



Legislation Text

File #: 23-1248, **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 Claims Management Services, Inc. (Sedgwick) as the County's third-party administrator for Workers' Compensation tail claims because "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 perpetual Agreement 7803 with Sedgwick to provide services as the County's third-party administrator for Workers' Compensation tail claims, in the amount of \$111,050 for the period of November 1, 2023, through October 31, 2024; and
- 3) Authorize the Purchasing Agent to execute any necessary amendments relating to Agreement 7803, excluding term extensions and increases to compensation, contingent upon approval by County Counsel and Risk Management.

FUNDING: Workers' Compensation Fund.

DISCUSSION / BACKGROUND

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).

In accordance with Board Policy C-17 Procurement Policy, 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 Agreement 3360 with Sedgwick which does not have a stated contract term. When Amendment IV to Agreement 3360 was in process, CAO Fiscal was advised by County Counsel and Procurement & Contracts to initiate a new agreement with Sedgwick rather than continuing to amend perpetual Agreement 3360.

The Human Resources, Risk Management Division is recommending the Board authorize Sedgwick to continue providing third-party administrator services for Workers' Compensation tail claims under a new perpetual Agreement 7803. As tail claims continue to close, Sedgwick has submitted a new pricing proposal for the Workers' Compensation Administration Fee with an annual cost of \$111,050 for the period of November 1, 2023, through October 31, 2024.

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

10/25/2022 Legistar Item 22-1426 - Approved York/Sedgwick perpetual agreement for Fiscal Year 2022-2023

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 2023-24. 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 Agreement 7803 and forward to CAO Fiscal, attention Kelley Lawrie.

STRATEGIC PLAN COMPONENT

Good Governance.

CONTACT

Joseph Carruesco, Director of Human Resources