly stated in a cover letter. The State reserves the right to make the determination as to what is proprietary or confidential, and will advise the Respondent accordingly. Any proprietary and/or confidential information in a response will be redacted by the State. The State will not honor any attempt by a Respondent to designate its entire response as proprietary, confidential and/or to claim copyright protection for its entire response. Copyright law does not prohibit access to a record which is otherwise available under OPRA. In the event of any challenge to the Respondent's assertion of confidentiality with which the State does not concur, the Respondent shall be solely responsible for defending its designation, but in doing so, all costs and expenses associated therewith shall be the responsibility of the Respondent. The State assumes no such responsibility or liability.

V. Background

The primary objectives of LWD's Request for Information is to identify vendors who can initiate a project to replace its current TDI/FLI systems with a modernized solution:

- Design a systemic workflow in which the process is simpler and faster for claimants, medical providers, employers and staff.
- Provide a fully integrated system solution with interfaces to critical external databases, third party applications or other systems required to process claims.
- Provide innovative and modern system solutions in accordance with industry standards.
- Reduce the overall processing time to approve a disability or family leave claim.

Division of Temporary Disability and Family Leave Insurance provides partial wage replacement benefits to eligible workers who need time-off from work due to a medical condition or for bonding with a child or family member. These benefits are provided to workers, whose employment is based in New Jersey and their employer is considered a "covered" employer under New Jersey law. New Jersey is one of a small number of states or territories to currently offer these benefits. The benefits are governed by the Temporary Disability Benefits Law, P.L.1948, c.110 (C.43:21-25 et al.) and the Family Leave Act, P.L.1989, c.261 (C.34:11B-1 et seq.) along with the regulations adopted pursuant to the laws.

TDI/FLI provides claims processing and customer service support required to process and pay claims. The Division interacts with approximately 30,000 healthcare providers and 70,000 employers. The total volume of claims for TDI/FLI combined is approximately 175,000 a year. The Division also contracts with Private Insurance Companies who process claims on behalf of employers.

Currently, TDI/FLI processes claims via the Disability Automated Benefits System (DABS). DABS was implemented in 1988. Although it has been periodically modified since that time, the DABS system and others that interface with it, no longer provide the functionality required to deliver services in the most cost efficient manner possible. In 2009, the system was modified in order to process FLI claims. DABS is a COBOL based mainframe system that utilizes two databases. The databases are IMS and DB2. There are 16 VSAM files used to maintain the data within the system. DABS contains CICS applications for entry, maintenance and determinations of claims. The batch portion of DABS deals with the payments, forms and reporting requirements of the system.

The DABS system in its current architecture does not allow TDI the required flexibility with regard to workflow changes, is not user friendly for claim and call center personnel, requires frequent re-entry of data to navigate and requires a programming skill set that is on the decline. Since reporting is handled within the batch process, real time management reporting is not available. In addition, with the introduction of the new Family Leave Insurance program, DABS for TDI was "retro-fitted" to pay FLI claims. This is not an ideal solution since there are a number of unique program requirements for FLI that result in manual processing for claim staff.

In 2016, a web-based application was implemented to increase the efficiency of filing and processing initial applications, change of address, claim inquiry and annual tax statements.

Additionally, a separate Oracle database needed to be constructed, not only to house the online data, but to also capture new data elements outside of DABS. A subsequent automated processing application was created for filing claim extensions, which is also dependent upon DABS to complete the operation.

A. The Division of Temporary Disability and Family Leave Insurance

While claim processing occurs in the system, typically all communications (e.g. notifications of eligibility, requests for information, etc.) are conducted by paper via standard mail. Currently, claimants must apply for benefits within thirty (30) days of a disability or family leave bonding. The TDI/FLI benefit is determined by examiners, at a rate of 2/3 of an individual's average weekly wage at a maximum of \$637 per week for 2018. According to TDI/FLI policy, a determination of benefit eligibility should be made within fourteen (14) days. Payment is made to claimants via a debit card managed by Bank of America. Most commonly, individuals apply for TDI/FLI benefits because they are unable to work due to pregnancy/adoption, orthopedic issues, mental health conditions and injuries caused by accidents.

The initial determination of a claim can be extended for medical reasons upon approval by TDI/FLI. The maximum duration of the temporary disability benefit is twenty-six (26) weeks. The average TDI claim duration is ten (10) weeks. FLI provides a maximum of six (6) consecutive weeks or 42 intermittent days for bonding or care of a family member. The average FLI claim duration is five (5) weeks.

