

**SUBJECT**

*Management Services for Workers' Compensation Claims and Medical Bill Review Services*

**RECOMMENDED ACTION**

*To authorize the President and CEO to enter into a three-year, fixed-rate contract with Athens Administrators for the provision of management services for workers' compensation claims and medical bill review services, at a cost of \$842,827 with two, one-year options at \$301,051 for Option Year One, and \$309,873 for Option Year Two, for a total authorization amount not to exceed \$1,453,751.*

**BACKGROUND**

Long Beach Transit (LBT) employs approximately 750 employees. From time to time, LBT receives workers' compensation claims from employees for on-the-job injuries that may occur during the normal course of doing business. To assist in responding to such claims, LBT uses the services of a third-party administrator (TPA). The TPA provides a variety of services, including processing of individual claims, coordination of medical treatment, claim investigation, medical cost containment programs, coordination with nurse case managers and medical bill review services. These services are currently provided by Athens Administrators.

**PROCUREMENT**

LBT issued a Request for Proposal (RFP) to several qualified firms and received four proposals. The proposals were evaluated based on the following criteria: qualifications and experience, work plan, past performance and pricing. Athens Administrators, with headquarters located in Concord, California and a local office in Orange, California, scored the highest rating and was found to be responsive and responsible by LBT's Purchasing department.

Athens Administrators is LBT's current TPA. Staff has found the overall quality of their claims administration to be excellent, including their prompt response to requests, and overall high quality of service in representing LBT's interests.

**ALTERNATIVES CONSIDERED**

The Board may choose not to approve the recommendation and LBT could bring these services in-house. However, staff does not recommend this option as the TPA services are provided by a full-time dedicated adjuster with additional account management, supervision and clerical support. The TPA services also includes medical bill review services, data collection, analysis, tracking and reporting. LBT would have to increase department staff, purchase and support a

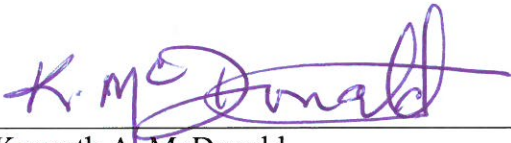
---

suitable risk management computer software information system to transition these services into the agency.

**BUDGETARY/FISCAL IMPACT**

Staff is requesting authorization for the President and CEO to enter into a three-year, fixed-rate contract with Athens Administrators for the provision of management services for workers' compensation claims and medical bill review services, at a cost of \$842,827 with two, one-year options at \$301,051 for Option Year One, and \$309,873 for Option Year Two, for a total authorization amount not to exceed \$1,453,751.

Funds for this contract were included in the Fiscal Year 2017 operating budget, and will be included in subsequent operating budgets.



---

Kenneth A. McDonald  
President and Chief Executive Officer