

PERSONNEL AND ANIMAL WELFARE REPORT relative to a Request for Proposals (RFP) for Third-Party Administrator (TPA) for Workers' Compensation Claims Management and Benefits Administration.

Recommendation for Council action:

APPROVE and AUTHORIZE the General Manager, Personnel Department, to release an RFP for TPA for Workers' Compensation Claims Management and Benefits Administration and execute an Agreement(s) with the selected vendor(s) for a five-year contract term, subject to the review and approval of the City Attorney.

Fiscal Impact Statement: The Personnel Department reports that funding for the contract(s) is provided in the Human Resources Benefits Fiscal Year (FY) 2019-20 Adopted Budget, Fund No. 100 Contractual Services Account No. 3040. There is no additional impact on the General Fund. As budgeted funds are available for the projected contract expenditures, the recommendation provided in this report complies with the City's Financial Policies.

Community Impact Statement: No

Summary:

On June 11, 2020, your Committee considered a March 27, 2020 Personnel Department report relative to an RFP for a TPA for Workers' Compensation Claims Management and Benefits Administration. According to the Personnel Department, the City is self-insured for all of its statutory workers' compensation obligations. The core function of a workers' compensation program is to provide injured workers with the 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 Workers' Compensation Program. 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. Currently, the Program includes approximately 16,000 open claims with an estimated 6,900 new claims and \$197.1 million in benefit payments processed in FY 2018-19. To execute the Program's objectives, the Division utilizes a combination of City staff and contracted TPAs and vendors. Specifically, the City currently contracts with three TPAs to manage workers' compensation claims: Tristar for all Police sworn claims, AIMS for all sworn Fire and a portion of Fire civilian claims, and Elite for City Attorney, Personnel, and Police civilian claims.

The RFP, attached to the Council file, outlines the City's fraud program with which each Contractor must comply and, further, implements a Fraud/Abuse Review Committee requiring designated staff to actively participate in committee meetings and present cases/issues for review. Proposers are expected to demonstrate they have the experience and expertise necessary to perform the services requested in this RFP; include a plan to provide outstanding customer service to the City's injured employees; document relevant experience with public agencies; and include innovative ideas with metrics and analytics to improve the City's Workers' Compensation Program, in the areas of claims frequency, closing ratios, and cost cutting ideas. Proposals must include a separate analysis for the provision of services for: 1) Fire Sworn, Fire Civilian, and conflict claims (Personnel and City Attorney) and 2) Police Sworn and Police

Civilian. After consideration and having provided an opportunity for public comment, the Committee moved to recommend approval the RFP. This matter is now submitted to Council for its consideration.

Respectfully Submitted,

PERSONNEL AND ANIMAL WELFARE COMMITTEE

MEMBER VOTE

KORETZ: YES

LEE: YES

PRICE: YES

ARL

6/11/20

-NOT OFFICIAL UNTIL COUNCIL ACTS-