



COUNTY OF SAN MATEO
Inter-Departmental Correspondence
Human Resources



Date: March 31, 2015

Board Meeting Date: May 19, 2015

Special Notice / Hearing: None

Vote Required: Majority

To: Honorable Board of Supervisors

From: Donna Vaillancourt, Human Resources Director
Scott Johnson, Deputy Director of Human Resources

Subject: Agreements with Northern Claims Management and Captiva Risk Management for Workers' Compensation Third Party Administration

RECOMMENDATION:

Adopt a resolution authorizing unbundled agreements with 1) Northern Claims Management for the term of June 1, 2015 through May 31, 2018 in an amount not to exceed \$2,628,190, with two one-year options to extend the agreement in an amount not to exceed \$1,840,901 and 2) Captiva Risk Management for the term of June 1, 2015 through May 31, 2018 in an amount not to exceed \$540,000 with two one-year options to extend the agreement, in an amount not to exceed \$360,000 to provide Workers' Compensation claims processing services including accounts payable and Medicare set aside programs.

BACKGROUND:

Northern Claims Management (NCM) and Captiva Risk Management (CRM) have served as the County's third party administrators and have effectively administered the Workers' Compensation Program since June 1, 2000. A Request for Proposal (RFP) process was conducted this year which included a posting to our website, direct mailings, and other direct contact. Forty-seven companies expressed interest, and nine companies responded with formal proposals. A committee of four subject matter experts selected an unbundled option comprising of NCM and CRM based on price, staffing levels, public entity expertise, and services provided. While there were lower bids, they did not meet the requested criteria.

DISCUSSION:

NCM and CRM will administer the County's Workers' Compensation program including: creating claim files, determining compensation by investigation, providing payment of all benefits required under law, coordinating litigation, rehabilitation, and managing the

medical provider network. They will oversee bill review, litigation review, and required reporting and will communicate with the supervisor, employee and medical provider to ensure a successful treatment of industrial related injuries.

The resolution contains the County's standard provision allowing amendments of the County's fiscal obligations by a maximum of \$25,000 (in aggregate).

The agreements and the resolution have been reviewed and approved by County Counsel.

Approval of this agreement contributes to Shared Vision 2025 of a Collaborative Community by providing a comprehensive Workers' Administration Program that will increase administrative efficiency and help to effectively manage the County's costs.

PERFORMANCE MEASURE(S):

Measure	FY 2014-15 Projected	FY 2015-16 Projected
Number of Claims	698	688
Number of claims per 100 Employees	12	12

FISCAL IMPACT:

There is no net county cost impact. Funding for NCM and CRM costs are offset by the Risk Management Workers' Compensation Trust Fund.

Exhibit A
Request for Proposal Matrix

1.	General Description of RFP	Third Party Administrator for Workers' Compensation Program
2.	List key evaluation criteria	<ul style="list-style-type: none"> • Mandatory services required by law • Preferred services requested by County • Investigative services • Managed Care Services, including, Utilization review, bill review and medical provider network management. • CMS Reporting • Unbundled Options
3.	Where advertised	Website
4.	In addition to any advertisement, list others to whom RFP was sent	None
5.	Total number sent to prospective proposers	None
6.	Number of proposals received	9
7.	Who evaluated the proposals	<ul style="list-style-type: none"> • Scott Johnson, Risk Manager • Janine Keller, Disability Unit Manger • Faiza Steele, Workers' Compensation Manager • Felicia Ruiz, Workers' Compensation Manager
8.	In alphabetical order, names of proposers (or finalists, if applicable) and location	<ul style="list-style-type: none"> • Athens, Concord, CA • Captiva Risk Management, Napa, CA • Corvel, Fresno, CA • EK Health, San Jose ,CA • Intercare, Rocklin, CA • MEK Advantage, Salt Lake City UT • Northern Claims Management, Santa Rosa, CA • Tristar, Fresno, CA • York, Parsippany, NJ