



## BOARD OF COMMISSIONERS

# AGENDA REQUEST & STAFF REPORT

**MEETING DATE:** September 21, 2022

**SUBJECT:** Workers Compensation Third Party Administrator Notice of Intent to Award

**RECOMMENDED MOTION:**

Move Approval of Chair Signature on Intent to Award Workers' Compensation TPA Contract to TRISTAR

**BACKGROUND AND POLICY IMPLICATIONS:**

Deschutes County is self-insured for its workers' compensation program. The County hires a third-party administrator (TPA) for claims administration, claims management, claims payment, and arrangement of claims-related services.

The current TPA is TRISTAR and their contract expires on November 1, 2022. The contract with TRISTAR, originally Matrix, was a three-year contract with the option for two one-year extensions. The contract was extended an additional year due to TRISTAR's acquisition of Matrix. For FY 21-22, Deschutes County paid \$38,398.74 to TRISTAR for TPA services.

In preparation for the expiration of the current TPA contract, staff issued an RFP for workers' compensation TPA services on July 5, 2022. Three companies responded to the RFP: Innovative Claims Strategies, TRISTAR, and Gallagher Bassett. The proposal from Innovative Claims Strategies was deemed unresponsive because it did not provide the full-range of TPA services required in the RFP.

The following three people evaluated and scored the remaining two applications: Erik Kropp, Deputy County Administrator/Risk Manager; Sarah Key, Loss Prevention Coordinator; and Tim Clarke, Senior Vice President, Claims & Risk Services for Brown & Brown (Deschutes County's insurance agent of record).

The applications were scored based on the following criteria and designated percentage weight:

- Cost/Fees 40%
- Claims team assignment, experience 30%
- Audit performance history 20%
- Content of the proposal 10%

Proposers were allowed to submit various fee structures, including per claim pricing, a flat annual fee, or blended pricing. Based on a projection of processing 53 claims per year, which is a typical number of claims, the pricing options are as follows:

GB = Gallagher Bassett

TRISTAR Option 1	TRISTAR Option 2	TRISTAR Option 3	GB Option 1	GB Option 2
Per Claim Pricing	Blended Pricing	Flat Annual Fee	Life of Partnership	Handle to Conclusion
\$ 84,960	\$ 77,600	\$ 45,500	\$ 69,329	\$ 71,029

GB Options 1 and 2 include one-time costs of \$15,795 related to a claim transfer fee and data transfer fee.

The two proposals received the following scores, out of total possible points of 325.

Rater	TRISTAR	Gallagher Bassett	Top Scoring Company
Person 1	293	206	TRISTAR
Person 2	253	221	TRISTAR
Person 3	281	248	TRISTAR

Based on the proposals, TRISTAR was the top scoring company for all three raters. Staff determined TRISTAR pricing Option 3 as the best pricing structure for Deschutes County.

The next step in the contracting process is to issue a Notice of Intent to Award notice to TRISTAR. The letter will be sent to all responders, which will begin the 7-day protest period. If no protest is received the contract will be awarded administratively to TRISTAR and staff will move forward to enter into a contract with TRISTAR to provide workers' compensation TPA services. The contract will be a three-year contract with two two-year extensions, at the County's option.

**BUDGET IMPACTS:**

Costs to provide workers' compensation TPA services are included in the FY 22-23 budget.

**ATTENDANCE:**

Erik Kropp, Deputy County Administrator/Risk Manager  
 Sarah Key, Loss Prevention Coordinator, Risk Management