

#102
11/15/22

(R-2023-212)

RESOLUTION NUMBER R- 314441

DATE OF FINAL PASSAGE NOV 28 2022

A RESOLUTION OF THE COUNCIL OF THE CITY OF
SAN DIEGO APPROVING FIRST AMENDMENTS TO FOUR
CONTRACTS RELATED TO MANAGED CARE SERVICES
FOR THE CITY OF SAN DIEGO'S WORKERS'
COMPENSATION PROGRAM, AUTHORIZING THE MAYOR
OR DESIGNEE TO EXECUTE THE CONTRACT
AMENDMENTS, AND AUTHORIZING INCREASED
FUNDING FOR THE CONTRACT AMENDMENTS.

WHEREAS, the City of San Diego (City) self-insures and self-administers its workers' compensation insurance program in accordance with the California Labor Code and California Code of Regulations; and

WHEREAS, the self-administration of the City's workers' compensation program is the responsibility of the Risk Management Department, which provides workers' compensation benefits to all eligible City employees and establishes programs that provide appropriate care; and

WHEREAS, in order to provide timely, cost appropriate, and quality medical care to its injured workers, the City has contracted for managed care services for the workers' compensation program since 2002, following an operational and best practices assessment; and

WHEREAS, the City contracts for the following workers' compensation managed care services:

- (1) Bill Review Services, which is a process of reviewing physician, hospital, ancillary and other medical related bills and reconciling and re-pricing them with the allowance of the California Official Medical Fee Schedule or Preferred Provider Organizations contracted discount rates and negotiation of non-fee

scheduled charges, resulting in savings to the City through the difference between originally billed and ultimately-paid amounts;

- (2) Utilization Review Services, which is a State of California-mandated program consisting of clinical and administrative review of treatment plans for appropriateness of treatment type and duration, resulting in savings to the City through the identification and remediation of sources of costly over-treatment;
- (3) Preferred Provider Organizations Network, which is accessed through Bill Review Provider contracts;
- (4) Injury Call in Center, which allows for 24/7 notification of industrial injuries, including immediate notification to the Risk Management Director in the event of a death or catastrophic injury, and allows the workers' compensation claims staff to make necessary decisions to pay or deny workers' compensation benefits within the Labor Code allowed time parameters;
- (5) Pharmacy Benefit Management Program, providing injured City employees with access to a pharmacy network consisting of all major and most smaller pharmacies that injured City employees can select, resulting in savings to the City through pre-arranged discounts of the allowable California Fee Schedule/California formulary and discounts of the Average Wholesale Price on prescriptions not subject to the fee schedule, and overseeing prescriptions issued by physicians to injured employees to ensure the appropriate dispensing of medication while providing optimal care for injured workers; and

- (6) Field Nurse Case Management, providing resources for employees who have sustained a catastrophic injury, serious illness or surgeries with hospitalization through managed treatment paths, specialist referrals and rehabilitations resources, resulting in savings to the City through reduced loss costs, accelerated return to work and assurance of appropriate medical care; and

WHEREAS, on September 13, 2018, the City issued Request for Proposal Number 10080913-19-L (RFP) to prospective proposers to provide these managed care services for workers' compensation to the City; and

WHEREAS, as a result of the RFP, the City entered into contracts with four service providers, effective June 21, 2019, for three-year terms with an additional two one-year terms under options to renew; the City Council (Council) approved the contracts by San Diego Resolution R-312492 (June 6, 2019); and

WHEREAS, Risk Management Department staff is now requesting that the Council approve First Amendments to the contracts with the four service providers: Allied Managed Care, Inc.; Keystone Medical Resources, Inc.; Medata, Inc. (Medata); and Rehab West, Inc.; and

WHEREAS, the amendments to the contracts with Allied Managed Care, Inc., Keystone Medical Resources, Inc., and Medata are needed to increase the not-to-exceed amounts on each of these contracts; the not-to-exceed amount for Allied Managed Care, Inc., will increase to \$1,910,049; the not-to-exceed amount for Keystone Medical Resources, Inc., will increase to \$2,104,538; and the not-to-exceed amount for Medata will increase to \$17,413, 028; and

WHEREAS, each of the four contracts is also being amended to require each contractor to carry Cyber Liability Insurance; and

WHEREAS, an amendment to the contract with Medata is also needed to cover a requested rate increase for the injury call-in center services; and

