

RESOLUTION NO. 2011-016

CENTRAL CONTRA COSTA TRANSIT AUTHORITY  
BOARD OF DIRECTORS

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AUTHORIZING RENEWAL OF PROFESSIONAL SERVICES AGREEMENT  
FOR WORKERS COMPENSATION THIRD PARTY ADMINISTRATIVE SERVICES  
WITH CORVEL, INC.

WHEREAS, the County of Contra Costa and the Cities of Clayton, Concord, the Town of Danville, Lafayette, Martinez, the Town of Moraga, Orinda, Pleasant Hill, San Ramon and Walnut Creek (hereinafter "Member Jurisdictions") have formed the Central Contra Costa Transit Authority ("CCCTA"), a joint exercise of powers agency created under California Government Code Section 6500 et seq., for the joint exercise of certain powers to provide coordinated and integrated public transportation services within the area of its Member Jurisdictions: and

WHEREAS, by Resolution No. 2006-034, the Central Contra Costa Transit Authority Board of Directors awarded a contract to Hazelrigg Risk Management, Inc. (later acquired by CorVel, Inc.) for the administration of workers compensation claims for three years, with two possible one-year extensions at CCCTA's election; and

WHEREAS, staff has found the performance of CorVel, Inc. to have been satisfactory over the past five years with continual improvements in the quality of service; and

WHEREAS, staff reviewed a price comparison of CorVel, Inc.'s services against those provided to other members of the Local Agency Excess Workers Compensation Pool (LAWCX), CCCTA's excess insurance pool, finding CorVel, Inc.'s prices to be competitive; and

WHEREAS, staff has negotiated with CorVel, Inc. for the continued provision of services with a 5% decrease in the administrative fee in the first year of the renewal period and a 2% annual increase in each of the following two years; and

WHEREAS, the administrative fees would be supplemented by per claim or per hour fees for additional allocated costs, or a percentage of savings realized, as detailed in the attached schedule; and

WHEREAS, staff recommends that it would be in the best interests of CCCTA to continue to engage CorVel, Inc. for third party administrative services for workers compensation claims and finds its cost proposal to be fair and reasonable; and

WHEREAS, the Administration and Finance Committee has recommended entering into an agreement with CorVel, Inc. for the next three years.

NOW, THEREFORE, BE IT RESOLVED that the Central Contra Costa Transit Authority Board of Directors authorizes award of a three year agreement with CorVel, Inc. for the administration of workers compensation claims for \$68,431 in the first year for up to 45 claims per year, with annual increases of 2% and other fees detailed in the attached schedule; and

BE IT FURTHER RESOLVED that the General Manager is authorized to execute an agreement on behalf of CCCTA with CorVel, Inc. in accordance with the above and the attached schedule, subject to approval as to form and substance by Legal Counsel.

Regularly passed and adopted this 16th day of June, 2011 by the following vote.

AYES:

NOES:

ABSTAIN:

ABSENT:

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Amy Worth, Vice-Chair, CCCTA Board of Directors

ATTEST:

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Janet Madrigal, Clerk to the Board

CorVel, Inc. Proposed Fees

1	Annual Administration fee (covers up to 45 new claims per year; includes, but is not limited to, labor, materials, taxes, profit, overhead, insurance and sub-contractor costs, claims and loss reports, and CorVel Inc.'s 24/7 nurse-staffed triage call center and pharmacy services)	\$68,431 in year 1 \$69,780 in year 2 \$71,169 in year 3
	Administration fee for claims > 45 new claims per year	\$975 per claim
2	Bill review recovery Standard Official medical fee schedule  Preferred Provider Organization  Negotiated & hospital/surgical bill audits	10% of savings  10% of savings  10% of savings
3	Utilization Review and Nurse Case Management services  Utilization Review Telephonic Case Management Field Nurse Case Management Peer Review	\$100 per review \$85 per hour \$100 per hour \$125 per hour
4	Medicare set-aside services	\$150 per hour for set-aside services  \$900 per claim for reporting services for first 5 claims; \$200 per claim thereafter
5	Allocated costs, e.g., under-cover detectives, expert witness fees	At cost