FELRA & UFCW VEBA Fund

Summary of Proposals for Subrogation Services

March 7, 2023

This comparative summary report is for the sole use of the plan sponsor and its authorized representatives involved in the competitive bid. Some material provided by the bidders may be deemed proprietary and confidential to the bidder and may not be disclosed or shared with any third parties other than the authorized employees, directors/Trustees, and legal counsel of the plan sponsor, unless required by public disclosure laws or other legal requirements.

Segal

Table of Contents

Executive Summary

- On behalf of the Food Employers Labor Relations Association and United Food & Commercial Workers VEBA Fund (“FELRA & UFCW VEBA Fund” or “Fund”), Segal issued a Request for Proposal (“RFP”) to solicit Subrogation Services for the Fund.
- The RFP was issued on February 3, 2023, and sent to five (5) organizations to submit proposals by February 20, 2023. The below vendors submitted proposals for consideration:
  - Benefit Recovery Group– “BRG”
  - NexClaim Recoveries, LLC – “NexClaim”
  - The Phia Group, LLC – “Phia”
- The following vendors declined to bid:
  - Hach, Rose, Schirripa and Cheverie declined to bid, with no specific reason.
  - Optum declined to bid stating, “At this time, we decline to bid based on covered lives.”
- The RFP requested that vendors respond to questions in several broad categories and provide fee quotes. The proposals were reviewed for completeness and overall quality of responses.

Bidder Profile and Summary of Key Vendor Information

The table below highlights key bidder proposal differentiators. For a detailed comparison of vendor responses, please refer to the Comparison of Vendor Questionnaire Responses starting on page 9.

	TOPIC	BRG	NexClaim	The Phia Group
1.	**Fee Quote Cost Projection**	• YRS 1 – 3: Contingency fee of 25% of recoveries – No setup fees – See additional fee annotations, below	• YRS 1 –3: Contingency fee of 25% of recoveries – No setup fees – See additional fee annotations, below	• YRS 1 – 3: Contingency fee of 22% of recoveries, with a litigation bump to 33% – No setup fees – See additional fee annotations, below
2.	**Ability to begin work effective May 1, 2023**	• Confirmed. The minimum time needed to onboard a new client is 30 days.	• Confirmed. Most client implementations are completed within 2-4 weeks. Time is more dependent on TPA’s ability to send first test file.	• Confirmed. Onboarding can be completed within 60-90 days.
3.	**Performance Guarantees**	• BRG does not typically offer guarantees as they are not industry standard for this type of service. However, BRG listed guarantees the company is willing to offer.	• NexClaim would be happy to work with the Segal Group to identify performance measurements or expectations as needed.	• Phia welcomes the opportunity to discuss and create performance guarantees with the Fund, if selected.

	TOPIC	BRG	NexClaim	The Phia Group
4.	**Years in Business and Ownership**	• Operational since 1999. • BRG is not a division or subsidiary of a parent firm.	• Operational for over 30 years. • NexClaim has independently owned and operated since 2003.	• Operational since 2000. • Phia HoldCo, is owned by WestView Capital Partners (majority shareholders), Adam V. Russo, Michael Branco, and Phia Management. Phia Management is owned by various employees of The Phia Group (profit shareholders).
5.	**Taft-Hartley/ Multiemployer Experience and References**	• Over the past 29 years, BRG has represented several Taft-Hartley and multiemployer plans, including some plans that are UFCW affiliated. • Provided 5 references with contact information.	• NexClaim Recoveries first client sold in 1996 was UFCW Local 919 in Farmington, CT. That client is still active today under the combined UFCW New England Fund. NexClaim also has recently contracted with Local 338 RWDSU/UFCW in Mineola, NY. • Numerous other Taft-Hartley clients receive subrogation services from NexClaim through agreements with large national and regional third-party administrators. • Provided 5 references with contact information.	• Currently provides subrogation services on behalf of multiple Taft-Hartley funds. The firm provides services to 1,728 welfare plans. The Phia Group does not have any UFCW affiliated clients. • Provided 5 references with contact information.
6.	**HQ Location(s) and Staffing Size**	• HQ Location: Memphis, TN. • Employees: 80 total (45 working as subrogation specialists).	• HQ Location: Plainville, CT. • Employees: 21 dedicated to subrogation services.	• HQ Location: Canton, MA. • Employees: 204 dedicated to subrogation services.
7.	**Ability to monitor court dockets in MD and VA? What other states?**	• Confirmed.	• NexClaim is able to review and monitor individual state judicial websites as well as subscribing to legal databases such as West Law, Lexis Nexis Courtlinks, ISO, etc. These databases allow us to search as well as create monthly updates for any cases filed.	• Confirmed, we have the ability to monitor court dockets in any state in the U.S., and we currently do in the performance of our subrogation services.
8.	**Estimated % of savings for a group of this size.**	• It has been our experience that between .5% and .8% of medical spend should be recovered through subrogation when fully mature. • BRG's typical mature clients report that they recover 50-75% more than they recovered with their prior vendor.	• NexClaim has consistently recovered over 1% of annual medical spend for similar Taft-Hartley clients. • We would be able to provide the client results which span over 20 years.	• Based on the Fund's $105.6 million in paid claims, The Phia Group estimates the % of savings/recoveries to be approximately $380,000 in year 3, or at steady state. (Segal comment: approximately .4%)
9.	**Individual(s), who will be assigned to the Overall Ongoing**	• Brittney Patterson, Client Services Manager	• Scott Viviano, Vice President	• Rebekah McGuire Dye, VP Recovery Services, Onboarding & Support

	TOPIC	BRG	NexClaim	The Phia Group
	Management and attend Fund Meetings			
10.	**Individual(s) Responsible for Day-to-Day Service**	• Valerie Campbell, Director of Operations	• Multiple subrogation specialists will be assigned to the account so that NexClaim always has overlap in coverage and ability to monitor performance across the different staff members. • All questions, as needed, can be directed to Scott Viviano or Stephen Esoian – VP of Subrogation	• Julie Martin, Senior Vice President of Recovery Service
11.	**Claims Data Feed Format**	• Requires a certain list of data elements to be included in a data file, but those elements are often included in a standard file layout. • Prefers a flat file format as these file types facilitate the most seamless setup for onboarding and importing of clients' data but are open to receiving other file types as well.	• 100% flexible and does not have a standard layout.	• Completely flexible when it comes to accepting claims data.
12.	**Insurance Policies**	• Maintains: – CGL/Property - $1M/$2M – Umbrella - $5M – WC/Employer's Liability - $1M/$2M – Professional - $5M – Cyber Liability - $10M – Crime - $5M	• Maintains: – Cyber - $3M – Professional Liability - $1M – Crime/Theft - $500K – EPL - $1M – General Liability - $1M/$2M – Umbrella Coverage - $4M	• Maintains: – Errors and Omissions/Professional Liability coverage for $5M – Cyber Liability for $5M with a second layer excess of $5,000,000
13.	**Complies with HIPAA EDI, Privacy, and Security**	• Confirmed.	• Confirmed.	• Confirmed.
14.	**Servers and Data Stored in the US**	• Confirmed.	• Confirmed.	• Confirmed.
15.	**Conducts Security Risk Assessments**	• Confirmed.	• Confirmed.	• Confirmed.
16.	**Breaches in the Past 24-Months**	• None reported.	• None reported.	• None reported.

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17.	**Litigation and other legal matters**	• None reported.	• None reported.	• Provided information regarding prior and/or current legal matters.

Scope of Analysis

Our analysis of the RFP responses for Subrogation Services is based on the representations made by the bidders in their responses, and we make no warranties as to the accuracy or reliability of any information provided by the vendors. Vendor responses are interpreted based on Segal's knowledge of the Subrogation Services industry and best practices; in so doing, some of the responses may have been re-stated to add clarity or brevity. The RFP process does not include conducting background checks or other investigations to verify the legal, financial, organizational and/or operational condition of these vendors, auditing or validating representations made by the vendors, or researching omitted information.

Validation is typically achieved during reference checks, finalist interviews and site visits, as applicable, as a follow up to the RFP process. The Trustees should rely on the Fund's legal counsel to determine the need to conduct additional investigations or background checks.

Next Steps

- The next step in the vendor selection process will be for the Trustees to invite vendors to make finalist presentations. During these presentations, the Board will have an opportunity to further evaluate the vendors, consider key issues, seek clarifications, and address any concerns.
- Should the Trustees decide to replace the incumbent, other suggested next steps include:
  - Request audited financial reports from finalists (if applicable)
  - Check references
  - Request "Best and Final Offer" (BAFO) fees
  - Contract award notification
  - Contract development and finalization
  - Implementation and transition
- Segal is prepared to provide further details regarding these vendors and their proposed services, and to answer any questions you may have.

