



Legislation Text

File #: 23-229, **Version:** 1

Adopt a Resolution to Approve and Authorize the City Manager to Execute an Amendment to the Consulting Services Agreement with Intercare Holdings Insurance Services, Inc. for Workers' Compensation Third Party Claims Administration Services for a Not-to-Exceed Amount of \$577,409 within a three-year period

COUNCIL PRIORITY

- Infrastructure

SUMMARY

The City's Consulting Services Agreement (CSA) with Intercare Holdings Insurance Services, Inc. ("Intercare") for Workers' Compensation Third Party Claims Administration (TPA) services will expire on June 30, 2023. An amendment to the CSA will ensure uninterrupted services in Workers' Compensation administration.

RECOMMENDATIONS

Staff recommends City Council approve and authorize the City Manager to execute an amendment to the CSA with Intercare for three years for a not-to-exceed amount of \$577,409, which includes \$371,503.32 administration fee plus a flat fee structure for bill and utilization review charges estimated at \$205,905.

BACKGROUND

In late 2015, a Request for Proposal (RFP) for Workers' Compensation TPA services was issued in partnership with the Cities of Hayward and Newark. After a comprehensive review and evaluation process, Intercare was selected as the most qualified TPA to provide workers' compensation claims administration services for the City. On June 1, 2017, the City Council approved a three-year CSA with Intercare and provided the City Manager with the option to extend the contract for an additional three years. On July 7, 20002020, the contract was extended during the onset of the COVID-19 pandemic through June 30, 2023. A new RFP will be initiated prior to the expiration of this extended contract.

Analysis

Since 2017, Intercare has provided quality service, operational efficiency, and cost savings in the administration of the City's workers' compensation claims. Staff was able to negotiate the lowest renewal option and if authorized, the existing contract will be extended for three years ending June 30, 2026.

	Claims Administration Fee	Bill and Utilization Review Services
FY 2023-24	\$120,192.28	\$66,705
FY 2024-25	\$123,798.05	\$68,635
FY 2025-26	<u>\$127,511.99</u>	<u>\$70,565</u>
Total	\$371,503.32	\$205,905

Previous Actions

- On September 7, 2021, by Resolution No. 2017-056, the City Council approved and authorized the City Manager to execute a Consulting Services Agreement for three years in the amount of \$301,054 for Workers' Compensation third party claims administration services with Intercare Holdings Insurance Services, Inc. plus a flat fee structure for bill review charges estimated at \$64,080. On July 7, 2000, the contract was extended through June 30, 2023.

Financial Impacts

This amendment to the contract will cost \$577,409 over the next three fiscal years. Funding for this action has been incorporated in the biennial budget process for FY 2023-2024 and FY 2024-2025.

This Council action will not impact fund balance because there are funds available in the fund balance.

ATTACHMENTS

Attachment A: *Resolution Approving an Amendment to the Consulting Services Agreement with Intercare Holdings Insurance Services, Inc. for Workers' Compensation Third Party Claims Administration Services*

Attachment B: *Original CSA between the City of San Leandro and Intercare Holdings Insurance Services, Inc.*

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