

COUNCIL ACTION FORM

SUBJECT: RENEWAL OF CONTRACT WITH EMC FOR WORKERS' COMPENSATION AND MUNICIPAL FIRE AND POLICE SYSTEM MEDICAL CLAIMS ADMINISTRATION

BACKGROUND:

The City contracts with EMC Risk Services, LLC, of Des Moines, Iowa, to provide third party administration of workers' compensation and Municipal Fire and Police "411 System" injury medical claims. The City's current contract with EMC for these services will expire July 31, 2022. EMC has provided a renewal contract for the same services for the period from August 1, 2022 to July 31, 2023.

Services provided by EMC in this contract include workers' compensation claims administration for all City employees, medical bill review, self-insured loss fund management, and pharmacy and medical expense consultation. EMC also performs regulatory filings and maintains an online claims database accessible to City staff. Additionally, EMC collects for medical bill review and savings identified through that process. The fees, along with actual claims expenses, are charged to individual departments.

The table below compares the FY 2021/22 fees to the proposed FY 2022/23 fees. There are slight increases for medical claim set up and lost time claim set up.

Fee Component	Fee Components FY 2021/22	Fee Components FY 2022/23	Change
Claim Set Up, Incident Only	\$35 per claim	\$35 per claim	0%
Claim Set Up, Medical Only	\$196 per claim	\$215 per claim	10%
Claim Set Up, Lost Time	\$1069 per claim	\$1099 per claim	3%
Medical Bill Review Fees & Reimbursement	\$9.50/claim 30% of Savings \$10,000/bill cap	\$9.50/claim 30% of Savings \$10,000/bill cap	0% 0% 0%

The adopted FY 2022/23 City Budget includes \$167,000 for Workers' Compensation claims and administration.

ALTERNATIVES:

1. Approve the renewal contract with EMC Risk Services, LLC, of Des Moines Iowa, to provide third party administration of the City's worker's compensation and municipal fire and police "411 System" claims for August 1, 2022 through July 31, 2023.
2. Reject the EMC renewal option and direct City staff to seek other claims administration alternatives.

CITY MANAGER'S RECOMMENDED ACTION:

EMC Risk Services, LLC, has been an effective provider of professionally administered workers' compensation claims and associated services. Its staff has been responsive and sensitive to the needs of City employees in managing their injury and disability claims. The online claims system makes cost and other data accessible to City staff and provides a frequently utilized tool for analyzing injury types and safety program effectiveness.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, as described above.