



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.

STAFF REPRESENTATIVE

Noriel Sandoval, Manager, Risk

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 or illnesses 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, support services to assist LBT's attorney with claim defense, medical cost containment programs, coordination of nurse case managers, settlement activities associated with each claim, subrogation services to collect monies owed to LBT as a result of an accident, as well as medical bill review services. These services are currently provided by Athens Administrators.

PROCUREMENT

LBT issued a Request for Proposal (RFP) to multiple firms nationwide and received five proposals.

The proposals were evaluated based on the following criteria:

- Qualifications of the Firm
- Proposed Personnel Qualifications
- Claims/risk management information system
- Pricing

The total amount of possible points for the technical evaluation was 75. Pricing made up an additional 25 points, for a total of 100 points. The top two firms, based on the technical evaluation and pricing, had scores of 77.80 and 71.51.

The combined technical score and overall cost resulted in the selection of Athens Administrator, which received the highest number of points.

Athens Administrators, located in Concord, California, and a local office in Orange, California, was found to be responsive and compliant by LBT's Purchasing department at a cost of \$1,333,921 for a five-year contract.



DBE/SBE PARTICIPATION

A Small Business Enterprise (SBE) goal of 23% was established for this procurement. Athens Administrators committed 36% SBE utilization to three SBE firms, one certified by LA Metro and two certified by the State of California Department of General Services:

1. Ally Investigations, LA Metro certified, will provide claim investigations at 3%;
2. Veteran Med Analysis, State of California Department of General Services certified, will provide peer review services at 2%; and
3. The Oaks Law Group, State of California Department of General Services certified, will provide attorney representation services at 31%.

ALTERNATIVES CONSIDERED

Staff considered bringing the services in-house. However, staff does not recommend this option because the TPA services are provided by a full-time dedicated senior claim examiner adjuster, a designated medical-only claim examiner, a supervisor, with account management supervision and clerical support.

The TPA services also include medical bill review services, a highly upgraded claims management information system for data collection, analysis, tracking and reporting.

LBT would have to increase department staff and purchase and support a suitable claims management computer software system to transition these services in-house.

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, at \$776,589, with two, one-year options at \$274,548 for Option Year One and \$282,784 for Option Year Two. The cost breakdown for the contract would be as follows:

Contract Year One	\$251,250
Contract Year Two	\$258,788
Contract Year Three	\$266,551
Total	\$776,589
Option Year One	\$274,548
Option Year Two	\$282,784
Total	\$1,333,921

Funds for Contract Year One was included in the Fiscal Year 2022 budget and each budget year thereafter.



STAFF RECOMMENDATION

Staff is requesting LBT's Board of Directors 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, at a cost of \$776,589, with two, one-year options at \$274,548 for Option Year One and \$282,784 for Option Year Two, for a total authorization amount not to exceed \$1,333,921.

A handwritten signature in blue ink that reads "K. McDonald".

Kenneth A. McDonald
President and Chief Executive Officer