Employer and employee deductions fund the State's Temporary Disability Trust Fund and only employee deductions fund the Family Leave Insurance Trust Fund. While processing TDI/FLI insurance claims is the largest aspect of the Division's mission, there are other related functions over which it has jurisdiction. The majority of employers choose to utilize state plan coverage; they do have the option of choosing coverage from a private plan carrier.

B. Current Infrastructure

The following systems are leveraged to support the operations of the TDI/FLI Program:

- DABS, which runs on a mainframe maintained by the Office of Information Technology (OIT);
- A web-based user interface application written in ASP.net with an Oracle backend supported by LWD's internal Division of Information Technology (DIT). This infrastructure exists in the LWD building/DIT Data Center;
- The Local Office On-Line Payment System (LOOPS), which runs on a mainframe maintained by the OIT. This system is an LWD system that the TDI/FLI Program uses for data validation, payment, and interfaces for a variety of workflow needs;
- Interfaces to Federal, State and other vendors who support the validation and payment processing;
- Avaya phone and IVR system;
- Bank of America distributes debit cards upon initial claim entry; and

- Document Imaging System hosted by Division of Revenue Enterprise Services (DORES).

C. Current Business Process Background

The functional scope of the modernization effort and the system/solution TDI/FLI is seeking must improve upon the following existing program elements:

1. Claims Intake

New applications are received by paper and/or electronically. Paper applications are sent to the scanning room with a batch cover sheet to identify the program area. New claims sent via fax are received by a legacy fax server and imported directly into a legacy optical character recognition (OCR) system and processed page by page with staff categorizing the types of batches and leveraging keystroke validation techniques to index and then process values against the document image. Once appropriate values and assignment occurs in the legacy claim system, the images and values are exported to the document repository for storage.

The other option for Claims Intake is through the TDI/FLI website submitted by a claimant after they complete the claimant section of the application and certify their claim. At that time, all rules validations and system interfaces have been triggered or executed and all data entered in the claimant section will create a summary of claim elements. Additionally, a Form ID is generated on subsequent forms that the claimant can print and give to their medical provider and employer for certification for completion of their sections of the claim. During regular business hours, the certified claimant section will become part of a scheduled job that runs every five (5) minutes to process the files into the legacy claims system. For web claims entered after regular business hours, the certified claimant section will be added to a batch file queued for transfer to the legacy claim system for processing at the start of the next business day.

Both the medical provider and employer can submit their statement section for the initial claim application via mail, fax or on the web. When filing through the web, the medical provider and employer portions of the claim are uploaded to the legacy claims system through the same batch routine as claimants filing for benefits. Once the upload is complete, the medical provider and employer portion of the claim will be matched and appended with the information of the existing claimant certification. When submitting their statements on paper, the process is the same as the one outlined in the first paragraph of this section.

2. Document Management

A document scanning and storage system is used to manage all documents including the applications and related documentation to a claim. The document management process and technical infrastructure resides at the Division of Revenue Enterprise Services (DORES). Faxed documentation is routed to the LWD building. There is a seven (7)

year retention schedule for state claim applications and any related documentation.
NOTE: There are specific types of data that must be retained indefinitely.

3. TDI Determination and FLI Determinations

Examiners are manually or electronically assigned claims to evaluate. The examiners work with each claim on an individual basis looking for completeness of all parts of the claim. When information is missing, or an issue has been identified that requires clarification, the examiner sends a request for information using standard forms, and mails the request to the claimant, medical provider or employer. The examiner accesses several systems and databases to verify the information including but not limited to, LOOPS, Taxation, Provider Licensing (in state and out of state), Bad Provider File, Labor Dispute, Death File, Social Security, Corrections, and Private Plans.

During the determination process, data is accessed in the LWD legacy systems to validate the claimant is not collecting benefits under another government program. Potential inquiries can also be made for labor disputes and medical provider verification.

Benefit time and the amount of benefits can be extended or adjusted under a process called "Reconsideration". The TDI/FLI Reconsideration process is a stage where TDI/FLI claims have been validated and a decision has been made about approval or denial of a claim. The TDI/FLI Reconsideration team's responsibility is to review, update and correct claims previously determined. These efforts include examining claimant, medical provider and employer information to look for items such as: address changes, overlapping claims, medical extensions, alternate benefit calculations, etc.