Comparison of Fee Quotes

SERVICE	BRG	NexClaim	The Phia Group
1. **1. Subrogation Services:** • Flat Fee based on 13,645 participants; OR • Contingency Fee (%, per case, etc.)	• YRS 1-3: – Contingency fee of 25% of recoveries	• YRS 1-3: – Contingency fee of 25% of recoveries	• YRS 1-3: – Contingency fee of 22% of recoveries – Litigation bump to 33%
2. **Other Administrative Fees:** • Describe (if applicable, otherwise state "None")	• YRS 1-3: – None – See additional fee annotations, below	• YRS 1-3: – None – See additional fee annotations, below	• YRS 1-3: – None – See additional fee annotations, below
Initial One Time Set-up Fees	**None**	**None**	**None**
Total Fees over 3 Years	**YRS 1-3:** **25% of Recoveries**	**YRS 1-3:** **25% of Recoveries**	**YRS 1-3:** **22% of Recoveries,** **or 33% if Litigation involved**

Fee Quote Annotations

FEE QUOTE ANNOTATIONS
BRG
Total Set-Up Fees: None **Confirm whether you will include all services requested at no additional cost:** • Other than as mentioned below, we will include all services requested at no additional cost. **List of services requiring additional fees, charges or expenses of any kind that are not part of your base administrative fees above:** • All standard operating expenses and fees incidental to the subrogation process are covered by BRG. This includes our associated law firm, Lawrence & Rawson, attorney time. This does not include, however, local counsel expense, expert witness fees, or court filing fees. BRG is willing to assess approaches with the Fund on how to handle the expense of these additional attorney, expert, and court expenses on a case-by-case basis. **List of any add-on or optional services NOT requested, but offered by your firm, along with associated fees:** • BRG can also provide a compensation recovery service. If the Fund provides any compensation arrangements that come with a clawback period, BRG can seek applicable recoveries from the applicable individuals.

FEE QUOTE ANNOTATIONS
NexClaim
<u>Total Set-Up Fees</u>: None **<u>Confirm whether you will include all services requested at no additional cost:</u>** • Confirmed. **<u>List of services requiring additional fees, charges or expenses of any kind that are not part of your base administrative fees above:</u>** • None. **<u>List of any add-on or optional services NOT requested, but offered by your firm, along with associated fees</u>:** • None.
The Phia Group
<u>Total Set-Up Fees</u>: None **<u>Confirm whether you will include all services requested at no additional cost:</u>** • Confirmed, subrogation services and plan document review are included at no additional cost. **<u>List of services requiring additional fees, charges or expenses of any kind that are not part of your base administrative fees above:</u>** • N/A. **<u>List of any add-on or optional services NOT requested, but offered by your firm, along with associated fees</u>:** • Phia provided a list of services in Attachment D – please refer to the proposal package.

Confirmation of Financial Terms and Services

TOPIC	BRG	NexClaim	The Phia Group
All fees are guaranteed for 36 months from contract inception. Fees are guaranteed for at least 12 months upon renewal after the initial contract expiration (at the Fund's option), in the absence of any major plan revisions.	• Confirmed.	• Confirmed.	• Confirmed.
All future rate adjustments will be communicated at least 60 days in advance of the effective date.	• Confirmed.	• Confirmed.	• Confirmed.
Fees should include the cost of routine printing and mailing of letters, forms, and incidental correspondence.	• Confirmed.	• Confirmed. • No fixed fees should ever be charged to the client.	• Confirmed.
Transfer all records to the Fund or the successor administrator as soon as feasible, but no later than 30 days from contract termination/request date.	• Confirmed.	• Confirmed. • Confirmed unless needed to comply with records retention and destruction policy, the Services Agreement and/or applicable state or federal law.	• Confirmed.
In connection with ERISA Section 408(b)(2) Disclosures, please describe all fee sharing arrangements or any other benefits that you, your affiliates, or your subcontractors have received, or reasonably expect to receive in connection with services provided as a subrogation vendor, other than direct compensation from the Fund. This description should also identify the services for which any indirect compensation is received, the basis for the compensation, and the payer of the indirect compensation.	• "None."	• "There will not be any fee sharing or indirect compensation that would need to be disclosed per ERISA requirements."	• "The Phia Group does not have any fee sharing arrangements or any other benefits that we, our affiliates, or our subcontractors have received, or reasonably expect to receive in connection with services provided as a subrogation vendor, other than direct compensation from the Fund."

TOPIC	BRG	NexClaim	The Phia Group
If selected, are you willing to provide performance guarantees as part of the contract? What type of guarantees and penalties do you typically offer? Please list all proposed performance guarantees.	• BRG does not typically offer guarantees as they are not industry standard for this type of service. However, BRG would like to offer the Fund the following guarantees: – Monthly Reporting Guarantee - Production by the 21st day of every month (or first business day thereafter) following recovery. – Annual Reporting Guarantee - Production by January 31st of each year for the preceding year. – Payment of Recovered Funds - Payment of recovered funds to be paid by the 21st day of every month (or the first business day thereafter) for recoveries secured in the preceding month.	• A subrogation program can take up to 3-5 years to become fully mature. • Forecasting results in the first few years is difficult as the backlog grows and matures. • NexClaim would be happy to work with the Segal Group to identify performance measurements or expectations as needed.	• The Phia Group will work with FELRA & UFCW VEBA Fund to create specific performance guarantees for your program to ensure we are exceeding your expectations. • The Phia Group has, in the past for select clients, mutually agreed to adopt performance guarantees. We have found that to derive the best and most applicable performance guarantees, the process should involve a discussion of the business parameters and expectations between both parties, rather than be dictated by The Phia Group. Therefore, we have no preconceived standard performance guarantees offering, as these are always mutually discussed and decided upon between The Phia Group and our clients. • With respect to setting expectations and representing who we are, candidly we fully expect to perform at the highest standard in the industry, beyond what any competitor in this space can deliver. As such, we are not opposed to custom performance guarantees when they provide our clients with that assurance of performance and accountability. • Accordingly, we welcome the opportunity to discuss and create performance guarantees with FELRA & UFCW VEBA Fund should we be selected as your subrogation vendor.
If yes: Describe what fees (or percentage of fees) you are willing to put at risk (penalties) for each specific service level guarantee, as well as the overall penalty cap.	• BRG is willing to put at risk up to 1% of its fee earned for each of the three guarantees referenced above in any particular month where the guarantee is not satisfied. • Any penalty owed for not satisfying a service level guarantee would be deducted from the following month's fee.	• N/A.	• The Phia Group will work with FELRA & UFCW VEBA Fund to establish each specific service level guarantee and the penalty for each should we be selected as your subrogation vendor.

TOPIC	BRG	NexClaim	The Phia Group
If yes: How do you propose to measure performance levels? Do you provide periodic reports to your clients that can track and show actual performance and service levels? What type of reports do you provide clients for monitoring your performance? Will you be willing to self-monitor and self-report?	• The Fund will get monthly reporting. • Confirmed, we can track performance and are willing to self-monitor and self-report any service level guarantees that are not satisfied.	• As previously stated, NexClaim provides the most comprehensive client reports in the industry. • All results and progress will be easy to track and monitor. • NexClaim would be more than happy to set up semiannual and annual meetings to self-report all performance measurements and results.	• The Phia Group provides our clients with a comprehensive online reporting portal which is available online 24/7. Through this portal, clients can obtain monthly status reports, recovery reports, historical overview reports, and much more. In addition, we have Customer Value Reports, which are incredibly comprehensive in providing you with all the necessary metrics to understand and evaluate your program's overall performance in all aspects of the subrogation and recovery process. These reports provide information about active cases, closed cases, recovery numbers and even day-to-day activity on individual cases, updated in real time. We can also customize reports and include metrics to meet your additional business needs. The Phia Group is willing to self-monitor and self-report for our agreed upon service level guarantees. A detailed description of each report currently offered is included in Attachment B – Sample Reporting Package.

