



Request for City Council Committee Action From the Finance Department

Date: April 21, 2004
To: Ways and Means Committee
Referral to: None

Subject: Authority to contract with Encore Unlimited, LLC and Alpha Review Corporation for Workers' Compensation and Employment Services.

Recommendation: Authorization to enter into a contract with Encore Unlimited and Alpha Review Corporation for Workers' Compensation and Employment Services for the use and coordination of a preferred provider network, disability case management services, and bill review function. The yearly expenditure in administrative fees will not exceed \$102,000, which is payable from Fund 6900, Agency 820, Org 8290, Object 5070, Sub-Object 19.

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.

On March 22, 2004, the Council authorized city staff to negotiate a final contract with Encore Unlimited and Alpha Review Corporation for Workers' Compensation and Employment Services use and coordination of the PPO Network, disability case management, and bill review. The essential terms of the contract are as follows:

1. The contract will be for a term of three years, commencing on May 15, 2004 to May 15, 2007 with a potential to renewal for an additional two years.
2. The City will pay Alpha Review Corporation the sum of \$1.70 per employee, per month to cover the costs of bill review and use of the PPO network. Full time employee (FTE) count will be determined by dividing total hours worked, less overtime, by 2,080 hours. The FTE count and charge will be updated each year on the contract anniversary. The Employment Services flat rate is included.
3. Encore Unlimited will provide the City with telephonic early intervention/triage services and field case management services. There will be 1-2 day/week onsite triage nurse/account manager placed in the Risk Mgmt & Claims to assist the WC Unit and be a resource to Dept Representatives for Employment Services.