



CITY OF CARSON

Legislation Text

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Report to Mayor and City Council

Tuesday, August 02, 2016

Consent

SUBJECT:

**APPROVE A ONE-YEAR CONTRACT AMENDMENT WITH MEDEX FOR THE PERIOD
AUGUST 15, 2016 THROUGH AUGUST 15, 2017 (CITY COUNCIL)**

I. SUMMARY

The City contracts with Adminsure to serve as its workers' compensation third party claims administrator; however, Medical Provider Network services were not bundled into the services provided by Adminsure. As a result, the City maintains a contract with MEDEX, a Medical Provider Network (MPN), to assist with cost control in the Workers' Compensation Program. The MEDEX contract expires on August 15, 2016. The City Council will consider a contract amendment for one-year with MEDEX for a period August 15, 2016 to August 15, 2017 as a sole source procurement pursuant to Carson Municipal Code section 2604(a).

II. RECOMMENDATION

1. WAIVE, pursuant to Carson Municipal Code section 2604 (a), the process as defined by Carson Municipal Code section 2610.
2. APPROVE a contract amendment for one-year with MEDEX for the period August 15, 2016 to August 15, 2017.
3. AUTHORIZE the City Manager to execute the one-year MEDEX contract after approval as to form by the City Attorney.

III. ALTERNATIVES

TAKE another action the City Council deems appropriate.

IV. BACKGROUND

Human Resources/Risk Management completed the Request for Proposal process and selected Adminsure as the new workers' compensation third party claims administrator. The Adminsure contract started on August 15, 2015. However, an MPN was not bundled in Adminsure's contract. An MPN is used to control medical treatment which saves workers' compensation costs. Adminsure recommended that the City use MEDEX as our stand-alone MPN. After lengthy contract negotiations, the parties signed a one-year contract on December 10, 2015 for the period August 15, 2015 through August 15, 2016.

MPNs are now mainly used as an added service bundled into the workers' compensation third party claims administrator's contract. Based upon a survey of various potential MPN service providers in Exhibit 3, standalone MPN services are generally not provided by most workers' compensation third party claims administrators. Therefore, based upon the survey, only MEDEX is willing to provide standalone MPN services to the City. It is recommended that Carson Municipal Code section 2604 (a) be used for a sole source purchase due to the inability to find sufficient number of stand-alone MPNs that will bid.

In addition, given the time it took to negotiate and sign the contract with MEDEX, additional time is needed to fully evaluate MEDEX MPN services. Adminsure is very satisfied working with MEDEX. MEDEX is willing to renew their contract for the same terms and conditions for another year. Their \$24,000 annual contract falls under the City Manager's authority level. Human Resources/Risk Management recommends that MEDEX be given another year so that their services can be fully evaluated.

V. FISCAL IMPACT

Funds for this have been allocated in the adopted budget for FY 2016/17 in account number 01-20-560-173-6005.

VI. EXHIBITS

1. First Amendment to Medical Provider Network Professional Service Contract (pgs. 3 - 8)
2. Original Medical Provider Network Professional Service Contract (pgs. 9 - 30)
3. MPN service survey (pg. 31)
4. Municipal Code Section 2604 (a) (pg. 32)

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