Comparison of Vendor Questionnaire Responses

TOPIC	BRG	NexClaim	The Phia Group
General Information, Experience and References			
1. How long has your company been providing subrogation services? Has your company been known by any other names(s) in the last ten years? Is your company a division or subsidiary of a parent firm?	• Benefit Recovery Group, LLC ("BRG") has been providing subrogation services since it was founded in 1999. • Benefit Recovery Group, LLC was formerly Benefit Recovery, Inc. The company was merged into an LLC in 2015. • No, BRG is not a division or subsidiary of a parent firm.	• NexClaim Recoveries has been providing subrogation recovery services for over 30 years. • NexClaim has independently owned and operated since 2003. • Prior to 2003 NexClaim Recoveries, LLC was known as NexClaim Technologies, Inc.	• The Phia Group, LLC has been providing subrogation services since 2000. Phia HoldCo, LLC, owns both The Phia Group, LLC and Phia Group Consulting, LLC. • Phia HoldCo, is owned by WestView Capital Partners (majority shareholders), Adam V. Russo, Michael Branco, and Phia Management. • Phia Management is owned by various employees of The Phia Group (profit shareholders).
2. Where is your Firm located? Please state the location of your "home" office. If your Firm has multiple office locations, please indicate the office or offices that will service this Fund.	• BRG is headquartered in Memphis, TN, with its home office located at 6745 Lenox Center Court, Suite 100, Memphis, TN 38115. • This is BRG's only office location.	• NexClaim is located in Plainville, CT with all operations and staff housed in our one central location. • NexClaim Recoveries: 75 Farmington Valley Drive, Plainville, CT 06062; 888-468-4742	• The Phia Group's main office is located at 40 Pequot Way, Canton, MA 02021. • The second regional office is located at 9400 Williamsburg Plaza, Suite 400 Louisville, KY 40222. • All locations manage our national client portfolio.
3. Do you use any subcontractors to provide subrogation services? If yes, which functions would you plan to subcontract and to which company?	• Does not plan on subcontracting.	• Does not plan on subcontracting.	• Does not plan on subcontracting.
4. How do you differentiate yourself from your competition?	• Industry leading financial results combined with an improved member experience are what distinguish BRG from its competitors. BRG has maintained an exceptional client retention rate over its more than two decades in business because it has eliminated member contact to identify cases while maintaining a proven history of the highest recoveries. There are four primary reasons we attract and retain our incredible client base. – (1) Non-disruptive Case Identification Process – With a monthly (or more frequent) claims file sent to BRG from Associated Administrators, BRG can identify all the Fund's subrogation	• There are many vendors or off-the-shelf software options that can be obtained to "identify" cases for subrogation. • While some of our competitors offer what appears to be a similar service, you will find that NexClaim: – Has capitalized on our investment in proprietary technology and equipment. – Utilizes detection processes unmatched in the industry that finds more cases.	• The Phia Group does not consider alternative subrogation service providers to be "competition," since their approach differs so drastically from our own, however, some would consider them to be "alternatives." The Phia Group differentiates itself from alternatives in a number of ways. • We believe those alternatives have lost sight of their mission – to maximize recoveries for the Fund and protect your membership – as they instead began some time ago to focus on growth, and the desire to diversify their portfolios. As a result, for them subrogation has become an ancillary service, far removed from their primary

TOPIC	BRG	NexClaim	The Phia Group
	cases using proprietary technology and algorithms along with P&C and police and court record database research. No member contact is necessary. – (2) Legal Expertise and Negotiating Leverage – Unfortunately, health plan dollars are being wasted during the subrogation process because most subrogation vendors simply accept reductions when they are asked. A reduction is not standard at BRG. BRG's case management technology, legal expertise, and attention to detail on every case will provide the Fund with the leverage it needs to maximize recoveries. – (3) Superior Subrogation Technology – SCOUT is the name of BRG's proprietary subrogation-specific technology. SCOUT ensures that all subrogation opportunities are identified within the claims data and that all applicable claims are aggregated and included in the final lien amounts. SCOUT also ensures that BRG's Recovery Analysts are able to manage cases effectively and efficiently. – (4) Client Services – The Fund will be assigned a designated client services team made up of the Client Services Manager and Client Services Representatives with support from legal counsel who oversee setup and manage the relationship thereafter. We believe it is our responsibility to provide full transparency to clients with monthly reporting. • For the Fund, BRG's differentiators means it could eliminate the current "pursue then pay" process, which likely creates additional member noise. With BRG's no-member-contact process, the Fund could simply pay the claims, send us the paid claims file, and we will be able to identify and recover on all eligible subrogation opportunities without needing any member input using our proprietary technology and database research processes.	– Manually reviews every potential subrogation opportunity to limit member disruption and unnecessary contact. – Employs specialists with an advanced skill set in negotiating the highest rate of return for our clients. NexClaim is the only subrogation vendor where every Subrogation Specialist is a licensed property and casualty adjuster with an average of 15+ years' experience. – NexClaim is the only subrogation vendor to offer incentive compensations models to our Subrogation Specialists as well as every support staff member to better align their incentives along with the goals of the organization and those of our clients. – Most comprehensive monthly and annual reporting packages to better inform our clients and showcase our results. • Incorporating all the pieces together, NexClaim has consistently outperformed the industry averages and benchmarks. For clients that have been assumed from a competing subrogation vendor, NexClaim has typically increased the rate of return on average, by fifty percent in the first year; and when a mature backlog of cases has been achieved, recoveries can be three to five times greater than realized by the previous vendor. • There are countless other factors that separate NexClaim from our competitors and we hope to have the opportunity to present and discuss in more detail with the Segal Group and the Fund.	focus. While we recognize the importance of growth, at The Phia Group, we never lose sight of the importance and value of subrogation, to the Fund and its membership, in lowering the costs of healthcare premiums. • Specifically, entities that offer subrogation services often offer other services that are disparate and disjointed. The Phia Group is and always has been laser focused on subrogation. Every one of the many services offered by The Phia Group originated with and evolved from its subrogation work. As a result, everything we do – from plan document review and drafting, to regulatory consultation – coordinates and aligns with our subrogation efforts. • Today, our services continue to orbit around subrogation, enhancing our subrogation efforts for you – rather than pulling from – that foundational service. It is telling that those offering an alternative approach retain vast numbers of employees but employ fewer subrogation experts than The Phia Group. • At The Phia Group, we have 200+ total employees with 30+ of them being subrogation attorneys, ALL experts ready to serve this Fund. • Moreover, The Phia Group utilizes our size and expertise to your advantage, to be nimble and strategically "all-in" for your business. How could other vendors truly compete with our pure subrogation focus, when their focus is spread thin; looking to sell multi-million dollar claims processing systems, and then subsequently selling payment integrity products that do not relate to subrogation, but do aim to address errors in payment that were caused by the very claims system they previously sold? *(continued below)*

<table>
<tr><th>TOPIC</th><th>BRG</th><th>NexClaim</th><th>The Phia Group</th></tr>
<tr><td colspan="4">The Phia Group Q4 continued:

Unlike those vendors, we don’t throw bodies at every opportunity in an effort to be a “jack of all trades, master of none;” choosing instead to have our entire team focus on you, your membership, their family, and the Fund. We choose instead to focus on the service for which you retained us. You will never be just another name on a client list. You are not only a client; you are a partner. We will collaborate. We will customize. With The Phia Group, you are a priority. You will never have to worry about who is going to be managing your account month after month, year after year.
When you partner with The Phia Group, you are hiring a subrogation expert and we do everything in our power to always serve your best interests and focus on the results that matter most to you. We are not thinking about the next upsell opportunity, lost in the ambition of our growth. At The Phia Group, we create a partnership with you that makes you want to stay with us because our clear intentions shine through our work: to always protect and serve the Fund’s best interests. At The Phia Group, we have a “Passion for Subro,” and view you as a partner. Our top priority is to protect the best interests of the Fund, and to do so by maximizing recoveries in a customized fashion with minimal member disruption. Accordingly, our focus on subrogation yields higher results. To that end, The Phia Group identifies more cases (one case for every 150 lives, compared to an industry average of one case for every 600 lives) and recovers more per life ($25 per life compared to an industry average of $17 per life).
Another Phia competitive advantage is that we love the industry we serve, we are passionate about the subject matter with which we deal, and our mission drives us – day in and day out – to do more and do it better. That mission is to make health care more affordable for every hard-working person in this nation. We see how our actions, and passion, matter – and make a difference. As a result, we are not only experts in subrogation, but we are also viewed as thought leaders in the health benefits industry as a whole, leveraging greater legal expertise and direct insight into the bigger picture; for you, your membership, and their families. The Phia Group’s passion for this business and innate understanding that subrogation involves complex legal intricacies is why it – unlike any other service provider – has for more than twenty years been recognized as the leader in cost containment within the health insurance industry.
As mentioned previously, every client is a partner. Our success depends upon the success of the Fund. As a result, we have developed and continue to build upon the best customer service in the healthcare cost containment industry. This unmatched focus on customer service is why, in addition to our performance, our clients remain our clients indefinitely. In fact, across hundreds upon hundreds of administrators, carriers, unions, and thousands of employers and benefit plans, and millions of covered lives, we have a 98% retention rate over 20 years of serving their healthcare subrogation needs.
While differentiation among benefit plans – each with a unique membership – is problematic for most vendors, it is not a problem for The Phia Group. Indeed, everything from the verbiage in our letters (or – for that matter – the decision to use letters at all), to our approach to adjusters, attorneys, and beyond, is customized to fit your desires. Additionally, we work with you to find the preferred balance between The Phia Group and in-house solution(s) that works best for you, whether it is a co-source model or a fully outsourced model. We understand why the Fund may choose to respond to a situation one way, and then choose a different option when a similar scenario occurs in the future. The Phia Group recognizes that a happy, healthy workforce is a productive workforce; and a productive workforce is necessary for the furtherance of your vision. With that always in mind, we partner with you in accordance with your goals and strategic initiatives.
At The Phia Group, despite growing nationally as the subrogation industry vendor of choice, we are nimble, quickly able to adapt, and we also stay true to our identity and our core values. Quite simply, we are the best at what we do, as exemplified by our results and client retention. Our mission is to reduce the cost of healthcare for ordinary people and our team embraces that mission every day as they handle each, individual case, as if they – or their loved one – were the person or people involved.
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<tr><td>5. Describe how your firm is staffed to provide subrogation services to the Fund and the relevant experience of your staff.

