



Meeting Date: 06 /16 /09

ACTION	TYPE OF ITEM
<input checked="" type="checkbox"/> Approved Recommendation	<input checked="" type="checkbox"/> Info/Consent
<input type="checkbox"/> Ord. No(s). _____	<input type="checkbox"/> Report
<input type="checkbox"/> Res. No(s). _____	<input type="checkbox"/> Public Hearing (Info/consent)
<input type="checkbox"/> Other _____	<input type="checkbox"/> Other _____

Prepared By: Loretta F. Fisher *LF* Agenda Item No. I-8
 Reviewed By: City Manager *[Signature]* City Attorney *SMT* Finance *JFC* Other (Specify) _____

DATE: June 1, 2009

TO: City Council

FROM: Michelle H. Téllez, Human Resources Director *[Signature]*
Human Resources Department

SUBJECT: **First Amendment to Contract for Professional Services with ComCo Management, Inc.**

RECOMMENDATION

That City Council approve and authorize the Mayor to execute the First Amendment to Agreement A-6884 with ComCo Management, Inc. for third party administrator services for the period 2009-2012.

DISCUSSION

A Request for Proposal (RFP) for third party administrator services for the City’s workers’ compensation program was initiated in 2007 to ensure that the City was receiving the highest quality services and the most competitive pricing. ComCo Management, Inc. was selected as the Third Party Administrator to administer the program for the City. ComCo’s proposal did not include a rate increase over the previous contract for TPA services in 2006. ComCo has not had an increase in fees for the last three years. Therefore, these modest increases are due to an increase in insurance rates, operating expenses, postage and new procedures initiated by the Workers’ Compensation Appeals Board in filing legal documents.

ComCo has continued to be a dedicated administrator and partner with the City to ensure that the benefits to our injured workers are delivered in a timely manner. ComCo considers itself an extension of the City and has worked diligently with the City’s workers’ compensation staff to meet all of the services agreed upon. ComCo has been able to keep the cost of our claims down as well as working closely with our Police and Fire departments on reducing lost work days.

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ComCo Management, Inc. just recently went through an extensive audit by ARM/TECH on behalf of CSAC Excess Insurance Authority. Their overall performance scores were rated at 98%. They found that ComCo Management, Inc. was effectively providing services to the employees of the City that met industry best practices. The Authority's acceptable performance requirement is 95%.

The amount for services are not to exceed 4% (increase of \$13,599.99) for year 2009-2010, 2% (increase of \$7,072.00) for year 2010-2011 and 2% (increase of \$7,213.44 for year 2011-2012. At the end of the three-year contract, City staff will be initiating a Request for Proposal (RFP) for third party administrator services for its workers' compensation program.

FINANCIAL IMPACT

There are recommended funds in Account Number 702-1702-852-8209 to cover the cost of the expenses for fiscal years 2009-2010 and 2010-2011. Staff anticipates that the budget in fiscal year 2011-2012 will include appropriations sufficient to fund the future expenses.

(LLF/bjm)

Attachment #1 - First Amendment to Agreement for Consulting Services A-6884

FIRST AMENDMENT TO AGREEMENT FOR CONSULTING SERVICES

This First Amendment ("First Amendment") to the Agreement for Consulting Services ("Agreement") is made and entered into in the County of Ventura, State of California, this 1st day of July, 2009, by and between the City of Oxnard, a municipal corporation ("City"), and ComCo Management, Inc. ("Consultant"). This First Amendment amends the Agreement entered into on May 31, 2007, by City and Consultant.

City and Consultant agree as follows:

1. Paragraph 11 of the Agreement, Term of Agreement, is amended to read as follows:

"This Agreement shall begin on July 1, 2007 and expire on June 30, 2012."

2. From and after July 1, 2009, Exhibit A is replaced by Exhibit A-1 attached hereto and incorporated herein by reference, and Exhibit C is replaced by Exhibit C-1 attached hereto and incorporated herein by reference.

3. Paragraph 13.a of the Agreement, Compensation, is amended to read as follows:

"a. City agrees to pay Consultant in an amount not to exceed \$1,082,157 for services provided under this Agreement at rates provided in Exhibit C-1 attached hereto and incorporated by this reference in full herein."

