



Workers' Compensation RFP# 2020-768R

March 16, 2021



Strategic Goal 6 –

Set the Standard for Sound Governance and Fiscal Management

6.2 Implement Employee Benefits and Services that Promote Financial Security

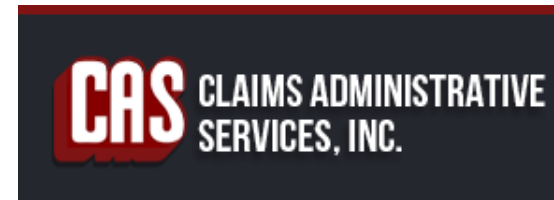
WORKERS' COMPENSATION RFP

Request for Proposals 2020-768R - Workers' Compensation Third Party Administrator was released seeking proposals for the management and operation of the Self-Insured Workers' Compensation Insurance Carrier.

There were four (4) proposals received. A three-member committee consisting of representatives from El Paso Fire Department, Risk Management, and El Paso Water Utilities evaluated the proposals.

We are recommending award to **CAS (CLAIMS ADMINISTRATIVE SERVICES, INC.)**

- Initial 5 Year Term \$4,985,705.00
- 1st 1 Year Extension \$1,023,346.00
- 2nd 1 Year Extension \$1,045,191.00
- 7 year Total \$7,054,242.00**



The difference in cost, based on the comparison to the previous contract, is as follows: An annual increase of \$455,643.50

Cost Variance

- Key Cost Drivers
 - 10% increase in number of City and PSB employees since 2013
 - 22% Increase in Indemnity Claims
 - Additional services included
 - Pre-Authorization,
 - Cost Containment Fee,
 - Nurse Case Management,
 - Peer Reviews
 - Replaces Contract Awarded 2013
- Award also has 2% decrease from 2020 Workers' Comp Rates
- Total annual increase \$431,206.00

TPA Office Operation and Staff

- Local office
- 24 hour claims service is available 7 days a week
- One Supervisor for City and EPWU claims
- Five dedicated Loss time Claims adjusters and one Medical only adjuster
- All adjusters are bilingual in English and Spanish

Scope of Services

- Receive and process work-related claims and evaluate for compensability
- Initiate benefit payments
- Represent the City at all Administrative Hearings and Medical Dispute proceedings
- Coordinate with the City Attorney's Office on subrogation claims
- File all legally required Division of Workers' Compensation (DWC) Forms timely

Recommended Action:

The Purchasing & Strategic Sourcing and Human Resources Departments recommend award as indicated to CAS - Claims Administrative Services, Inc., the highest ranked proposer based on evaluation factors established for this procurement. In accordance with this award, the City Manager or designee is authorized to exercise future options if needed.



Mission

Deliver exceptional services to support a high quality of life and place for our community



Vision

Develop a vibrant regional economy, safe and beautiful neighborhoods and exceptional recreational, cultural and educational opportunities powered by a high performing government



Values

Integrity, Respect, Excellence, Accountability, People