a. How many total employees do you have?
b. How many subrogation specialists does your Firm employ?
c. How many paralegals and attorneys do you have on staff?
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BRG has 80 total employees.
BRG’s subrogation specialists include the Case Development, Recovery, Legal, and Subro Support departments. There are about 45 employees that make up these departments.
11 paralegals and attorneys on staff.
Does not employ any experienced claims processors.
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NexClaim currently has 21 staff members that are dedicated to subrogation services.
We employ 6 subrogation specialists that are all licensed property and casualty adjusters with 15+ years’ experience with coordinating accident claims and medical losses.
NexClaim has 2 paralegals on staff in support roles for the Subrogation Team. They are not employed to provide legal assistance.
NexClaim does not process claims, but our team is trained and well versed in medical coding and payments.
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The Phia Group is presently operating with a workload capacity of no more than 75%.
Our investment over the past two years, in both technology and recruitment of subrogation experts, allows us to absorb substantially more demand with very little disruption.
Should the need arise, or the Fund requests additional staffing, the entire hiring and training period – from recruitment to independently handling files – is capped at 90 days.
Due to our performance-based management system, significant oversight, and best practices
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TOPIC	BRG	NexClaim	The Phia Group
– **d. Do you employ any experienced claims processors? How many?**			(embedded into our case management system), when we grow, we do not miss a beat. • The Phia Group has a total of 204 employees dedicated to our subrogation services. Additionally, The Phia Group has over 31 attorneys and paralegals and over 80 recovery specialists/claims processors on staff to support our clients.
6. Designate the individual(s) with the following responsibilities. Include the name, title, and office location of each individual, along with a brief description of his/her qualifications and experience. – **a. The individual(s) representing your company during the proposal process** – **b. The individual(s), who will be assigned to the overall ongoing management and attend Fund meetings** – **c. The individual(s) responsible for day-to-day service**	• The individual(s) representing your company during the proposal process: – **Dan Cooper, Director of Business Development** • The individual(s), who will be assigned to the overall ongoing management and attend Fund meetings: – **Brittney Patterson, Client Services Manager** • The individual(s) responsible for day-to-day service: – **Valerie Campbell, Director of Operations**	• The individual(s) representing your company during the proposal process: – **Scott Viviano, Vice President** • The individual(s), who will be assigned to the overall ongoing management and attend Fund meetings: – **Scott Viviano, Vice President** • The individual(s) responsible for day-to-day service: – **Multiple subrogation specialists will be assigned to the account so that we always have overlap in coverage and ability to monitor performance across the different staff members. All questions, as needed, can be directed to Scott Viviano or Stephen Esoian – VP of Subrogation**	• The individual(s) representing your company during the proposal process: – **Scott Byerley, VP, Business Development, Subrogation Recovery Services** • The individual(s), who will be assigned to the overall ongoing management and attend Fund meetings: – **Rebekah McGuire Dye, VP Recovery Services, Onboarding & Support** • The individual(s) responsible for day-to-day service: – **Julie Martin, Senior Vice President of Recovery Service**
7. Provide a sample agreement that describes your proposed services, including your terms and conditions, fees (and any pass-through costs), termination provisions, etc.	PDF BRG_Sample Services Agreement.pdf	PDF NexClaim_Sample Services Agreement.p	PDF The Phia Group_Sample Service
8. The legal interpretation of any resulting services agreement between the successful bidder and the Fund will be in accordance with the laws of the State of Maryland and federal law, such as ERISA, as applicable. Please confirm your agreement.	• Confirmed.	• Confirmed.	• Confirmed.

TOPIC	BRG	NexClaim	The Phia Group
9. Is your Firm licensed to practice in all states? Are there any restrictions or limitations concerning where your firm can practice?	• BRG is not a law firm. • There are no restrictions or limitations on where BRG can practice.	• NexClaim is able to operate in all US states and territories.	• The Phia Group is not a law firm; however, The Phia Group employs attorneys licensed across the nation as well as agreements with litigators in every state. • We can and do manage subrogation cases in every state and jurisdiction without restrictions or limitations.
10. Has your company been involved in any litigation during the past ten (10) years, or are there any outstanding legal actions pending regarding the proposed product/services? If yes, please explain the nature and current status of the action(s). Are there any outstanding legal actions pending that would affect your ability to provide the requested services? If yes, please explain. If no, please explain why not.	• "No."	• "NexClaim Recoveries has not been involved or named in any legal actions since acquiring the company in 2003."	• "Yes, The Phia Group has been involved in litigation during the past ten (10) years regarding the proposed product/services but only with client approval and awareness of all facts and circumstances related to the subrogation recovery action. However, there are not any outstanding legal actions regarding the proposed product/services at this time."
11. Has your company, its affiliates or any of its staff, principals or owners ever been subject to a governmental or criminal investigation involving the requested services? Please describe.	• "No."	• "No."	• "No, neither The Phia Group nor its affiliates/staff, principals or owners ever been subject to a governmental or criminal investigation."
12. Are there any pending investigations, regulatory proceedings, license renewals, litigation or legal actions concerning your organization or any employee of your company? If so, please explain the nature and current status of the action(s).	• "No."	• "No."	• "No, there are no pending investigations, regulatory proceedings, license renewals, litigation or legal actions concerning The Phia Group."
13. Do you carry errors and omissions, fidelity bond, fiduciary liability, and/or professional liability insurance coverage? Do you have cyber liability insurance? Please	• Maintains: – CGL/Property - $1M/$2M – Umbrella - $5M – Workers' Comp/Employer's Liability - $1M/$2M	• Maintains: – Cyber $3M – Professional Liability $1M – Crime/Theft $500K	• Maintains: – Errors and Omissions/Professional Liability coverage for $5M

TOPIC	BRG	NexClaim	The Phia Group
provide the coverage amount for each of these policies. **If selected, are you willing to provide proof of coverage for these policies?**	– Professional - $5M – Cyber Liability - $10M – Crime - $5M • Confirmed, we are willing to provide proof of coverage for these policies.	– EPL - $1M – General Liability $1M/$2M – Umbrella Coverage - $4M • Proof to be provided upon selection.	– Cyber Liability for $5M with a second layer excess of $5,000,000 • Proof can be provided upon selection.
14. Do you presently provide subrogation services to other Taft-Hartley or multiemployer funds? How many years have you been providing such services? Please provide the number of welfare plans you service. Do you have any UFCW affiliated clients?	• Confirmed, over the past 29 years we have represented several Taft-Hartley and multiemployer plans, including some plans that are UFCW affiliated.	• NexClaim Recoveries first client sold in 1996 was UFCW Local 919 in Farmington, CT. That client is still active today under the combined UFCW New England Fund. NexClaim also has recently contracted with Local 338 RWDSU/UFCW in Mineola, NY. Numerous other Taft-Hartley clients receive subrogation services from NexClaim through our agreements with large national and regional third-party administrators. • A listing of Taft-Hartley clients or references could be provided upon request.	• Confirmed, The Phia Group currently provides subrogation services on behalf of multiple Taft-Hartley funds. • The Phia Group has been providing these services to funds since our incorporation in 2000 and we continue to grow and work with more funds every year. • Currently, The Phia Group provides services to 1,728 welfare plans. The Phia Group does not have any UFCW affiliated clients.
15a. Client References: Please provide a list of five (5) active client references, preferably from similar industries, that can be contacted to verify your service quality and expertise.	• BRG provides subrogation services directly to more than 120 of the largest employer health plans consisting of more than 6 million member lives. • **Pam Connelly, Dir of Benefit Plan Analysis** – Virginia Bankers Association – pconnelly@vabankers.org – tele: 804-819-4752 • **Tim Klopfenstein, Executive Director** – Virginia Private Colleges – tim@cicv.org – tele: 540-586-1803 • **Kristina “Nina” Perrin, PHR, SHRM-CP, Benefits Consultant, Corporate Benefits** – Leidos – kristina.perrin@leidos.com – tele: 571-526-6336 | Mobile (work): 703-586-3278 • **Stephanie Matello, Benefits Manager** – Brinker International	• Currently, NexClaim clients span across all industries and markets. Clients include: – Fortune 500 Companies, Taft Hartley Funds – Third Party Administrators, Insurance Carriers – Managed Care Organizations – Hospitals and Health Systems, Municipalities • The following references represent clients with several years of experience with our program as well as direct experience with the implementation process • **Mark Espinosa, Fund President** – UFCW Local 919 – tele: 860-677-8118 • **Andre Williams, Esq., Fund Administrator** – NOITU Insurance Trust Fund – awilliams@noitu.org – tele: 718-291-3434 ext. 615 • **Joseph Semo, Esq.** – SEMO Law Group	• **Pete Tonia, Coordinator of Benefit Funds** – Carpenters Health & Welfare Fund – pete@levelcare.org – tele: 215-568-0430 • **Lindsay Harris, President** – Health Management Administrators – Lindsay.Harris@Accesstpa.com – tele: 425-289-5223 • **Jeannie Roberts, Director, Client Services** – Centivo – jeannie.roberts@centivo.com – tele: 315-751-0168 • **Mark Wexler, Director, Service Operations** – Meritain Health – Mark.Wexler@meritain.com – tele: 317-472-9274 • **Danny Schwarz, CEO and President** – Healthcare Recovery Solutions

