



Legislation Text

File #: 21-1085, **Version:** 1

Recommendation to adopt Specifications No. RFP LW21-032 and award a contract to Lien on Me, Inc., of Glendale, CA, for medical bill review services, in an annual amount of \$600,000, authorize a twenty percent contingency in the annual amount of \$120,000, for a total annual contract amount not to exceed \$720,000, for a period of two years, with the option to renew for three additional one-year periods, at the discretion of the City Manager; and, authorize City Manager, or designee, to execute all documents necessary to enter into the contract, including any necessary amendments. (Citywide)

City Council approval is requested to enter into a contract with Lien on Me, inc. to furnish and deliver Workers' Compensation related medical bill review services, This type of service has historically provided the City with significant annual cost savings related to medical provider billing in workers' compensation cases.

A Request for Proposal (RFP) was advertised in the Long Beach Press-Telegram on April 7, 2021 and 5,169 potential proposers specializing in medical bill review services were notified of the REP opportunity. Of those proposers, 53 downloaded the RFP via the City's ,electronic bid system. The RFP document was made available from the Purchasing Division, located on the 6th floor of City Hall, and the Division's website at www.longbeach.gov/purchasing. An RFP announcement was also included in the .Purchasing Division's weekly update of Open Bid Opportunities, which is sent to 38 local, minority owned, and women-owned business groups. There were 14 proposals received on May 3, 2021. Of those 14 proposers, 2 were Minority-owned Business Enterprises (MBE), .6 were Women-owned Business Enterprises (WBE), 2 were certified Small Business Enterprises (SBE), and none were Long Beach businesses (Local). The selection committee determined that Lien on Me, Inc., of Glendale, CA (WBE), was the most qualified firm to provide the services.

Lien on Me, Inc. was selected as the organization whose business approach and experience best aligned with the Workers' Compensation Program goals and objectives for performing bill review services. Lien on Me, Inc. brings over 100 years of combined experience and expertise and demonstrated a thorough and comprehensive approach to medical bill review to achieve cost containment goals.

Lien on Me, Inc., as the selected vendor, will provide bill review services in accordance with the Workers' Compensation Laws of California. They will analyze medical provider bills for errors, duplication or fraud. Billed charges will be repriced to accurate and correct charges pursuant to the applicable State-mandated Fee Schedule, or in non-Fee Schedule states to usual and customary charges. Bill review will also provide any applicable additional savings for services provided by a preferred provider in the medical treatment network. Bill review

services are designed to ensure that payment for medical treatment is being made with an optimal cost savings benefit to the City.

Local Business Outreach

To align with the City's outreach goal, Long Beach businesses are encouraged to submit proposals for City contracts. The Purchasing Division also assists businesses with registering on the PlanetBids database to download RFP specifications. Through outreach, 39 Long Beach vendors were notified to submit proposals, of which seven (7) downloaded and none submitted a proposal. The Purchasing Division is committed to continuing to perform outreach to local vendors to expand the bidder pool.

This matter was reviewed by Principal Deputy City Attorney Anne Lattime on September 18, 2021, Business Services Bureau Manager Tara Mortensen on September 22, 2021, and Revenue Management Officer Geraldine Alejo on September 28, 2021.

City Council action to adopt Specifications No. RFP LW21-032 and award a contract concurrently is requested on October 19, 2021, to ensure that the contract is in place expeditiously.

The annual contract amount will not exceed \$720,000. The contract is budgeted in the Insurance Fund Group in the Citywide Activities Department. Services are anticipated to generate significant annual cost savings related to medical provider billing in workers' compensation cases. The Workers' Compensation Division has an annual medical bill volume of approximately 14,000 bills, resulting in annual medical bill charges of approximately \$23,000,000. Through the bill review process, with Fee Schedule savings, and other reductions and savings, the City paid approximately \$5,688,262 in medical costs in 2020, representing an annual savings of approximately 75 percent off the total cost of the bills. This recommendation has no staffing impact beyond the normal budgeted scope of duties and is consistent with existing City Council priorities. There is no local job impact associated with this recommendation.

Approve recommendation.

CHARLES PARKIN,
CITY ATTORNEY