



## Legislation Text

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**File #:** 22-1426, **Version:** 1

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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 IV 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 for the period of November 1, 2022 - October 31, 2023; and
- 3) Authorize the Purchasing Agent to execute any necessary amendments relating to Agreement 3360, excluding term extensions and increases to the not-to-exceed amount, contingent upon approval by County Counsel and Risk Management.

**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 and is above Purchasing Agent authority. 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 for the Workers' Compensation Administration Fee with an annual cost of \$122,033. 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 - Approved original agreement with York Risk Services Group, Inc.
- 11/19/2019 Legistar Item 19-1647 - Approved York perpetual agreement for Fiscal Year 2019-2020
- 10/20/2020 Legistar Item 20-1219 - Approved York/Sedgwick perpetual agreement for Fiscal Year 2020-2021
- 10/26/2021 Legistar Item 21-1376 - Approved York/Sedgwick perpetual agreement for Fiscal Year 2021-2022

**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 2022-23. 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 IV and forward to CAO Fiscal, attention Kelley Lawrie.

**STRATEGIC PLAN COMPONENT**

Good Governance.

**CONTACT**

Joseph Carruesco, Director of Human Resources