



Office of the City Manager

CONSENT CALENDAR
March 12, 2024

To: Honorable Mayor and Members of the City Council

From: Dee Williams-Ridley, City Manager

Submitted by: Aram Kouyoumdjian, Director of Human Resources

Subject: Amendment to Contract No. 8392 with Innovative Claim Solutions (ICS) for Workers' Compensation Claims Administration

RECOMMENDATION

Adopt a Resolution authorizing the City Manager to execute an amendment to Contract No. 8392 with Innovative Claims Solutions (ICS) for third-party administration of workers' compensation claims through June 30, 2025 for a total contract amount not to exceed \$9,202,243.

FISCAL IMPACTS OF RECOMMENDATION

The proposed amendment to Contract No. 8392 with Innovative Claim Solutions will add a total of \$1,191,813 to the original contract through the end of Fiscal Year 2025. Funding for the contract is available in the Workers' Compensation Self-Insurance Fund (budget code 676-00-000-000-0000-000-000 102127).

Original Contract Amount (7/1/2016 – 6/30/2023)	\$8,010,430
Amount of Contract Amendment:	\$1,191,813
FY 2023-2024 Program Year: \$587,100	
FY 2024-2025 Program Year: \$604,713	
Total New Contract Amount	\$ 9,202,243

CURRENT SITUATION AND ITS EFFECTS

ICS provides third-party claims administration services for the City's Workers' Compensation Program; in addition, it handles Medicare, Medicaid, and SCHIP Extension Act (MMSEA) Section 111 Mandatory Reporting to the Centers for Medicare & Medicaid Services (CMS).

Amendment to the City's current contract with ICS is required in order to ensure that the Workers' Compensation Program is sufficiently funded through June 30, 2025, that claims are timely processed, and that the operation of the program complies with all applicable workers' compensation laws and regulations.

BACKGROUND

Third-party claim management services for a workers' compensation program consist of responsibility for claims management including, but not limited to, approval of claims that arose out of the course and scope of employment, and procurement of services and payment of bills on behalf of injured employees. These expenses include, but are not limited to, medical; legal; temporary and permanent disability payments; and future medical needs of injured employees.

ENVIRONMENTAL SUSTAINABILITY AND CLIMATE IMPACTS

There are no identifiable environmental effects, climate impacts, or sustainability opportunities associated with the subject of this report.

RATIONALE FOR RECOMMENDATION

Innovative Claim Solutions has provided quality claim management services throughout the terms of the contract, which requires amendment so that the City's Workers' Compensation Program is sufficiently funded through June 30, 2025.

ALTERNATIVE ACTIONS CONSIDERED

None.

CONTACT PERSON

Aram Kouyoumdjian, Director of Human Resources, (510) 981-6807.
Cari McDonald, Associate Human Resources Analyst, (510) 981-6816.

Attachment:
1: Resolution

RESOLUTION NO. ##,###-N.S.

AMENDMENT TO CONTRACT NO. 8392 WITH INNOVATIVE CLAIM SOLUTIONS

WHEREAS, the City of Berkeley is certified by the State of California Department of Industrial Relations under Labor Code Sections 3700 and 3705 to self-insure for providing statutorily required workers' compensation benefits to its employees; and

WHEREAS, on April 26, 2016, the Berkeley City Council adopted Resolution No. 67,436 that authorized the City Manager to amend the contract with ICS for third-party administrative services for the City's Workers' Compensation Program by extending the term through June 30, 2021; and

WHEREAS, on July 27, 2021, the Berkeley City Council adopted Resolution No. 69,977-N.S., for further amendment of the contract with ICS for the period July 1, 2021 through June 30, 2022; and

WHEREAS, on September 13, 2022, the Berkeley City Council adopted Resolution No. 70,507-N.S., for further amendment of the contract with ICS for the period July 1, 2022 through June 30, 2025; and

WHEREAS, amendment of the current contract is necessary in order to ensure that adequate funding is authorized for ICS to continue third-party administration of the City's Workers' Compensation Program and also to handle Medicare, Medicaid and SCHIP Extension Act (MMSEA) Section 111 mandatory reporting to the Centers for Medicare & Medicaid Services (CMS) on behalf of the City;

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Berkeley that the City Manager is authorized to amend Contract No. 8392 with Innovative Claim Solutions for third-party administration services for both the City's Workers' Compensation Program and MMSEA Reporting to the CMS, through June 30, 2025, and to increase the original contract amount by an additional \$1,191,813 for a total contract amount of \$9,202,243. All expenses are to be paid from the Workers' Compensation Self-Insurance Fund, budget code (676-00-000-000-0000-000-000-102127); and

BE IT FURTHER RESOLVED that a record signature copy of said contract and any amendments are to be on file in the Office of the City Clerk.

