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2017 JAN 19 AM 11:43 AGENDA REPORT

TO: Sabrina B. Landreth
City Administrator

FROM: Ian Appleyard
Director, Human Resources
Management

SUBJECT: Worker's Compensation Third Party
Administrator Agreement Extension

DATE: January 17, 2017

City Administrator Approval

Date:

1/19/17

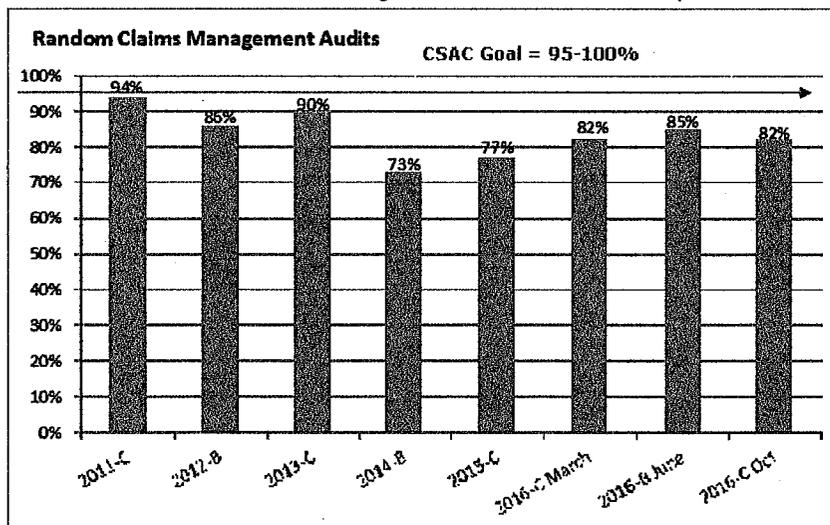
RECOMMENDATION

Staff recommends that the City Council adopt a resolution authorizing the City Administrator to extend the professional services agreement with JT2 Integrated Resources to continue provision of Worker's Compensation Administration Services for the period of March 1, 2017, through February 28, 2018, in an amount of \$2,511,538.40 for a total amount over the four year term of the contract of \$9,943,374.86.

REASON FOR SUPPLEMENTAL OR REPLACEMENT

The Claim Audit score for the October/November audit was reported as 74.47 percent. The auditor, CSAC-EIA, included audit findings related to reporting medicare eligibility. However, most Third Party Administrators do not report medicare eligibility. Therefore, upon further review, a more accurate audit score would be 82.32 percent, which excludes audit findings for medicare eligibility. All other audit scores reported are correct and final.

The corrected table illustrating audit trends over the past several years follows.



Auditors: (B) Bickmore (C) CSAC

Item: _____
Finance and Management Committee
January 24, 2017

The correction to the audit scores does not alter staff's recommendation to the City Council as communicated in the original report.

ACTION REQUESTED OF THE CITY COUNCIL

Staff recommends that the City Council adopt a resolution authorizing the City Administrator to extend the professional services agreement with JT2 Integrated Resources to continue provision of Worker's Compensation Administration Services for the period of March 1, 2017, through February 28, 2018, in an amount of \$2,511,538.40 for a total amount over the four year term of the contract of \$9,943,374.86.

For questions regarding this report, please contact DEBORAH GRANT, RISK MANAGER, at (510) 238-7165.

Respectfully submitted,



IAN APPELYARD
Director, Human Resources Management

Prepared by:
Deborah Grant, Risk Manager
Risk and Benefits Division