



Legislation Text

File #: 21-1376, **Version:** 1

Human Resources Department, Risk Management Division, recommending the Board:

- 1) Make findings in accordance with County Ordinance 3.13.030 that it is appropriate to contract with Sedgwick (formerly known as York Risk Service Group) as the County's third party administrator for Workers' Compensation tail claims because (B) "Specialty skills and qualifications not expressly identified in classifications are involved in the performance of the work;"
- 2) Approve and authorize the Chair to sign Amendment III for the continuation of perpetual agreement 3360 with Sedgwick (formerly known as York Risk Service Group) as the County's third party administrator for Workers' Compensation tail claims, with a total not-to-exceed amount of \$122,033.04 for the period of November 1, 2021 - October 31, 2022; and
- 3) Approve the new pricing proposal as submitted by Sedgwick.

FUNDING: Workers' Compensation Fund.

DISCUSSION / BACKGROUND

In accordance with Board Policy Number C-17, departments are required to obtain authorization from the Board of Supervisors to utilize any contract that does not have a stated contract term on an annual basis. The Human Resources Department, Risk Management Division, has a Board approved contract with Sedgwick which does not have a stated contract term. In addition, as tail claims continue to close, Sedgwick has submitted a new pricing proposal with a price reduction for the Workers' Compensation Administration Fee. The annual cost has been reduced from \$140,264.04 to \$122,033.04 for a savings of \$18,231, with no impact to services provided to the County. The Human Resources, Risk Management Division is recommending the Board authorize the continued use of this agreement.

In September 2018, the County entered into a Primary Workers' Compensation (PWC) program wherein no new claims would be submitted to Sedgwick for claims management. However, a determination was made that it was necessary to obtain Sedgwick as the claims third-party administrator (TPA) for the administration, investigation, adjustment, utilization review, bill review and case management for tail claims (claims incurred prior to September 2018).

ALTERNATIVES

The Board could choose not to approve the agreement and Risk Management could find and use a different third party administrator for tail claims.

PRIOR BOARD ACTION

10/30/2018 Legistar Item 18-1418 - Approve original agreement with York Risk Services Group, Inc.
11/19/2019 Legistar Item 19-1647 - Approve York perpetual agreement for Fiscal Year 2019-20
10/20/2020 Legistar Item 20-1219 - Approve York/Sedgwick perpetual agreement for Fiscal Year 2020-2021

OTHER DEPARTMENT / AGENCY INVOLVEMENT

County Counsel

CAO RECOMMENDATION / COMMENTS

Approve as recommended.

FINANCIAL IMPACT

Funding for the agreement is included in the Risk Management Workers' Compensation Program budget for Fiscal Year 2021-22. Costs are recouped from County departments through cost applied internal charges.

CLERK OF THE BOARD FOLLOW UP ACTIONS

Clerk of the Board to obtain Board Chair signature on Amendment III and forward to CAO Fiscal, attention Gina De Martini-Kuhns.

STRATEGIC PLAN COMPONENT

Good Governance

CONTACT

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