



STATE OF DELAWARE
DEPARTMENT OF LABOR
DIVISION OF INDUSTRIAL AFFAIRS
4425 NORTH MARKET STREET
WILMINGTON, DELAWARE 19802

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October 8, 2014

Mr. Mark Laccetti
Vice President of Consulting Services
c/o ParenteBeard, LLC
One Liberty Place, Suite 4500
1650 Market Street
Philadelphia, PA 19103

Dear Mr. Laccetti:

The contract between ParenteBeard and the Delaware Department of Labor, Division of Industrial Affairs, Office of Workers' Compensation, to provide hospital and ambulatory surgery center rate change validation, as well as establish new percent of charges, for the Delaware Workers' Compensation Health Care Payment System (HCPS), pursuant to 19 *Del. C.* §§2322B(8) and (9), is scheduled to expire on October 31, 2014. However, the Delaware contracting process allows two (2) extensions to this contract for a period of (1) year for each extension (see page 2, Section 2.1 of our "Professional Services Agreement").

Recently, Delaware enacted significant revisions to the Workers' Compensation Act, which eliminates the need for the percent of charge setting process. I attached a copy of House Bill 373, for your information. Barring any unforeseen glitches, the new fee schedules will become effective on January 31, 2015. Although we don't expect any more ASCs to submit straggler 2013 rate change reports for the 2014 percents of charge, we want to keep the process in place, just in case.

At this time, Delaware would like to extend the contract for the second of the (2) two extensions, which would then expire on October 31, 2015. Please respond as to whether or not ParenteBeard is in agreement with this contract extension.

Sincerely,

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Donna Forrest, Medical Component Manager
Office of Workers' Compensation

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