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HONORABLE MAYOR AND CITY COUNCIL

City of Long Beach

California

RECOMMENDATION:

Adopt Specifications No. RFP LW19-090 and award a contract to Medex Managed Care, Inc., of Newport Beach, CA (Medex) for the City of Long Beach Workers' Compensation Medical Provider Network (MPN) services, in an annual amount of \$72,240, authorize a 20% contingency in the amount of \$14,448, for a total annual contract amount not to exceed \$86,688 for a period of two (2) years, with the option to renew for three (3) additional one-year periods, at the discretion of the City Manager, and authorize the City Manager, or designee, to execute all documents necessary to enter into the contract, including any necessary amendments. (Citywide)

DISCUSSION

City Council approval is requested to enter into a contract with Medex Managed Care, Inc. (Medex) to assist in the development, management, and maintenance of a Medical Provider Network (MPN) for the City of Long Beach (City) Workers' Compensation Program. In January 2019, the professional services of Maureen Kohl Mahoney and Associates were enlisted to initiate a Request for Proposal (RFP) process to select a managed care vendor to provide Medical Provider Network (MPN) services through the City's Workers' Compensation Program.

The MPN provides a network of medical providers, easily accessible to the City's industrially injured workers. The network conforms to the rules and regulations as outlined by the State of California and is a combination of Primary Care Physicians, as well as specialists to provide an adequate level of medical care services to City

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employees. The MPN also provides the City with control of the medical care necessary to treat injured employees and to maximize the savings available. The network will provide the expert medical services needed to ensure that the best care is available to injured workers.

Medex was selected as the organization whose business approach and experience best aligned with the City of Long Beach's Workers' Compensation program goals and objectives for performing the management and maintenance of the Medical Provider Network services. The Medex team brings well over 50 years of combined experience and expertise in medical management. They focus on managed coordination of services through direct contracts with their provider partners and offer a hands-on approach geared toward solutions. Medex demonstrates the ability to quickly address medical provider issues, guard against unscrupulous practitioners, incorporate current reform measures, and continue to build upon the goal of reducing costs and improving efficiencies, while providing superior care and treatment to affected employees. The City's proposed contract with Medex establishes an agreed-upon fee schedule based on an estimated average of the City's new claims every month that qualify for inclusion in the MPN.

The RFP was issued on April 4, 2019 and there were 241 potential proposers specializing in MPN's were notified of the RFP opportunity. Of those proposers, 23 downloaded the RFP via the City's electronic bid system. The RFP document was made available from the Purchasing Division, located on the sixth 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 the Open Bid Opportunities, which is sent to 28 local, minority and women-owned business groups. Six (6) proposals were received on May 9, 2019 at 11:00 am. Of those 6 proposers, 1 was a Minority-owned Business Enterprise (MBE), 2 were Women-owned Business Enterprises (WBEs), 1 was certified Small Business Enterprises (SBEs), and none were Long Beach businesses (Local). The selection committee determined that Medex Managed Care, Inc. of Newport Beach, CA (not an MBE, WBE, SBE, or Local), was the most qualified firm to provide these services. Medex has a demonstrated track record of expert key personnel, long-term client relationships, and a philosophy of cost containment and exceptional service.

LOCAL BUSINESS OUTREACH:

In an effort 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 data base to download the RFP specifications. Through outreach, two Long Beach vendors were notified to submit proposals, of which two downloaded and not 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 December 19, 2019, Purchasing Agent Tara Yates on December 10, 2019, and by Budget Analysis Officer Julissa José-Murray on December 18, 2019.

TIMING CONSIDERATIONS

City Council action to adopt Specifications No. RFP LW19-090 and award the contract concurrently is requested on January 7, 2020 to ensure the contract be effective January 1, 2020 to ensure the contracts are in place in a timely manner.

FISCAL IMPACT

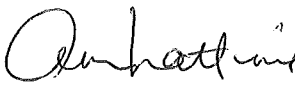
Based on the average annual volume, the total estimated cost for this contract will not exceed, \$86,688 annually or \$173,376 over the next two years and \$260,064 for three additional years. This contract of \$443,440 does not represent any increase in total cost over the prior contract with Medex Managed Care, Inc. Sufficient appropriations for the contract is budgeted in the Insurance Fund Group in the Citywide 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