



Legislation Text

File #: ID#18-5365, **Version:** 1

SUBJECT/RECOMMENDATION:

Approve the annual renewal of CorVel Healthcare Corporation's Agreement for the review of Workers Compensation Medical bills and Pharmacy Benefit Management services in the amount of \$85,000 for term January 1, 2019 through December 31, 2019, an increase of \$35,000 for the current annual term from January 1, 2018 through December 31, 2018, pursuant to City Code Section 2.564 (I) (i), services associated with Workers Compensation exempt from bidding, and authorize the appropriate officials to execute same. (consent)

SUMMARY:

Council approved the current pricing agreement with CorVel, for the period January 1 through December 31, 2018, with a budget of \$50,000. Currently staff estimates an additional \$35,000 will be required to cover services through December 31, 2018, as a result of an unexpected amount of high cost medical bills which needed extensive reviews compared to the previous year.

For the renewal of 1/1/2019, CorVel has proposed an Amendment to the original agreement which will increase the Bill Review Service Fee from \$6.70/bill to \$6.90/bill. All other rates will remain the same.

The current agreement was amended last year with a renewal provision not to exceed a total of four annual extensions, thus establishing a contract end date no later than December 31, 2021. Annual extensions will be brought back to Council for approval with proposed amendments to the rate structure.

The new proposed rate structure will result in an estimated 1% increase in total costs over the previous year.

APPROPRIATION CODE AND AMOUNT:

Account# 5907590-545800	\$120,000
-------------------------	-----------