



Staff Report

TO: City Council
FROM: Kari Mendoza, Administrative Services Director
DATE: July 7, 2020
SUBJECT: **Authorize Amendment One to the Agreement for Claims Administration Services with Sedgwick Claims Management Services**

Background and Analysis:

Sedgwick Claims Management Services (Sedgwick), previously York Risk Services Group, has been serving as the City's workers compensation claims administrator since July 2015. Sedgwick's regional Inland Empire offices are located in the City of Upland. The proposed contract from Sedgwick provides for a three-year term subject to termination by either party with at least sixty (60) days prior written notice to the other party. Sedgwick proposes to administer all City workers' compensation claims and provide all regulatory filings required of self-insured agencies including the filing of the Annual Self Insurer's Report with the State.

Sedgwick proposes to provide these services for a flat fee of \$37,971 per year payable at \$3,164.25 per month in advance with an annual increase of the greater of the CPI or 3% per year upon the anniversary date of the agreement.

Sedgwick is an approved provider of claims administration services by CSAC, the current excess workers' compensation provider. Sedgwick provides administration of all medical provider network and medical bill auditing services and is currently the depository of all the City's workers' compensation claims financial data. A change in providers would require a transfer of this data to a new provider's data system. This type of change will require payment of additional conversion fees which in some instances can be quite costly.

Fiscal Impact:

The annual cost of \$37,971 is budgeted for in the FY 2020-2021 Budget Account 100-1240-7068.

Recommended Action:

Authorize the City Manager to execute Amendment One to the Agreement for Claims Administration Services.

Attachments:

- A. Amendment One and Exhibit A to the Agreement for Claims Administration
- B. 2015 Contract with York Risk Services