Other functions of the TDI/FLI Reconsideration team are to manage appeals, investigations and refunds where many of specialized functions have dedicated team members that are not trained across other sub units. The team also handles various efforts on irregular claims, including issues related to covered employment, gross misconduct, wage record request, potential fraud, refunds, appeals based on denials, escalation to an independent medical examiner, returned paper checks and documentation

A key responsibility for this team is to manage the extension of disability benefits for claimants. This impacts approximately 90% of all approved TDI claims. The TDI/FLI Reconsideration team determines extending benefits beyond the initial approval time-period. After a claimant receives correspondence about a possible extension of their claim, the claimant typically completes a web based, online extension application. The extension is then auto-processed for all claims that do not require manual intervention, which is approximately 2,200 claims per month. Any discrepancies detected by the legacy system are reviewed by staff to resolve issues.

Claims that meet a certain criterion are required to be processed by the Disability During Unemployment/Family Leave During Unemployment Unit (DDU/FLDU). The current process for transferring these claims is a paper form referral process to be entered into the LOOPS system.

The Workers' Compensation Unit (WCU) specializes in processing temporary disability insurance claims that are a result of a work-related injury or illness. Benefits are issued under a lien, and the agency awaits potential reimbursement from court proceedings. All lien information is manually populated into an independent system called COURTS Online.

4. Customer Service Section (CSS)

The Customer Service Section utilizes a centralized call system and operates from 2 locations. CSS staff are responsible for answering customer inquiries by claimants, medical providers, employers and attorneys. This unit received nearly 2.8 million incoming calls in 2017. On average there are 50,000 inbound calls per week, with 100 outbound calls per week. There are approximately 300 abandoned calls weekly by claimants or their representatives. Many inbound calls are either abandoned by the claimant or disconnected by the Interactive Voice Response (IVR) system based upon wait time. The bulk of the incoming calls are handled via the IVR system, which has programmed prompts to assist in directing callers and to answer the caller's questions without human intervention. The IVR handles nearly four times the volume of calls in comparison to a customer service representative.

A subsection of Customer Service Section is the Correspondence Unit (COR). The COR team receives and responds to both paper and email inquiries. Most of the requests are regarding claim inquiries and general information. Special referrals are expedited via our constituent relations team.

5. Finance

The TDI/FLI laws establish specific formulas under which benefits are paid with limitations regarding wages, employment terms, and the duplication of benefits. The system used by the program has formulas coded for these business rules. Currently, the system pays biweekly (with a 1-week lag) with designated maximum amounts for each disbursement. Once claims are entered, a debit card is issued and mailed to the claimant via a 3rd party vendor. Some circumstances require the issuance of paper checks. The finance element of the program must account for underpayments/overpayments, refunds, adjustments, garnishments, etc. Payment processing and recoupments through the TDI/FLI legacy system (DABS) is dependent on LOOPS and the NJ Department of Treasury's Accounting System (NJCFIS). This dependency was designed and implemented out of convenience, not necessity.

The Employer Charge Unit (ECU) is responsible for validation of the employer Federal Employer Identification Number (FEIN), resolving issues when an employer updates their plan coverage, resolving employer address issues from returned mail, and assessing and reviewing potential penalty reviews.

6. Reporting

The TDI/FLI program relies on a reporting structure from various data sources. The management reporting system is part of a management control system that provides

government program metrics. These metrics are in the form of ad hoc reports and canned system generated reports. There is no single application available that can be used for ad hoc reporting. Ad hoc reports that are requested by management need to be designed and created by mainframe developers. This process is time consuming and often does not meet the timeline set forth by management. Canned system reports are used for a variety of reasons, including publicly distributed annual reports. The creation of canned reports is statutorily required. Current canned reports are generated daily, weekly, monthly, quarterly and annually.

D. Future Vision

LWD has a vision for the future of business operations in which the claimants experience is customer friendly, comprehensive and efficient. To the greatest extent possible, workflow should be automated with business rules and updates in real time. A typical claim contains three parts with initial input from the claimants, and related updates from medical staff and employer groups. The system solution being sought should be easy to maintain, cost efficient, include flexibility to enable modifications by staff, and adaptable to support policy and legislative changes. The system must also be compliant with all data protection guidelines for personal health information as outlined in the Health Insurance Portability and Accountability Act (HIPAA; P.L. 104–191, 110 Stat. 1936, enacted August 21, 1996) and if use of the social security number is planned, the Social Security Number Protection Act (S. 3789 — 111th Congress: Social Security Number Protection Act of 2010).