TOPIC	BRG	NexClaim	The Phia Group
	– stephanie.matello@brinker.com – tele: 972-770-4164 • **Ann Small, VP, Benefits** – Compass Group – ann.small@compass-usa.com – tele: 704-328-4138	– joesemo@joesemo.com – tele: 202-833-7366 • **Laura Taylor-O'Boyle, B.S., M.P.A, Administrator** – Joint Industry Board of the Electrical Industry – Ltaylor@jibei.com – tele: 718-591-2000, Ext 1316 • **Earl Mathurin, Funds Administrator** – Local 338 RWDSU/UFCW – emathurin@local338.org – tele: 516-294-1338 ext. 1218	– dschwarz@hrs-recovery.com – tele: 855-201-1565
15b. Client References: Has any client terminated the administration services of your firm during the past five (5) years? If so, please provide the names along with the dates and reason for each termination. May they be contacted?	• Below is a list of terminated clients and the reason for termination, but I cannot provide authority to contact these former clients. – Tyco termed 1/1/18 because it was acquired by Johnson Controls. We have since re-won Johnson Controls as a new client. Toys R' Us termed 1/1/2018 because of bankruptcy. – Iron Mountain termed 1/1/20 to consolidate vendors. L3 Technologies termed 1/1/20 because it was acquired by Harris. We have since re-won L3 Harris as a new client. – Symantec termed 1/1/20 because it was acquired. Quest Diagnostics termed 3/1/20 to consolidate vendors. – CVS Health termed 7/1/20 because it acquired Aetna, which had its own subrogation vendor. – Caesars Entertainment termed 1/1/21 because it was acquired by El Dorado Resorts. – Essilor termed 1/1/21 because it was acquired by Luxottica. – Cerner termed 12/31/21 because it was acquired by Oracle.	• No client has terminated NexClaim due to performance. • All client terminations can be attributed to a change in corporate structure (acquisition/bankruptcy), change in claim administrators or change in benefit consultant that removed vendors coordinated by the previous consultants. • If needed or required, we would be able to provide references that would gladly confirm that they were pleased with our service and reluctantly had to terminate our agreement due to other factors.	• We have not had any client terminations in the last five (5) years.

TOPIC	BRG	NexClaim	The Phia Group
Subregation Services			
16. Do you require a standard claims data feed format from claims administrators? Are you flexible and able to accept claims data in various file formats?	• We do require a certain list of data elements to be included in a data file, but those elements are often included in a standard file layout. • We prefer a flat file format as these file types facilitate the most seamless setup for onboarding and importing of our clients' data but are open to receiving other file types as well. • We would just need to know what the Fund and Associated Administrators would prefer.	• 100% flexible and do not have a standard layout. • NexClaim has minimum data elements needed to provide our service, but every client is able to provide a unique claim and eligibility data file(s). • In most situations, our clients or their claim administrator have an existing standard data extract that meets all requirements so no additional programming is necessary.	• The Phia Group is completely flexible when it comes to accepting claims data. • The Phia Group prefers to use EDI formats that are industry standards like 834 and 837. • We are also able to support the use of other formats. We have a capability to map to new formats. The Phia Group has established a data feed with every major claim system in the industry and can create custom extracts as needed.
17. How do you handle participants that do not cooperate with liens, or state that they will not pursue legal action?	• We point out the Plan has a right to offset benefits or cancel coverage if a member fails to cooperate. This generally gets the needed cooperation.	• It is very rare that an injured party does not wish to pursue reimbursement for the time and out of pocket expenses. However, the literal definition of "Subrogation" is the substitution of one person or group by another in respect of a debt or insurance claim, accompanied by the transfer of any associated rights and duties. • Also known as "stepping in the shoes" of the injured party, NexClaim is able to assert a lien or file a claim against an insurance policy on behalf of the plan fiduciary.	• Rarely is participant cooperation necessary for successful recoveries. The Phia Group utilizes multiple resources to identify instances that may lead to third party liability, obtain applicable details, put relevant parties on notice of the Fund's rights to recovery, defend those rights in the face of opposition and secure the funds. • The Phia Group provides subrogation services to clients that prefer not to have us communicate with participants at all. In addition to identifying and pursuing opportunities without participant involvement, if a participant attempts to bypass the Fund and retain all available funds – including those designated for the Fund – our team of specialists can pursue various degrees of action against said participant, as well as counsel our client on how to offset the amount owed against future claims. Our approach throughout the process is guided by our client. • Our goal in every case is to protect the best interests of the Fund while maximizing the recovery once the case has been identified. The Phia Group's Recovery Specialists are experienced in achieving this result on every case.[1]

[1] **The Phia Group**: Our Recovery Specialists are trained to negotiate and to coordinate all recovery efforts on behalf of the Fund. Moreover, our Recovery Specialists are experts in recovery right(s) enforcement and utilize The Phia Group's significant, nationally recognized, legal expertise. Additionally, in the rare instance when facts and circumstances require, with your approval, we utilize the nation's most impressive network of subrogation litigators to achieve the highest possible outcome for the Fund on the respective case.

TOPIC	BRG	NexClaim	The Phia Group
18. Briefly describe your process for identifying potential subrogation opportunities for your clients. **Is there a minimum dollar threshold that you use to pursue recovery?**	• BRG utilizes an innovative case identification and recovery process that eliminates the need for contacting plan members and relying on their responses. Associated Administrators would provide us with a claims data feed, and we feel it is our responsibility, and not that of the Fund's members, to identify subrogation cases. • BRG's proprietary technology and algorithms analyze codes and code combinations on the claims data as well as episode of care groupings to identify subrogation cases. We then research databases such as police and court record databases and property and casualty insurance databases to confirm and obtain the information needed to work a case. • This allows us to identify all cases and identify those cases quicker without any member contact. While identifying cases with this process is very costly for us, it will provide a much better experience for the Fund's members and allow us to identify more subrogation cases. • There is no minimum dollar threshold.	• NexClaim has a proprietary claims detection platform with the ability to update algorithms and analytics based on the tens of billions of paid medical claims reviewed over the past 30 years. • The system will identify a larger selection of potential claims to pursued, however, to minimize plan member disruption, each potential target is manually reviewed to determine if a questionnaire is required. NexClaim identifies and opens 2-3 times more subrogation cases than other vendors with less member contact or disruption. • Qualifying member outreach guarantees the highest response rate and recoveries for our clients. Additional identification processes are outlined in Q21. • NexClaim has no minimal threshold for identifying or pursuing a recovery for our clients. It is our clients' fiduciary responsibility to recover any dollars that should have been paid by another party. With the rising cost of healthcare, even a short office visit will result in payments in the hundreds. • Some vendors will set a threshold of $1,000 - $5,000 before pursuing. An injured party could have 50 physical therapy visits following an accident that were paid at a rate of $225 each. Being a lower dollar amount these claims are passed over by most vendors which would result in a lost recovery opportunity for the client of over $11,000 for just this one plan member.	• The Phia Group's recovery process is specifically tailored to meet our clients' needs and exceed their recovery expectations. The Phia System™ ("TPS"), our proprietary algorithm-driven software integrates data from our clients across a broad spectrum of existing claims systems, efficiently and accurately identifying third-party liability opportunities. • The frequency of data is important, and The Phia Group can accommodate daily, weekly, and monthly data feeds, coordinating delivery and receipt directly with our client(s) and obtaining a regular, consistent 100% secure file transfer. The Phia Group will create specific minimum dollar thresholds custom to the Fund's wants. • Since 2000, The Phia Group has worked with Funds and health plans nationwide, refining its processes over time to securely accept all types of data file layouts, e.g., single-file, multi-file, etc., in any field delimiter or fixed-length format. • Additionally, after securely obtaining a data feed, all claims are loaded into The Phia Group's proprietary case handling system, TPS, and analyzed for recoverable subrogation and reimbursement cases. • Within TPS, ALL Fund participant's claims are reviewed against proprietary algorithms designed specifically to identify each instance where an accident or injury due to third-party liability may have occurred. • The claims are further reviewed based on claim scoring, provider demographics and specialties, and over 69,000 ICD-10 diagnosis and procedure codes, patient date of birth, etc.[2]

[2] **The Phia Group**: Our claim detection technology allows The Phia Group to discover more cases with subrogation potential than alternative service providers – one active case per 150 members (industry average is one case per 600 member). Nonetheless, we are never satisfied; The Phia Group recognizes the importance of innovation and always keeps an eye out for new investigative techniques and methods to test on our client's behalf. As we know, however, in subrogation, claim detection by itself is simply not enough – maximum results are produced when technology meets legal acumen. At The Phia Group, we have file handling expertise and legal acumen in abundance. Once a case is identified and opened by The Phia Group, our experienced Recovery Specialists and specially trained, cost containment attorneys, ensure that recovery is optimized in each case.

