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County of El Dorado

Legislation Details (With Text)

File #:	18-1418 **Version:** 1		
Type:	Agenda Item	**Status:**	Approved
File created:	9/7/2018	**In control:**	Board of Supervisors
On agenda:	10/30/2018	**Final action:**	10/30/2018
Title:	Human Resources Department, Risk Management Division, recommending the Board approve and authorize the Chair to sign perpetual Agreement for Services 3360 with York Risk Services Group, Inc. to provide administration services for worker's compensation claims opened prior to September 1, 2018, with a term beginning November 1, 2018 and to be renewed automatically for successive one-year terms and a total not-to-exceed amount of $208,233 for the first year of service. FUNDING: Workers' Compensation Internal Service Fund		
Sponsors:			
Indexes:			
Code sections:			
Attachments:	1. A - Counsel Route Sheet, 2. B - Agreement 3360, 3. Executed Agreement for Services 3360		

Date	Ver.	Action By	Action	Result
10/30/2018	1	Board of Supervisors	Approved	Pass

Human Resources Department, Risk Management Division, recommending the Board approve and authorize the Chair to sign perpetual Agreement for Services 3360 with York Risk Services Group, Inc. to provide administration services for worker's compensation claims opened prior to September 1, 2018, with a term beginning November 1, 2018 and to be renewed automatically for successive one-year terms and a total not-to-exceed amount of $208,233 for the first year of service.

FUNDING: Workers' Compensation Internal Service Fund

DISCUSSION / BACKGROUND

York Risk Services Group, Inc., formerly Gregory A. Bragg and Associates, has been the County's third-party administrator (TPA) for workers' compensation claims since 1999.

On August 28, 2018, the Board approved the purchase of workers' compensation coverage through a the Primary Workers' Compensation (PWC) program offered through California State Association of Counties Excess Insurance Authority (CSAC-EIA) (Legistar Item # 18-1218). The effective date of coverage is September 1, 2018.

Under this program, El Dorado County is permitted to choose from among Third-Party Administrators with whom CSAC-EIA has negotiated contracts. As previously mentioned, Staff researched each TPA and selected York Risk Services Group (York). Under the PWC program, claims for injuries or illnesses dated on or after September 1, 2018 will be submitted to York for claims management.

However, workers' compensation covers medical treatment for a specific work-related injury or illness based upon the date of such injury or illness, for as long as that treatment is necessary, which could be many years. Because of this, all claims for industrial illnesses or injuries incurred *prior* to September 1, 2018, would be covered under the Excess Workers' Compensation Self-Insured

Retention level based on the date of injury. Such claims are commonly referred to as "tail claims" and will continue to be self-administered and self-defended by the County. Risk Management has determined that it is necessary to obtain a consultant to provide workers' compensation claims third-party administration services for tail claims.

The County has determined that the provision of these services provided by a consultant is in the public's best interest, and that these services are more economically and feasibly performed by outside independent Consultants as well as authorized to El Dorado County Charter, Section 210 (b) (6) and/or Government Code 31000. As York Risk Services Group has already been servicing all claims currently in process under Agreement 264-S1411, this agreement allows the continued processing and resolution for all open workers' compensation tail claims.

The County and Consultant have agreed to negotiate in good faith the total annual amount of the Agreement for future years based on the total number of open tail claims sixty days prior to the expiration of the then-current term. This amount will be presented to the Board annually with the continuation request of the perpetual agreement.

The Trust Account shall be maintained in compliance with Government Code 31000.8 and funds in the Trust Account shall not exceed the Board of Supervisors-approved maximum at any one time. The amount will be a sum sufficient to provide the settlement of claims for a 30-day period. The County will prefund payments of $75,000 or greater in addition to the $200,000.

ALTERNATIVES
The Board could choose to not approve the Agreement, and Risk Management Department could find and use a different third-party administrator for tail claims.

OTHER DEPARTMENT / AGENCY INVOLVEMENT
CAO - Procurement and Contracts

CAO RECOMMENDATION / COMMENTS
It is recommended that the Board approve this item.

FINANCIAL IMPACT
Funding for the Agreement is included in the Risk Management Workers' Compensation Program budget for FY 2018-19. Costs are recouped from County departments through cost-applied internal charges.

CLERK OF THE BOARD FOLLOW UP ACTIONS
Following Board approval, the Clerk of the Board will return one fully executed original of the Agreement to Procurement and Contracts, attention Ashley Wells, for distribution and administration.

STRATEGIC PLAN COMPONENT
Good Governance

CONTACT
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