LWD has a mandate to serve all New Jersey Workers that are eligible for benefits, therefore a new solution must be able to accommodate all varieties of information contained in a submission. The statements listed above will serve as the primary method for claim filing and processing, but individuals with an inability to comply with this process will need to be served by phone or other forms of communication. LWD seeks to provide more educational information to claimants so are aware of benefits under the TDI/FLI and FLI law(s), particularly for vulnerable populations.

In summary, the TDI/FLI leadership seeks a fully automated end-to-end system. The process should be transparent to assist staff in improved customer service delivery and expedited claim processing. TDI/FLI would like to optimize the experience for those who interact with the program based on the following critical program improvements to include the following at a minimum:

- Web-based automated case processing including
 - On-Line claims application
 - Automated task assignments/workflow/worklists for all levels of case review
 - Automated case assignment including an ability to create confidential claims
 - Reporting
 - Customer Service Correspondence processing and self-service portal

- Integrated financial system for the purpose of creating and modifying all distributions and disbursements of payments/ refunds and the ability to provide a myriad of payment methods (EFT, Debit Card, etc.)
- Document imaging solution for all system generated forms and incoming correspondence
- File batch processing and real time interfaces with Federal, State, and agency partners
- Integration with Interactive Voice Response (IVR) and web based customer service systems

VI. Responding to the RFI

- Respondents are encouraged to provide any information relative to technologies that may be of benefit to LWD. Does the Technology Industry provide these features listed above in the Future Vision Section? Recommendations for Business Process Improvements are welcome.

RESPONSE DUE DATE: February 8, 2019 at 5:00 PM. Please send in electronic format (MS Word) to Marianne.Bixler@dol.nj.gov

A. General Vendor Information

1. Company Information

- a) Name of company
- b) Contact person
- c) Address, telephone number and email address
- d) Company websites/online literature, if available

B. Solutions and Recommendations:

1. General

- a) Describe your recommendations for an efficient, cost effective solution that will satisfy the desired features.
- b) Explain how the recommendations best balance delivery of functionality against schedule, cost, risk, staff resources and quality.
- c) Has your company implemented an Unemployment, TDI/FLI Insurance Claim Processing or general benefit payment system? If so, when was that system installed?
- d) Does your company's system solution support the complete life cycle of a claim, including application, approval, reconsideration, appeals, and payment activity, call and correspondence?

2. Claims Management

- a) Please provide recommendations for user defined fields for a claim record. Would it require customization or a configuration? Can your company use these user defined fields for reporting, querying, statistical analysis and other processing?
- b) Please provide recommendations for components of an integrated system that relies on external partners for delivery. (e.g. CRM, imaging and OCR, APIs.)

3. Implementation Recommendation and Plan

- a) Please provide information relative to the type of implementation recommendations your company uses and the benefits of those recommendations.
- b) What recommendations could your company provide for testing? Would your company recommend automated tools for systems and stress testing?
- c) Please provide your company's recommendations for knowledge transfer and training.

4. Workflow

- a) Please provide your company's generic recommendations to workflow.

5. Business Rules

- a) Describe your recommendations for business rules. What functions can be supported by business rules?

6. Payments

- a) Does your company recommend different payment platforms that should be included, i.e., PayPal, Direct Deposit, etc.)?

7. Technical Architecture

- a) Does your company recommend a standard architectural framework supporting open system standards? If so, describe.

8. Maintenance

- a) Please recommend a system maintenance model.
- b) Would your company recommend a release schedule for modifications to code Hosting the Application.
- c) How would your company recommend data back-up and disaster recovery if it were a hosted application?

C. Development and Implementation

- a) Provide recommendations for support and pricing structure for vendor supported hosting, operations, maintenance and upgrades.

D. Operations and Support

Describe and discuss recommendations for a TDI/FLI Benefits solution that can be supported and maintained most efficiently and cost-effectively. Where appropriate for the recommendations, address the merits and drawbacks of:

1. State supported – Knowledge-transfer recommendations should be detailed by the respondent.
2. Hybrid recommendations – Where the State shares support responsibility with the Vendor.
3. Vendor Supported – Turnkey service delivery by a vendor with a multi-year agreement for hosting/maintenance/upgrades (including law changes, technology refresh, and product evolution).