TOPIC	BRG	NexClaim	The Phia Group
19. Do you have the ability to monitor court dockets in MD and VA? What other states?	• Confirmed.	• NexClaim is able to review and monitor individual state judicial websites as well as subscribing to legal databases such as West Law, Lexis Nexis Courtlinks, ISO, etc. These databases allow us to search as well as create monthly updates for any cases filed.	• Confirmed, we have the ability to monitor court dockets in any state in the U.S., and we currently do in the performance of our subrogation services.
20. Do you have the capability to allow members to complete questionnaires online? Can the questionnaires be customized by clients?	• Not applicable. BRG does not utilize member questionnaires.	• NexClaim questionnaires can be answered online via our secure website. In addition to online responses, the questionnaires are mailed with a prepaid return envelope for the plan members' convenience. • If the plan member wishes to speak to someone directly, the questionnaire identifies the party that sent the mailing and provides a phone number and extension to a team of individuals that can assist.	• Confirmed, The Phia Group's website allows for members to complete their questionnaires online and every client creates customized questionnaires during our implementation process.
21. What is your process for handling unreturned questionnaires? What percentage of questionnaires are successfully resolved?	• Not applicable. BRG does not utilize member questionnaires.	• By qualifying subrogation opportunities prior to mailing questionnaires to plan members, NexClaim has the highest rate of return in the industry. • At an 85% - 93% rate of response across all commercial clients, NexClaim resolves more than 2-3 times more subrogation questionnaires than any other vendor. • After sending a series of 3 questionnaires over a 120 day period, NexClaim's rate of return is over 70% but that is not where our process ends. After a 3rd questionnaire goes unanswered, the outstanding inquiries are escalated to NexClaim's Research Team which will analyze each unreturned questionnaire to determine the best method to track down the accident details. • These tools/processes can include but are not limited to: – Searching the external databased identified above (West Law, Courtlinks, ISO) – Requesting police records electronically – Member outreach – Contacting providers for medical records and accident details	• The investigation utilizes a member-sensitive approach and non-abrasive process. In most cases, by analyzing the data with our advanced proprietary algorithms and integrating with national claims databases, we can identify a case and ascertain all necessary third- and first-party information related to accident or incident without ever having to reach out to the Fund participant. • For the minority of cases that require additional investigation, we use a "Smart Letter." The Smart Letter leverages data from TPS and is co-branded with the Fund, making the source recognizable when received by the Fund participant. • The Phia Group will send one letter to the member regarding the potentially third-party related injury. • Our Smart Letter system ensures that Fund participants do not receive duplicative correspondence, while still enabling The Phia Group to obtain and substantiate all requisite information in order to proceed, or not proceed, in the best interests of the Fund. *(continued below)*

TOPIC	BRG	NexClaim	The Phia Group
The Phia Group Q21 continued: • Additionally, The Phia Group offers push notifications to Fund participants in lieu of Smart Letters. Moreover, as more and more of society becomes technology based, the process of receiving and investigating accident information does as well. The Phia Group has the capability to text a Fund participant instead of mailing a letter. Fund participants can respond in writing, through our Website at https://www.phiagroup.com via e-mail to AccidentLetter@phiagroup.com, or by calling our toll-free number at 888-986-0080, where our trained customer service representative can walk the member through the required questions and transcribe directly into TPS all necessary and relevant, medical treatment, accident, injury, and coverage information. • At this time, the customer service representative verifies HIPAA, and allows for multi-lingual communication based on the Fund participant's preferred language (including but not limited to, Spanish, Polish, Portuguese, Russian, and German). Once a questionnaire response or call is received by The Phia Group, either a case will be activated for further review or the record will be closed, depending on the information provided by the member. • If a case is activated, the case will appear on the Monthly Status report which are provided to our clients at the beginning of each month. In the questionnaire, we request a response to our inquiry within 20 days, but we may allow 30-45 days before any subsequent requests. If necessary, we will request the assistance of the Fund/plan administrator (client involvement), or research through other various means and third-party resources, i.e., contact police departments for police reports, insurance carriers, courts, and online investigatory database searches. • With our intricate approach of identifying recoverable subrogation and reimbursement cases through superior data analysis, utilizing unique and sophisticated algorithms, as well as member questionnaires and national insurance claims databases, we continually yield for our clients a sustainable, high identification rate of recoverable cases, combined with an incomparably low member touch rate.			
22. Is document preparation work included in the basic scope of your services? If not, what is your fee to develop/review documents and forms related to subrogation?	• BRG will provide a legal review of all plan document provisions related to subrogation and make any suggestions necessary to improve or strengthen the plan language.	• NexClaim will review any plan documents to ensure the recovery language is comprehensive and will provide suggested language based on 3 decades of reviewing documents and working with premier national ERISA law firms. • All document review is part of NexClaim's services and there are never any fees billed to clients for SPD review or client reporting.	• The Phia Group's subrogation service for the Fund includes plan document preparation work as needed, as well as a thorough review and assessment of related policies and documents as it pertains to subrogation services and recovery rights for the Fund.
23. Based on the claim information provided, what would you estimate as a % of savings a group of this size could expect? What other data do you need to estimate the savings?	• It has been our experience that between .5% and .8% of medical spend should be recovered through subrogation when fully mature. • BRG's typical mature clients report that they recover 50-75% more than they recovered with their prior vendor.	• NexClaim has consistently recovered over 1% of annual medical spend for similar Taft-Hartley clients. • We would be able to provide the client results which span over 20 years.	• Based on the Fund's $105.6 million in paid claims, The Phia Group estimates the % of savings/recoveries to be approximately $380,000 in year 3, or at steady state.
24. How do you structure your payment (e.g. flat fee, % of recoveries, etc.)? – **a. If % of recoveries, what is the applicable %?** – **b. Do you charge or pass through any legal fees to your clients?**	• a. The fee is a flat percentage of recoveries. BRG's standard fee is 30%. However, we want to offer the Fund a discounted rate of 25% for the first two years, and then a rate of 28% beginning in year three and thereafter. • b. We do not charge or pass through legal fees for legal time incurred by BRG's associated law firm, Lawrence and Rawson.	• NexClaim charges 25% of all recoveries with no other fixed or hidden fees. NexClaim has never passed any legal fees through to our clients or reduced a recovery by any fee paid for legal support. • Many subrogation vendors will reduce the recovery by any expense incurred by engaging their legal counsel before applying their standard recovery fee. In most instances this goes undetected by the client.	• The Phia Group's services are provided as a % of funds recouped. There is a litigation bump in the % for the few cases where litigation is required (rare).

TOPIC	BRG	NexClaim	The Phia Group
25. Provide a list of reports that you provide, and how often. Are they customizable? Please provide a sample report package.	• BRG provides monthly remittance and summary reports. BRG also provides an annual report. The reports are customizable if the necessary data is included within the data files sent to us by Associated Administrators. • Sample reports were provided.	• NexClaim provides the most extensive client reporting in the industry. • Monthly reports include: – Executive Summary Report – Shows quick summary of all previous month activity – Open Case Report – Contains all active subrogation cases being tracked by NexClaim – Closed Case Report – Any subrogation case closed in the previous month with detailed description and results – Net Recovery Statement – Detailed documentation of all prior month recoveries which show all case details including date of loss, when the case was opened, closed and accounting of the accident related claims and recovery. – Claim Recovery Statement – Similar detail as the Net Recovery Statement with every provider claim line included if needed by our clients. • Sample reports were provided.	• Sample reports were provided. • Yes, The Phia Group provides customized reports to fit the needs and requirements for FELRA & UFCW VEBA Fund. There is no cost for customized reports, included with our response to the RFP is Attachment B - The Phia Group's Sample Reporting Package.
26. Do you charge for any monthly, annual, or ad-hoc reporting requested by the client?	• No.	• A sample annual report has also been attached. NexClaim does not charge clients for any scheduled or ad-hoc reporting. • NexClaim is able to provide our clients with reports which outline: – Annual paid claims reviewed – Number of questionnaires sent to plan members – Questionnaire response rates including percentage of responses received online – Case backlog growth rates – Total recoveries per year or since inception of agreement – Ad-hoc reports upon request	• No, The Phia Group will not charge for any monthly, annual, or ad-hoc reporting requests for the Fund.

