

PERSONNEL AND ANIMAL WELFARE COMMITTEE REPORT relative to amending four City of Los Angeles Workers' Compensation Program contracts with Tristar Risk Management, Inc. (Tristar), Acclamation Insurance Management Services, Inc. (AIMS), ACME Administrators, Inc. (ACME), and Stratacare to extend the contract terms.

Recommendation for Council action:

AUTHORIZE the General Manager, Personnel Department, or designee, to execute amendments as applicable, subject to the approval of the City Attorney, to extend the following three-year contracts for the City's Workers' Compensation Programs:

- a. Extend Contract No. C-121812 with Tristar from November 22, 2015 to November 22, 2017 (Police Sworn Claims).
- b. Extend Contract No. C-121841 with AIMS from April 29, 2016 to November 22, 2017 (Fire Sworn and Civilian Claims).
- c. Extend Contract No. C-121842 with ACME from April 29, 2016 to November 22, 2017 (Police Civilian, City Attorney and Personnel Claims).
- d. Extend Contract No. C-122496 with Stratacare from June 30, 2016 to June 30, 2018 (Medical Bill Review, Cost Containment and Managed Care Services Program).

Fiscal Impact Statement: The Personnel Department reports that there is no fiscal impact. Funding is provided in the Human Resources Benefits Contractual Services Account for the cost of these contracts.

Community Impact Statement: None submitted.

TIME LIMIT FILE - NOVEMBER 26, 2015

(LAST DAY FOR COUNCIL ACTION - NOVEMBER 24, 2015)

Summary:

On October 21, 2015, your Committee considered a September 28, 2015 Personnel Department report relative to amending four City of Los Angeles Workers' Compensation Program with Tristar, AIMS, ACME, and Stratacare to extend contract terms. According to the Personnel Department, the City of Los Angeles is self-insured for all of its workers' compensation obligations. The core function of the Workers' Compensation Program is to provide injured workers with the necessary medical benefits and time off necessary to recuperate and return to work as quickly as possible.

The Personnel Department's Workers' Compensation Division administers the City's Workers' Compensation Program, which currently includes 16,576 open claims. Approximately 7,000 new claims and \$170 million in benefit payments were processed in Fiscal Year 2014-15. The Division is responsible for all aspects of claims administration, which includes directing medical care, providing defense support in litigated cases and making payments for a variety of claims-related activities. The

Workers' Compensation Division utilizes a combination of City staff and contractors to carry out the program objectives.

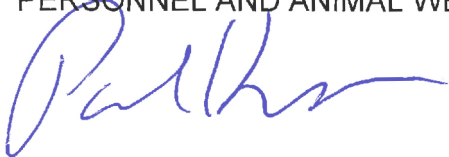
The Personnel Department is requesting the extension of the City Workers' Compensation Program contracts as described above for the following reasons:

- a. So that all three Third Party Administrator contracts expire at the same time.
- b. To allow sufficient time for the Personnel Department Workers' Compensation Division to release a Request for Proposal and award new contracts.
- c. To ensure that these contracts do not expire close together resulting in overlapping implementations. The procurement process, contract negotiations, implementation and contracts are complex and require months of staff time to implement.

After consideration and having provided an opportunity for public comment, the Committee moved to recommend approval of the amendments as contained in the September 28, 2015 Personnel Department report and detailed in the above recommendation. This matter is now submitted to Council for its consideration.

Respectfully Submitted,

PERSONNEL AND ANIMAL WELFARE COMMITTEE



<u>MEMBER</u>	<u>VOTE</u>
KORETZ:	YES
RYU:	YES
HARRIS-DAWSON:	YES

ARL

10/21/15

-NOT OFFICIAL UNTIL COUNCIL ACTS-