4. As hereby amended, the Agreement remains in full force and effect.

CITY OF OXNARD

COMCO MANAGEMENT, INC.

Dr. Thomas E Holden, Mayor


Sandra L. Noble, President

ATTEST:

Daniel Martinez, City Clerk

APPROVED AS TO FORM:



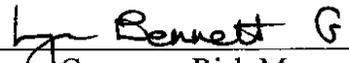
Alan Holmberg, City Attorney

APPROVED AS TO CONTENT:



Michelle Téllez, Human Resources

APPROVED AS TO INSURANCE:



James Cameron, Risk Manager

Exhibit A-1
SCOPE OF SERVICES

A. GENERAL

Consultant represents itself as being capable and qualified to provide Workers' Compensation claims administration services in the manner required by the Division of Industrial Accidents. Consultant shall administer the City's self-insured workers' compensation program and shall act as City's representative in connection with the investigation, adjustment, processing, supervision and resolution of workers' compensation claims asserted by employees against the City.

B. PROGRAM DEVELOPMENT

Consultant shall consult with the City's personnel and assist in developing the necessary procedures, practices and coordination to implement the City's workers' compensation program and to meet legal requirements of the State.

C. CLAIMS ADMINISTRATION

Consultant shall provide workers' compensation claims administration services, including, but not limited to:

1. Review and process all claims for workers' compensation benefits in accordance with the requirements of the Department of Industrial Relations for reporting and notification.
2. Determine compensability of claimed injuries and illnesses in accordance with the State's workers' compensation laws.
3. Monitor treatment programs for injured employees, including the review of all "Doctor's First Report of Work Injury" to assure that treatment is related to a compensatory injury or illness.
4. Maintain case liaison with treating physicians to assure that employees receive proper care and to avoid over-treatment situations. This includes recommending medical management services as appropriate and monitoring medical management personnel.
5. Review and make recommendations to the City in its utilization of in-house medical experts.
6. Consult with the City's personnel and provide guidance and evaluation of the physical capabilities of injured employees to return to work.
7. Determine eligibility for, and authorize payments of medical benefits, and authorize examinations to determine the nature and extent of disability when appropriate within the current guidelines established by the State. This includes securing medical bill review services and monitoring the service that they provide in reviewing and recommending payments consistent with the Official Medical Fee Schedule, Hospital DRGs, any PPO agreements, and all other fee recommendations consistent with the laws of the State.

8. Determine eligibility for and authorize payment of temporary disability compensation in coordination with medical advice and rehabilitation efforts.
9. Determine the degree of permanent disability, if any, of injured workers by utilizing, as necessary and advisable the advisory ratings of the Disability Evaluation Bureau.
10. Authorize the payment of permanent disability compensation and death benefits in accordance with advisory ratings, Orders of the Workers' Compensation Appeals Board, or compromise and release agreements.
11. Refer litigated cases to attorneys. Assist in the preparation of litigated cases, File and Serve all medical reports with Proof of Service to defense and applicant's attorneys, negotiations of Compromise and Release Agreements and subrogation actions.
12. Subrogation cases for Third Party recovery. Administrator is to notify the third party within 10 days of identification, with copy of notification to the City. Periodic contact shall be made with the responsible party or insurer to inform them of the amount of expenses on the case. If the subrogation case has been identified as complex and a referral to defense attorney is deemed necessary, Administrator is to notify the Workers' Compensation Manager. Referral to a defense attorney should not be made for cases where the dollar amount is under \$7,500 unless a Complaint in Intervention needs to be filed to toll the statute of limitations.
13. Prior to any settlement conference, administrator and/or defense counsel, whichever is appropriate, shall provide the Workers' Compensation Manager with a written analysis of the case, including options and recommendations for settlement. All permanent disability ratings must be defined in dollars and percentages. The Workers' Compensation Manager, the City Manager or the City Council depending upon the amount of settlement must authorize the settlement.
14. Investigate or arrange for investigation of, as necessary and appropriate, questionable cases, and the status of disabled employees, in order to adjust all cases and to assist in the trial or settlement of litigated cases.
15. Review all initial claims, make telephone contact with the injured employee within 24 hours; contact injured employee's supervisor within 24 hours of receipt of claim to verify injury and contact medical provider with 24 hours of knowledge of treatment.
16. Make weekly contact with all employees who remain on temporary disability for more than one week. Should employee be off longer than three weeks, discuss referral to Nurse Case Manager with Workers' Compensation Manager.
17. On medical only cases, examiner to make two point contact with injured employee and supervisor.
18. Comply with 2005 Certification and Standards for claims adjusters under California Insurance Code 11761, and California Code of Regulations, Title 1, Section 2592.