WHEREAS, the current rate under the Medata contract for a first report of injury is \$20.37 for each call and report taken. This action seeks approval to amend the contract to increase the first report of injury to \$23.95, to cover each option year; and

WHEREAS, Medata is requesting the rate adjustment because of the large increase of claims due to COVID cases, unexpected competition in the labor market, and the adjusted average industry rate. This requested amendment is supported by a sole source certification provided by the City's Purchasing Agent in accordance with San Diego Municipal Code section 22.3016; and

WHEREAS, the amendment to the contract with Medata also allows for the on-line reporting of Employer's First Report of Injury/illness via a web-based portal. This option would allow the user to enter all the required Employer's First Report of Injury/illness elements required to submit a workers' compensation claim. Currently, the contract allows for only telephonic reporting. On-line reporting will serve as an alternative to telephonic reporting and is intended to expand convenient options for reporting claims; and

WHEREAS, the Office of the City Attorney has drafted this resolution based on the information provided by City staff, with understanding that this information is complete, true, and accurate; NOW, THEREFORE,

BE IT RESOLVED, by the Council of the City of San Diego, as follows:

1. The Council approves the First Amendment to the contract between the City and Medata and authorizes the Mayor or his designee to execute the First Amendment

and, within the Mayor's discretion, the options to renew; the contract is on file with the Office of the City Clerk as Document No. RR-312492-1, and the First Amendment to the contract is on file with the Office of the City Clerk as Document No. 314441-1

2. The Council approves the First Amendment to the contract between the City and Allied Managed Care, Inc., and authorizes the Mayor or his designee to execute the First Amendment and, within the Mayor's discretion, the options to renew; the contract is on file with the Office of the City Clerk as Document No. RR-312492-2, and the First Amendment to the contract is on file with the Office of the City Clerk as Document No. 314441-2
3. The Council approves the First Amendment to the contract between the City and Rehab West, Inc., and authorizes the Mayor or his designee to execute the First Amendment and, within the Mayor's discretion, the options to renew; the contract is on file with the Office of the City Clerk as Document No. RR-312492-3, and the First Amendment to the contract is on file with the Office of the City Clerk as Document No. 314441-3
4. The Council approves the First Amendment to the contract between the City and Keystone Medical Resources, Inc., and authorizes the Mayor or his designee to execute the First Amendment and, within the Mayor's discretion, the options to renew; the contract is on file with the Office of the City Clerk as Document No. RR-312492-4, and the First Amendment to the contract is on file with the Office of the City Clerk as Document No. 314441-4

5. The Council authorizes the Chief Financial Officer to expend an amount not to exceed \$22,552,815 to cover the cost of services under the First Amendments to the contracts, with funding for all contracts to be provided by the Workers' Compensation Fund #72044. The Council's authorization is contingent upon the adoption of the Annual Appropriation Ordinance for the applicable fiscal years and upon the Chief Financial Officer first furnishing one or more certificates stating that funds necessary for the authorized expenditures are, or will be, on deposit with the City Treasurer.

APPROVED: MARA W. ELLIOTT, City Attorney

By /s/ Joan F. Dawson
Joan F. Dawson
Senior Deputy City Attorney

JFD:jdf
10/17/2022
Or.Dept: Risk Management
Doc. No. 3118175

I certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of NOV 15 2022

ELIZABETH S. MALAND
City Clerk

By Kristall Medina
Deputy City Clerk

Approved: 11/21/22
(date)

Todd Gloria
TODD GLORIA, Mayor

Vetoed: _____
(date)

TODD GLORIA, Mayor

Passed by the Council of The City of San Diego on NOV 15 2022, by the following vote:

Councilmembers	Yeas	Nays	Not Present	Recused
Joe LaCava	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Jennifer Campbell	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Stephen Whitburn	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Monica Montgomery Steppe	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Marni von Wilpert	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Chris Cate	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Raul A. Campillo	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Vivian Moreno	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Sean Elo-Rivera	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Date of final passage NOV 28 2022.

(Please note: When a resolution is approved by the Mayor, the date of final passage is the date the approved resolution was returned to the Office of the City Clerk.)

AUTHENTICATED BY:

TODD GLORIA
Mayor of The City of San Diego, California.

(Seal)

ELIZABETH S. MALAND
City Clerk of The City of San Diego, California.

By Kristel Medina, Deputy

Office of the City Clerk, San Diego, California

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