

RESOLUTION NUMBER R- **315593**DATE OF FINAL PASSAGE **JUN 11 2024**

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN DIEGO APPROVING CONTRACTS BETWEEN THE CITY OF SAN DIEGO AND FIVE SERVICE PROVIDERS: ALLIED MANAGED CARE, INC.; CADENCE, RX, INC., REHAB WEST, INC.; KEYSTONE MEDICAL RESOURCES, INC.; AND AMERICAN CLAIMS MANAGEMENT TO PROVIDE THE CITY WITH WORKERS' COMPENSATION MANAGED CARE SERVICES AND AUTHORIZING THE MAYOR TO EXECUTE THE CONTRACTS AND THE OPTIONS TO RENEW, AS NECESSARY.

WHEREAS, the City of San Diego (City) self-insures and self-administers its Workers' Compensation Insurance Program (Program) in compliance with the California Labor Code and California Code of Regulations; and

WHEREAS, the City's Risk Management Department is responsible for administering the Program; and

WHEREAS, the Program provides workers' compensation benefits to all eligible City employees and establishes services, as required by the California Labor Code, that provide appropriate care; and

WHEREAS, in order to minimize worker downtime and provide timely, cost appropriate, and the best medical care available to injured workers, the City has been contracting for managed care services since 2002 following an operational and best practices assessment; and

WHEREAS, by San Diego Resolution R-312492 (June 6, 2019), the San Diego City Council (Council) previously approved the managed care services contracts for the Program, and those contracts are expiring in June 2024; and

WHEREAS, in August 2023, the Risk Management Department, in partnership with the Purchasing and Contracting Department, (City Staff) issued a Request for Proposals (RFP) to identify successor contractors for the Program's managed care services; and

WHEREAS, as a result of the RFP, City Staff have identified five contractors to provide various and specified services for the Program, and they are requesting Council approval of the contracts with the five contractors; and

WHEREAS, each contract is for a term of three years, with two one-year renewal options, for a cumulative total not-to-exceed amount for all contracts of \$22,130,056; and

WHEREAS, the five proposed contracts are as follows: (1) Allied Managed Care, Inc., for bill review services in an amount not to exceed \$1,890,000, preferred provider organization in an amount not to exceed \$1,229,000, and utilization review management in an amount not to exceed \$1,633,050; (2) Cadence RX, Inc., for the pharmacy benefit management program in an amount not to exceed \$14,259,206; (3) Rehab West, Inc., for field nurse case management in an amount not to exceed \$1,500,000; (4) Keystone Medical Resources, Inc., for field nurse case management in an amount not to exceed \$1,500,000; and (5) American Claims Management for the call-in center in an amount not to exceed \$118,800; and

WHEREAS, the cumulative cost of the contracts for a one-year period is estimated to be \$4,426,011, with the cumulative cost of all contracts for the five-year period to not exceed \$22,130,056; and

WHEREAS, the funding for the contracts is from the City's Workers' Compensation Fund; and

WHEREAS, the Office of the City Attorney has drafted this resolution based on the information provided by City staff, including information provided by affected third parties and verified by City staff, with the 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 a contract between the City and Allied Managed Care, Inc., on file with the Office of the City Clerk as Document No. <sup>RR-</sup>315593<sup>-1</sup>, for a three-year term with two one-year options to renew, and the Council authorizes the Mayor or his designee to execute the contract and, within the Mayor's discretion, the options to renew.
2. The Council approves a contract between the City and Cadence, RX, Inc., on file with the Office of the City Clerk as Document No. <sup>RR-</sup>315593<sup>-2</sup>, for a three-year term with two one-year options to renew, and the Council authorizes the Mayor or his designee to execute the contract and, within the Mayor's discretion, the options to renew.
3. The Council approves a contract between the City and Rehab West, Inc., on file with the Office of the City Clerk as Document No. <sup>RR-</sup>315593<sup>-3</sup>, for a three-year term with two one-year options to renew, and the Council authorizes the Mayor or his designee to execute the contract and, within the Mayor's discretion, the options to renew.
4. The Council approves a contract between the City and Keystone Medical Resources, Inc., on file with the Office of the City Clerk as Document No. <sup>RR-</sup>315593<sup>-4</sup>, for a three-year term with two one-year options to renew, and

the Council authorizes the Mayor or his designee to execute the contract and, within the Mayor's discretion, the options to renew.

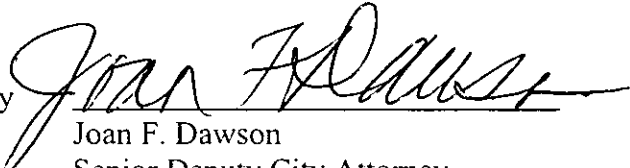
5. The Council approves a contract between the City and American Claims Management, on file with the Office of the City Clerk as Document No.

~~CL-315593~~<sup>5</sup>, for a three-year term with two one-year options to renew, and the Council authorizes the Mayor or his designee to execute the contract and, within the Mayor's discretion, the options to renew.

6. The Council authorizes the Chief Financial Officer to expend up to \$4,426,011 a year for payment of the contract costs for all contracts, with the five-year costs not to exceed \$22,130,056, to the following contractors: (1) Allied Managed Care, Inc., for bill review services in an amount not to exceed \$1,890,000, preferred provider organization in an amount not to exceed \$1,229,000, and utilization review management in an amount not to exceed \$1,633,050; (2) Cadence RX, Inc., for the pharmacy benefit management program in an amount not to exceed \$14,259,206; (3) Rehab West, Inc., for field nurse case management in an amount not to exceed \$1,500,000; (4) Keystone Medical Resources, Inc., for field nurse case management in an amount not to exceed \$1,500,000; and (5) American Claims Management for the call-in center in an amount not to exceed \$118,800, with all costs to be paid from the Workers' Compensation Fund, 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 authorized expenditures are, or will be, on deposit with the City Treasurer.

7. The Mayor or his designee's authority to execute the options to renew each contract is contingent upon the adoption of the Annual Appropriation Ordinance for the applicable fiscal year and upon the Chief Financial Officer first furnishing one or more certificates stating that funds necessary for authorized expenditures are, or will be, on deposit with the City Treasurer.
8. The Chief Financial Officer is authorized to expend up to \$4,426,011 a year from the Workers' Compensation Fund to fund the options to renew, if they are exercised, contingent upon the adoption of the Annual Appropriation Ordinance for the applicable fiscal year and upon the Chief Financial Officer first furnishing one of more certificates stating that funds necessary for authorized expenditures are, or will be, on deposit with the City Treasurer.

APPROVED: MARA W. ELLIOTT, City Attorney

By   
Joan F. Dawson  
Senior Deputy City Attorney

JFD:jdf  
06/06/2024  
Or.Dept: Risk Management  
Doc. No. 3673556

I certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of JUN 10 2024.

DIANA J.S. FUENTES  
City Clerk

By *Connie Patterson*  
Deputy City Clerk

Approved: 6/11/24  
(date)

*Todd Gloria*  
TODD GLORIA, Mayor

Vetoed: \_\_\_\_\_  
(date)

\_\_\_\_\_  
TODD GLORIA, Mayor

Passed by the Council of The City of San Diego on JUN 10 2024, 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"/>
Henry L. Foster III	<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"/>
Kent Lee	<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 JUN 11 2024.

**(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)

DIANA J.S. FUENTES  
City Clerk of The City of San Diego, California.

By Connie Patterson Deputy

Office of the City Clerk, San Diego, California

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