



**Request for City Council Committee Action
From the Finance Department**

Date: March 22, 2004
To: Ways and Means Committee
Referral to: None

**Subject: Authority to negotiate for a WC Preferred Provider Network,
Disability Case Management, Bill Review function and Employment
Services Contract with Encore Unlimited/Alpha Review Corporation**

Recommendation: Authorize the appropriate City staff to negotiate a contract with a new provider, Encore Unlimited/Alpha Review Corporation for the provision of a Workers' Compensation Preferred Provider Network, Disability Case Management Services, Bill Review function and Employment Services coordination. Specific contract language will be brought back to Council for final review and approval.

Prepared or Submitted by: Ellen Velasco-Thompson, Director, 612 673-3994

Approved by: Patrick Born, City Finance Officer _____

John Moir, City Coordinator _____

Presenters in Committee: Ellen Velasco-Thompson, Director, Risk Mgmt. & Claims

Financial Impact (Check those that apply)

No financial impact - or - Action is within current department budget.
(If checked, go directly to Background/Supporting Information)

- Action requires an appropriation increase to the Capital Budget
- Action requires an appropriation increase to the Operating Budget
- Action provides increased revenue for appropriation increase
- Action requires use of contingency or reserves
- Other financial impact (Explain):

Request provided to the Budget Office when provided to the Committee Coordinator

Community Impact (use any categories that apply)

- Neighborhood Notification
- City Goals
- Comprehensive Plan
- Zoning Code
- Other

Not applicable

Background/Supporting Information Attached:

The present contract for Workers' Compensation (WC) Managed Care Services and Employment Medical Services will expire on May 15, 2004.

Two teams of end-users for Workers' Compensation Claims and Employment Services have reviewed nine responders to our RFP for services. Four of the responses were from Occupational Health Clinics competing for Employment Services work. The final candidate was chosen due to the overall reduction in financial administrative costs, quality of services offered, and an opportunity to pilot other cost-saving mechanisms in the management of medical expenditures.

It is our Evaluation Teams' recommendation that we obtain authorization from the Council to negotiate terms for a contract with Encore Unlimited/Alpha Review Corporation in the provision of services. Once completed, final contract language will be brought before Council for their review and approval.