TOPIC	BRG	NexClaim	The Phia Group
27. Do you have the ability to take calls in Spanish and send correspondence in Spanish, if required?	• Confirmed.	• We have employees that are fluent in English, Spanish, Polish, Croatian and Italian.	• The Phia Group allows for multilingual communication based on the Fund participant's preferred language (including but not limited to, Spanish, Polish, Portuguese, Russian, and German).
28. Describe fully the assistance you would anticipate requiring from the Fund's TPA, legal counsel, or any other professional that serves the Fund, for ongoing services.	• We would need the incumbent firm, Slevin & Hart, to provide us with a Pass File listing all open and closed cases for the past 24-months and indicating whether there are any cases it will retain and continue to work. • If Slevin & Hart will be transitioning existing cases, we will need a list of all involved parties' (adjusters and/or attorneys) contact information, and claims data from Associated Administrators for those matters. We will also request that Slevin & Hart send a letter to the involved parties for any open case notifying them that the file is being transferred to BRG to protect the Fund's right to recover during the transition. • We will need Associated Administrators to help us set up a one-time 24-month historical claims data file as well as an ongoing monthly claims data file.	• NexClaim welcomes any assistance provided by the TPA client or consultants, but we require very little to no assistance to provide subrogation services to the plan members. • Except for our monthly data files, NexClaim would only require any updated plan documents when they became available.	• In a fully outsourced model, subrogation at The Phia Group does not require much assistance from the Fund's TPA, legal counsel or any other professional that serves the fund. • Once implementation has been completed and the data is being regularly received there is not a lot required from the Fund as The Phia Group provides its subrogation services with respect to the Fund's membership. From time-to-time, however, depending on the settlement authority that The Phia Group has been vested with by the Fund, we may need to discuss a case that is in the process of settling and/or obtain your approval for the negotiated, and recommended, maximized recovery. Additionally, under the unusual circumstances that litigation may be the next step to protect the Fund's recovery interests, we would consult with the requisite parties at the Fund, including your legal counsel, as deemed necessary prior to taking any steps on your behalf.
HIPAA and Cybersecurity			
29. Confirm that your firm complies with HIPAA EDI, Privacy, and Security requirements.	• Confirmed.	• NexClaim is fully compliant with all security and privacy requirements. Controls and processes at NexClaim Recoveries are tested against the International Standards Organization-International Electromechanical Commission: 2005 (ISO-IEC), specifically the 27002 standard and the HIPAA Security Rule. In November 2021, NexClaim's Privacy Program was reviewed by a law firm that solely specializes in data privacy and security. Updates to several NexClaim policies were completed. NexClaim's Privacy Program meets the requirements of applicable U.S. State privacy regulations.	• Confirmed, The Phia Group complies with HIPAA, EDI, Privacy and Security requirements.

TOPIC	BRG	NexClaim	The Phia Group
30. Describe the process used by your Firm to comply with HIPAA and Information Security best practices. What safeguards do you employ to protect your clients' data?	• BRG is ISO27001 certified and undergoes an annual internal audit for that compliance, as well as an annual certifying audit. • BRG conducts annual HIPAA self-assessments. • All data is worked with and stored in a managed HIPAA compliant private cloud environment which is accessed only by VPN with 2fa. • DLP and MDM policies enabled in O365 which also defaults to a TLS 1.2 connection. Alert Logic MDR is employed on all endpoints. Monthly vulnerability scans are conducted. • Patching occurs daily on workstations, and monthly on VM's. Data is encrypted in transit and at rest. • Removable media is disabled by policy.	• Annually, Firebear Security, LLC is engaged to perform a HIPAA/IT Risk Assessment to assess the state of security controls and processes at NexClaim against the International Standards Organization-International Electromechanical Commission: 2005 (ISO-IEC), specifically the 27002 standard and the HIPAA Security Rule. • Annually, FireBear Security conducts a limited scope external vulnerability assessment and penetration test for NexClaim Recoveries. The purpose of this test is to identify security vulnerabilities and to attempt to gain unauthorized access to specific NexClaim systems that are connected to the Internet. • Internal\External vulnerability scans are performed on a monthly basis or post a significant change by NexClaim IT staff. • In addition, NexClaim has also retained an industry leading data privacy attorney in CT to monitor all NexClaim policies, website, and procedures to ensure compliance with the ever-changing state specific data privacy regulations.	• The Phia Group has established, documented, and formalized an Information Protection Program, which includes cybersecurity. It provides guidance for the establishment, maintenance, and continuous improvement of the organization's Information Security Management System (ISMS). • The Information Protection Program establishes the workflow, tasks, responsibilities, and functions of the activities for managing the ISMS. Additionally, it identifies internal and external factors that affect the organization's ability to achieve the intended outcome of its ISMS; as well as provide auditable requirements that define the organization's responsibilities. • The Information Protection Program includes strong security policies and procedures that outline applicable guidelines, standards, and controls. The program is reviewed and approved by Executive Management, updated annually and external audits are performed by an independent third party. • Currently the organization holds three (3) security certifications: – ISO 27001:2013 – SOC 1 Type II – HITRUST (covers The Phia System™ (TPS); our subro/recovery case management application) • Additionally, a penetration test is conducted on an annual basis by a third party to ensure The Phia Group's security controls are in place and effective.

TOPIC	BRG	NexClaim	The Phia Group
31. Is your staff trained on all privacy and security requirements? How often do you conduct staff training?	• All staff are required to undergo annual HIPAA Privacy training as well as annual security awareness training. • In addition, staff undergoes additional quarterly training on various security awareness topics. We also send out bimonthly phishing tests to all staff.	• All employees are required to take Security Awareness Training including Cybersecurity and HIPAA Privacy courses upon being hired and ongoing training on an annual basis. • Employees undergo training regarding company expectations related to non-disclosure of insider information, code of conduct, conflicts of interest, and compliance and ethics responsibilities on an annual basis. • Security awareness training provided on KnowBe4 platform.	• Confirmed, all Phia staff and contractors are required to complete privacy and security training during the onboarding process and annually thereafter. • Training covers the following topics: – HIPAA – Security Awareness – Social Engineering – Malware & Viruses – Security Incidents – Medicare Fraud, Waste, and Abuse Compliance • Compliance Program – Medicare Fraud, Waste, and Abuse.
32. Do you conduct Security Risk Assessments? What is the date of your latest review?	• Confirmed, BRG conducts security risk reviews at least twice a year, or more frequently in the case of significant organizational changes, significant change in technology, change of business objectives, changes in the business environment, etc. • The last review was January 5, 2023.	• Firebear Security, LLC was engaged to perform a HIPAA/IT Risk Assessment to assess the state of security controls and processes at NexClaim Recoveries, LLC. against the International Standards Organization-International Electromechanical Commission: 2005 (ISO-IEC), specifically the 27002 standard and the HIPAA Security Rule. The latest assessment was performed from June through September 2022. • Provided NexClaim Risk Assessment Executive Summary Letter	• Confirmed, security risk assessments are performed annually or after significant changes to the environment. • The last risk assessment was performed 02/08/22. 2023 risk assessment is scheduled for April. • Although formal risk assessments are performed annually, risk is reviewed informally during monthly Information Security Committee meetings.
33. How do you authenticate users for access both at the office and remotely? Do you use multifactor authentication (MFA)?	• Microsoft 2FA is used for workstation and O365 login and DUO 2FA is used for access to our HIPAA compliant cloud service production environment via VPN.	• For employee remote access we utilize GoToMyPC Corporate with two-factor authentication required using one-time passwords. The following features are also disabled within the session to protect the NexClaim network and confidential information: Remote Printing, File Transfer, Shared Clipboard • MFA for local Windows logons is currently in testing and expected to be implemented mid-year 2023.	• The primary network authentication is performed through Windows Active Directory (AD). Users are required to enter their AD credentials to gain access to their workstation. • Once logged in, users are required to authenticate via Zscaler ZPA using their AD credentials and a temporary passcode from OneLogin Protect. Once authenticated, users then have access to the organization's network. • This process is the same for in office and remote users.

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34. Are all electronic transmissions of personally identifiable information, such as participant data, reports, etc., encrypted and/or sent via secure means? Which encryption methods do you support for emails and file transmissions? Please describe.	• All PHI is sent via secure means using SFTP or AS2. All emails containing PII, or PHI are encrypted by policy and technical controls with Office 365. • Our Office 365 (O365) provider AppRiver has CipherPost Pro installed at the email gateways to automatically encrypt attachments and keywords via an encryption email gateway. • O365 defaults to TLS 1.2 encryption.	• During the implementation process the method of transferring that data is determined. In most cases the files are transferred over SFTP from the carrier to NexClaim, the files can further be zipped/ PGP encrypted for additional security during transmission. If the files are pushed to the NexClaim site, the transmission will be over SSH/SFTP and additionally the data is encrypted at rest. • NexClaim utilizes ZixGateway E-mail Encryption Service for bidirectional transparent email encryption. Any emails and attachments sent from NexClaim are scanned automatically, if the email contains any sensitive information or PHI, it is encrypted and delivered to the recipients in a secure manner. • Servers/databases containing customer data are housed at our co-location (The Computer Company). Access to the co-location data center is IP restricted to NexClaim's Plainville office and over a VPN tunnel. All customer data is encrypted at rest, database level backups are encrypted at rest on the array. Backups performed are fully encrypted using AES 256 and SSL key-based encryption during both transmit and local/cloud storage. • Removable Storage Devices are disabled on user desktops/laptops via device control as part of the Endpoint Protection policy. The policy blocks-USB drives, Smartphones, removable disks from being accessed on user devices. Laptops and USB drives are only used within NexClaim by IT staff and only for patching, installations, and system maintenance. There is no customer data or PHI stored on any of these devices. All user desktops and laptops are secured with full disk encryption.[3]	• The organization allows communication with external parties via web access, email, chat, and SFTP. • Web access is enabled only via HTTPS. IT System Administrators configure web servers to require SSL protected communications utilizing SHA-256 SSL certificates. IT System Administrators configure the firewall to block non-HTTPS traffic to the web server. • Secure email is provided via the ZixMail application which enables encryption at transit and encryption at rest with TLS 1.3. • Secure instant messaging is supported via Microsoft Teams. By default, Teams encrypts all communication using industry-standard technologies such as Transport Layer Security (TLS) and Secure Real-Time Transport Protocol (SRTP). The organization never sends unencrypted sensitive information by end-user messaging technologies (e.g., email, instant messaging, and chat). • IT System Administrators configure SFTP application, GlobalScape, to facilitate encrypted transfer of files between external clients and Phia. The SFTP server is secured by an SHA-256 SSL certificate of 256-bit strength signed by DigiCert certificate authority. • Communications paths between all involved parties are encrypted.

