

UNIVERSITY OF HAWAII
NOTICE OF AMENDMENT TO EXEMPTION FROM CHAPTER 103D, HRS

Purchase Order No. / Contract No. C230099

Name of Contractor: TRISTAR Claims Management Services, Inc.

Description of goods or services:

Third party administration services for the worker's compensation insurance coverage.

The scope of work for the purchase is revised as follows:

An increase to the amended estimated amount is necessary due to an unanticipated increase of the amount of funds required for the the statutory workers' compensation claims filed, and the payments to be made by the Contractor on behalf of the University for the remainder of Fiscal Year 2024; and to add the estimated amount of funds required for payments to be made by the Contractor on behalf of the University in Fiscal Years 2025 and 2026. (See attached.)

Original Purchase Price:
\$ 3,800,000.00

Amended Purchase Price:
\$ 15,410,000.00 (est.)

Direct any inquiries to:

Department: Office of Risk Management

Contact Name/Title: Darren Suzuki, Director, Office of Risk Management

Address: 1960 East-West Road, Biomed B-204
Honolulu, Hawaii 96822

Phone Number:
(808) 956-7243

Fax Number:
(808) 956-2304

Date Posted: June 21, 2024

Submit written objections to this notice of intent to amend a procurement exemption purchase within seven (7) calendar days from the date posted to:

Office of Procurement Management
1400 Lower Campus Road, Room 15
Honolulu, Hawaii 96822
email: OPM@hawaii.edu

REQUEST FOR AMENDMENT TO EXEMPTION FROM CHAPTER 103D, HRS

TO: OFFICE OF PROCUREMENT MANAGEMENT

FROM: Office of Risk Management
(Department/Program)

Pursuant to APM Section A8.220, the Department requests an amendment to a contract or purchase order issued under a previously approved procurement exemption.

Purchase Order No./Contract No. C230099

Name of Contractor: Tristar Claims Management Services, Inc.

Description of goods, services, or construction:

Third party administrative services for the University's workers' compensation insurance coverage. (See attached).

Original Purchase Price: \$ See attached. Amended Purchase Price: \$ See attached.

(1) The scope of work will be revised as follows:

See attached.

(2) Explanation of the reasons that the amendment is necessary:

See attached.

Direct questions to: Darren Suzuki Phone: (808) 956-7243

I CERTIFY THAT THE INFORMATION PROVIDED ABOVE IS TO THE BEST OF MY KNOWLEDGE, TRUE AND CORRECT.

Darren Suzuki, Director, Office of Risk Mgt
Full Name of Principal Investigator, Department Head, or Administrator


Signature

JUN 21 2024

Date

Blanche Fountain, Director, System Admin Svcs
Full Name of Fiscal Administrator

Blanche Fountain Digitally signed by Blanche Fountain
Date: 2024.06.21 13:58:56 -10'00'
Signature

06/21/24

Date

APPROVED:

Kevin Ishida, Interim Assoc VP for Administration
Full Name of Vice President or Chancellor

Kevin Ishida Digitally signed by Kevin Ishida
Date: 2024.06.21 14:38:40 -10'00'
Signature

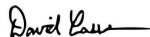
06/21/24

Date

FOR OPM USE ONLY

OPM COMMENTS:

APPROVED DENIED



06/28/24

PRESIDENT, UNIVERSITY OF HAWAII

DATE

REQUEST FOR AMENDMENT TO EXEMPTION FROM CHAPTER 103D, HRS

**Third Party Administrative Services for the University's
Workers' Compensation Insurance Coverage**

Purchase Order No. /Contract No.: C230099

Name of Contractor: Tristar Claims Management Services, Inc.

Description of goods, services, or construction:

Third party administrative services for the University's workers' compensation insurance coverage, as follows:

1. Claims management services for existing and new reports of injury and illness incurred.
2. Claims management services for existing and new injuries incurred but not reported (IBNR).

Claims management services include but are not limited to, claims adjusting services, medical billing auditing services, medical case management services, and financial management and general administration services.

Original Purchase Price: \$3,800,000.000

Amended Purchase Price: \$15,410,000 (est.), as follows:

	<u>Workers Compensation Claims Benefit Amount (Pass through basis)</u>	<u>Claims Administrative Services Fee</u>	<u>Total Amount</u>
FY 2024	\$5,010,000.00	\$400,000.00	\$5,410,000.00
FY 2025	\$4,500,000.00	\$500,000.00	\$5,000,000.00
FY 2026	\$4,500,000.00	\$500,000.00	\$5,000,000.00

(1) The scope of work will be revised as follows:

The overall scope of work and the management fees paid to the Contractor remains the same. However, as a part of the financial management and general administration services performed by the Contractor, the Contractor is responsible for the payment of statutory workers' compensation claims benefits on behalf of the University on a pass-through basis. The total claims benefits to be paid in any given fiscal year is unknown and is contingent upon the amount of claims filed and settled.

An increase to the estimated amended amount is necessary due to an unanticipated increase of the amount of funds required for the statutory workers' compensation claims filed and the payments made/to be made, by the Contractor on behalf of the University and for claims administrative services fees for the remainder of FY 2024.

In addition, in accordance with the original Request for Exemption from Chapter 103D, HRS, the contract with the Contractor will be extended for FY 2025 and FY 2026.

Therefore, an increase is needed to also cover the estimated FY 2025 and FY 2026 statutory workers' compensation claims filed and the payments made/to be made by the Contractor on behalf of the University, and for claims administrative services fees for FY 2025 and FY 2026.

(2) Explanation of the reasons that the amendment is necessary:

There has been an increase payments made for statutory workers' compensation benefits and TRISTAR claims administrative service fees in Fiscal Year 2024 and the contract with the Contractor will be extended for Fiscal Year 2025 and Fiscal Year 2026.

In Fiscal Year 2024, there were more payments for statutory medical benefits including large medical payments for hospital/surgery services related to compensable workers' compensation claims, and TRISTAR claim administrative service fees. In addition, there were more workers' compensation settlements/decision awards for statutory workers' compensation medical and indemnity benefits that needed to be paid. Lastly, the open claims that were transferred from the prior third-party administrator to TRISTAR, and the new claims filed with TRISTAR, were more than anticipated.

An increase in the total amount is also needed for the statutory workers' compensation benefits and TRISTAR claims administrative service fees anticipated for Fiscal Years 2025 and 2026. The estimated statutory workers' compensation benefits and TRISTAR claims administrative service fees are based on the actuary's estimate of statutory workers' compensation benefits and TRISTAR claims administrative service fees in Fiscal Years 2025 and 2026.