D. EMPLOYEE SERVICES

Consultant shall provide workers' compensation technical services, including, but not limited to:

1. Provide information and guidance to the City's employees regarding workers' compensation benefits, injuries, and permanent disability ratings, in accordance with the City's policies.
2. Assist in resolving employee problems relating to an injury in non-litigated cases.
3. When appropriate, assign Nurse Case Management on complex medical issues to insure that employees are receiving the appropriate and timely care for their injuries.
4. All calls from City employees will be returned with 24 hours of receipt of call or message.
5. Develop and recommend policies and procedures to ensure that the employee's ability to work is consistent with the findings of the Workers' Compensation Appeals Board.

E. PROGRAM REVIEW

Consultant shall proactively review the City's workers' compensation program in order to suggest changes or modifications to improve the program.

F. INDUSTRIAL DISABILITY RETIREMENT

Upon receipt of a written request, Consultant shall assist City staff in processing applications for industrial disability retirement by preparing a recommendation to the City Manager regarding the application. The Workers' Compensation Manager may direct Consultant to accumulate all necessary evidence for such final recommendation including, but not limited to medical evaluations, job descriptions or analysis, record copying, investigations and if necessary court reporters and hearing officers.

G. PERIODIC MEETINGS

Consultant shall participate in a monthly workers' compensation claims review meeting to provide City's administration with continuing information on the progress of individual claims, including periodic meetings and reporting.

H. REPORTING

Consultant shall provide the Manager with monthly statistical summaries and narrative reports to assist in the evaluation of the City's progress.

I. TRUST ACCOUNT SERVICES

Consultant shall utilize a checking account for payment of claims expenses (including but not limited to indemnity, medical, investigation and defense) in accordance with procedures established by the Manager.

J. SELECTION OF SUBCONTRACTORS

Consultant shall subcontract for required professional services such as legal, investigation and medical providers. Legal services providers and agreements are subject to specific approval by the City Attorney. Consultant shall maintain panels of other service providers. Consultant shall document performance of panel members, provide documentation to the Workers' Compensation Manager upon request and consider the Workers' Compensation Manager's recommendations for additions to and deletions from the panels.

Exhibit C-1 COMPENSATION

Monthly compensation for professional services rendered from July 1, 2009 through June 30, 2010 shall be \$29,466.67 per month (paid monthly in advance). Monthly compensation for professional services rendered from July 1, 2010 through June 30, 2011 shall be \$30,056 per month (paid monthly in advance). Monthly compensation for professional services rendered from July 1, 2011 through June 30, 2012 shall be \$30,657.12 per month (paid monthly in advance).

This fee covers the following services:

- 1) All monthly loss analysis reports and loss control summaries to include the OSHA 300 log.
- 2) Internal management of all aspects of the City's Workers' Compensation Program in compliance with the legal requirements of the State of California.
- 3) All open indemnity files will contain case notes and an action plan for future claims management.
- 4) Dedicated claims adjuster for the Police Department.
- 5) Hold monthly claims review meetings with Departments.

The monthly fee excludes all allocated claim services, which are defined as costs incurred outside of the scope of normal administrative adjustment services, such as:

1. Printing costs for checks, vouchers and special forms not previously agreed to, which are incurred on behalf of the City.
2. Investigation and attorney fees.
3. Photocopies and subpoenaed records.
4. Court depositions.
5. Costs and materials for expert witnesses, including advisory ratings.
6. Sub-rosa and other outside professional investigation services
7. Special ad-hoc computer reports not normally produced for the City.
8. Outside professional assistance in matters of mandatory vocational rehabilitation.
9. Cost for medical management and medical bill review.
10. Any special charges for work that may result from a State audit or OBAE audit of the prior administrator errors.