[3] NexClaim: E-mail is the only function allowed on mobile devices; Office 365 mobile device management (MDM) policy is in place with the following device requirements that are enforced: Require a password; Prevent simple passwords; Minimum password length; Number of sign-in failures before device is wiped:10 attempts; Lock devices if they are inactive for this many minutes:5 minutes; Require data encryption on devices; Prevent jail broken or rooted devices from connecting. Provided The Computer Company - 2022 SOC 1 Type II Audit and The Computer Company - 2022 SOC 2 Type II Audit.

TOPIC	BRG	NexClaim	The Phia Group
35. Server location and encryption: Are your servers and client data stored in the US? Are your database and backup files encrypted? Provide a brief description.	• All servers and data are stored and operated on within the United States. • Databases are encrypted with Transparent Data Encryption (TDE). Backups are all encrypted with AES 256.	• All servers and client data stored in the US. Servers/databases containing customer data are housed at our co-location (The Computer Company). • Access to the co-location data center is IP restricted to NexClaim's Plainville office and over a VPN tunnel. All customer data is encrypted at rest, database level backups are encrypted at rest on the array. • Backups performed are fully encrypted using AES 256 and SSL key-based encryption during both transmit and local/cloud storage.	• All servers and client data is stored in the US at our headquarters at 40 Pequot Way Canton, MA 02021. • Database and backup files use SHA-256 encryption standards. Backup jobs are encrypted through Backup Exec software, and database encryption key is imported to another location.
36. Has your Firm sustained any known breaches in the last 5 years? If so, what were the lessons learned and what measures have you implemented as a result?	• There have been no breaches in the past five years.	• NexClaim has not had any security events or breaches.	• The Phia Group has not had any breaches in the last 5 years.
Implementation and Transition			
37. Please confirm that you understand the requested scope of services and that you will be able to begin work effective May 1, 2023. What is the minimum time you require to onboard new clients?	• Confirmed. The minimum time needed to onboard a new client is 30 days.	• Confirmed ready for May 1, 2023. • Most client implementations are completed within 2-4 weeks. Time is more dependent on TPA's ability to send first test file.	• The Phia Group understands the requested scope of services and will be able to begin work effective May 1, 2023. Onboarding can be completed within 60-90 days.
38. Describe your transition and implementation strategy. Include a simple timeline with project milestones.	• Three of BRG's Client Services Team members will be assigned to the Fund's onboarding team. • All three members are full-time employees and will also be responsible for the Fund's account management after the onboarding is complete. • See attached Exhibit 38 Implementation Schedule.	• The implementation process is extremely quick and seamless for our clients and all parties involved. – NexClaim and client would execute the necessary agreement and BAA. – NexClaim will also be working with the TPA to coordinate the data file exchange process. • Timelines are typically dependent on the client and how quickly they are able to review and execute the agreement. • NexClaim will respond to all questions or proposed agreement edits within one business day.	• During the course of implementation, The Phia Group uses a combination of "Waterfall/Agile" methodology, and has pre-defined process flows for every type and stage of implementation. • We are experts with decades of experience in implementation of subrogation and cost containment programs, allowing us to usher our clients through a smooth and efficient implementation, designed to meet (and exceed) all of our client's business needs. *(continued below)*

TOPIC	BRG	NexClaim	The Phia Group
The Phia Group Q38 continued: • In order to achieve optimal implementations, we employ a fully staffed, professional implementation team and Project Management Office ("PMO"). Additionally, our operations and leadership teams are all experts in implementations as well as resource utilization. At The Phia Group, our business is scalable, and we have our staffing needs and requirements down to a science. We know, for example, how many subrogation cases a claim recovery specialist can handle for optimum results, adjusted for case type, client needs, geography, and more. Our expectation is to be the best in the industry, and we staff to meet that expectation. We hire top talent, have a superior training program, and we hire in advance of needs. • As a result, we are staffed and prepared to manage and execute the implementation for the Fund, beginning with an effective and efficient implementation process and continuing indefinitely for the duration of our partnership. Throughout the implementation, The Phia Group's Implementation Manager along with an Account Manager assigned to the Fund will be responsible for identifying risks that may impact the implementation experience for the Fund. Also, regularly scheduled Implementation review calls with The Phia Group and the Fund are held to facilitate discussions regarding risks and mitigation steps in a timely manner. • The Phia Group, in addition to these regular calls and meetings provides written follow-ups, after every meeting and as needed, to ensure a continuous, uninterrupted, and effective process. Follow-ups include a brief capture of the discussions, action items and/or next steps, and supporting documents as applicable. Should there be any concerns or issues, a detailed process of mitigation of that problem will be provided to the Fund as well. The Phia Group's process for reviewing and approving all written materials from our clients begins during implementation, but never truly ends – with clients always having the ability to adjust, add, or remove content at will. The Phia Group will begin by reviewing all documents provided from our clients such as plan documents, summary plan descriptions, wrap documents, employee handbooks, etc. The Phia Group will then advise of any issues or concerns relating to any written material provided, including our reasoning and our recommended changes. Should our clients have specific requests or needs related to the provided materials, The Phia Group will happily accommodate our client's requests. • Finally, as part of implementation we also offer our clients a "first letter to member" that can be distributed to their clientele and employer's HR department for their use as they see fit; (usually to distribute to their membership). This letter explains The Phia Group's involvement (who we are and what we do). It also prepares Fund participants for potential receipt of accident questionnaires, at a later date. Our accident questionnaires request the Plan Participant acknowledge the terms of their plan's subrogation/reimbursement/third party language and offers a multitude of ways by which the Fund Participants can contact us inclusive of a toll free customer service number, online accident questionnaire portal, regular mail and/or general email (accidentletter@phiagroup.com). Additionally, verbiage in our member letters also indicates the Fund participant's duty to comply with the terms of their Plan. • Please note that the use of such materials – both type and volume – is fully customizable, as we will discuss during implementation. Phia's Subrogation Implementation Process Outline was provided.			
39. During the onboarding and transition period, what type of assistance do you need from the incumbent firm? What assistance do you need from the TPA and other plan professionals?	• We would need the incumbent firm, Slevin & Hart, to provide us with a Pass File listing all open and closed cases for the past 24-months and indicating whether there are any cases it will retain and continue to work. • If Slevin & Hart will be transitioning existing cases, we will need a list of all involved parties' (adjusters and/or attorneys) contact information, and claims data from Associated Administrators for those matters. • We will also request that Slevin & Hart send a letter to the involved parties for any open case notifying them that the file is being transferred to BRG to protect the Fund's right to recover during the transition. We will need Associated Administrators to help us set up a one-time 24-	• To ensure a seamless transition with no plan member disruption, NexClaim would require a report showing the current open cases that the incumbent firm plans to maintain through completion. • No other assistance is required.	• When The Phia Group implements a new client that is utilizing another vendor, a term date is first defined. Ordinarily, an existing vendor will continue to handle cases that are already active and, in their possession, as of that date. The Phia Group will then handle cases it identifies and/or is referred by its client after that date, as long as the prior vendor does not already have that matter within its possession. • In some instances, a client may choose to transfer active cases from the past vendor to the new vendor, and The Phia Group is open to that, so long as doing so will not expose the client to any liability as far as it relates to their contractual obligations to and with the departing vendor. • If the client chooses to, or is required to, leave active cases with the prior vendor, The Phia Group will secure from that vendor a list of said cases, to

TOPIC	BRG	NexClaim	The Phia Group
	month historical claims data file as well as an ongoing monthly claims data file.		ensure no duplicative efforts are made in regarding to such preexisting active cases. • If the previous vendor and the client choose to (and are contractually allowed to) send active files to The Phia Group, we will ensure that we are notified regarding how many files will be to us, to anticipate workload and assign adequate staff. If the previous vendor is going to continue working those cases, we will – as explained above – secure from them a pass file from listing already identified. • The Phia Group will need a data feed from the TPA to process and scrub the claims data for potential recovery opportunities. The Phia Group will work with the TPA to establish this feed. • The Phia Group will customize the transition process for the Fund to fit the needs and wants of your team and members. We want to ensure a smooth transition and efficiently and effectively protect your Fund and its employees in the process.
Certification			
40. The response must be signed by a legal representative of the bidding Firm, who is authorized to bind the Firm to a contract in the event of the award. All rates, fees and terms presented and agreed upon in subsequent correspondence will be considered legally binding for a period of at least 180 days following the submission of the proposal to the Fund.	• Signed by Laura Hescock, CEO.	• Signed by Scott M. Viviano, Vice President.	• Signed by Ron E. Peck, Chief Legal Officer