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C-4

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September 10, 2019

HONORABLE MAYOR AND CITY COUNCIL  
City of Long Beach  
California

RECOMMENDATION:

Adopt Specifications RFP LW19-074 and authorize the City Manager, or designee, to enter into a contract and execute any necessary amendments thereto with Rehab West, Inc. (RWI) to provide Medical Case Management services for the City of Long Beach Workers' Compensation Program, in the amount of \$100,800, with a 20% contingency of \$20,160, for a total annual contract amount not to exceed \$120,960, for a period of two years, with the option to renew for three additional one-year periods, at the discretion of the City Manager. (Citywide)

DISCUSSION:

City Council approval is requested to enter into a contract with Rehab West, Inc. to provide Medical Case Management services for the City of Long Beach Workers' Compensation Program. In January 2019, the professional services of Maureen Kohl Mahoney & Associates were enlisted to initiate a Request for Proposal (RFP) process to select a managed care vendor to provide Medical Case Management (MCM) through the City's Workers' Compensation Program.

The Medical Case Management services to be provided by Rehab West, Inc. assists the City in providing timely, quality medical services to the City's Workers' Compensation Program upon direct referral, in the form of telephonic, field, or task-based case management. These services provide direct nursing services for the management of treatment for injured workers, including but not limited to, long-term disability, severe or catastrophic injuries, or intervention to assist in return to work.

All eligible City employees are provided the best medical care available at the earliest time indicated, in addition to all appropriate workers' compensation indemnity benefits. In tandem, the City has a fiduciary responsibility to its citizens to minimize medical and indemnity expenditures. Partnering with established managed care service providers is critical to achieving cost containment goals.

Under the umbrella of managed care services, MCM was evaluated with the intent of identifying the best opportunity for operational efficiencies and cost savings within the City's Workers' Compensation program, while providing superior medical treatment to affected employees. The aim is to align with a service vendor who demonstrates the ability to incorporate industry best practices, along with the California workers' compensation regulations in their approach to servicing the City of Long Beach.

Ten proposals were reviewed by the selection committee that included representatives from the City Attorney and Human Resources Departments. After the review of all ten proposals, four firms were invited to be interviewed. The selection committee recommended Rehab West, Inc. (a women-owned business) as the proposer able to best meet the City's needs. The selection was based upon proposed costs, established technical criteria, demonstrated competence, and verification of references. Rehab West Inc. has a demonstrated track record of expert key personnel, long-term client relationships, a philosophy of cost containment, and exceptional service.

#### 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 assists businesses with registering on the PlanetBids database to download the RFP specifications. Through outreach, 26 Long Beach vendors were notified to submit proposals, of which one 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 August 30, 2019, and by Budget Management Officer Rhutu Amin Gharib August 26, 2019.

#### TIMING CONSIDERATIONS:

City Council action to adopt specifications RFP LW19-074, and award the contract to be effective October 1, 2019, to ensure the contracts are in place in a timely manner.

#### FISCAL IMPACT:

The City's proposed contract with Rehab West, Inc. establishes an agreed-upon fee schedule for the various components of the contract (see attached).

The total estimated charges for this contract will not exceed \$241,920 over the next two years and represents approximately 12% in savings over the current contract. The City currently spends approximately \$135,475 annually on MCM services. Sufficient appropriation for the contract is budgeted in the Insurance Fund Group in the Citywide

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Activities Department. 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.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,

CHARLES PARKIN, City Attorney

By:   
ANNE LATTIME  
Principal Deputy City Attorney

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