



Approval of Professional Services Agreement for Workers' Compensation Third-Party Administration First Amendment

City Council Meeting
July 7, 2020

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Risk Manager, Human Resources Department

CURRENT

- LWP Claims Solutions was chosen as the City's TPA after a full RFP Process.
- The City's has a self-insured workers' compensation program
- Claims are administered by a third party
- Prior vendor (REMIF) had been contracted to administer the City's claims since 1981

Current

- 3 year contract with LWP Claims Solutions, Inc. for workers' compensation claims administration:
 - Year 1 - \$367,834
 - Year 2 - \$377,030
 - Year 3 - \$386,456
- Optional 3 one-year extensions at a rate to be negotiated.

Proposed

- To exercise the optional 3 one-year extensions at the rates below. The increase reflects a 2.5% increase each year
- Year 4 \$396,117
- Year 5 \$406,020
- Year 6 \$416,170
- Go back out to RFP in January 2023 for Selection of Workers' Compensation TPA

BENEFIT

- Competitive third party administration services
- Plan to reduce claim exposure, promoting financial stability
- Enhanced customer service
- Focus on expediting appropriate medical treatment to promote recovery and return to work
- Paperless claim system

RECOMMENDATION

- It is recommended by the Finance Department, Risk Management Division that the Council, by resolution, approve a first amendment for professional services agreement with LWP Claims Solutions, Inc. exercising our 3 one-year extensions.
- Questions?