



Agenda Report

Fullerton City Council

MEETING DATE: JUNE 15, 2021

TO: CITY COUNCIL / SUCCESSOR AGENCY

SUBMITTED BY: ACTING CITY MANAGER

PREPARED BY: LAURA GIANNETTI-MERCER, HUMAN RESOURCES
MANAGER II
PAMELA MACKIE, HUMAN RESOURCES / RISK
MANAGEMENT ANALYST

SUBJECT: WORKERS' COMPENSATION THIRD PARTY
ADMINISTRATOR SERVICES AGREEMENT AMENDMENT

SUMMARY

The City's professional services agreement with AdminSure, Inc. (AdminSure) expires June 30, 2021. Staff submits Amendment Number One (Amendment) to the City's existing agreement for City Council consideration to provide third party administrator (TPA) services for the City's workers' compensation program.

RECOMMENDATION

Authorize City Manager to execute amendment for a three-year extension to the AdminSure agreement, in a form approved by the City Attorney.

PRIORITY POLICY STATEMENT

This item matches the following Priority Policy Statements:

- Fiscal and Organizational Stability.

FISCAL IMPACT

AdminSure has agreed to not increase the fee for year one of this amendment. The proposed administrative fees for each fiscal year (FY) during the three-year term of this amendment are as follows:

FY 2021-22	\$203,711
FY 2022-23	\$207,785

FY 2023-24 \$211,935

The Workers' Compensation Fund would fund payments for all fees and claim expenditures. The FY 2021-22 budget includes the funding.

DISCUSSION

AdminSure has provided TPA services for the workers' compensation program since July 1, 2001, previously under the company name Colen and Lee and then changed to AdminSure in January of 2008. As a TPA, they provide workers' compensation program services such as the handling of claims, issuing benefit checks, providing electronic access to the program database and informational updates and training for City staff as needed. AdminSure also handles all reporting requirements mandated by the Medicare, Medicaid and SCHIP Extension Act as well as the OSHA 300-A report. In addition to these services, AdminSure will administer the Alternative Dispute Resolution Program for the Fullerton Firefighters' Association approved by City Council in January 2021.

Staff conducted a Request for Proposal for workers' compensation TPA services in April 2018. Representatives from the Fullerton Police Officers' Association, Fullerton Firefighters Association, Fullerton Municipal Employees Federation and one outside industry professional selected AdminSure to continue as the City's program TPA. The City and AdminSure approved an agreement for the period July 1, 2018 through June 30, 2021. The contract also allowed for a renewal of the contract beyond the June 30, 2021 end date upon approval by City Council.

The level of claims service provided by AdminSure continues to please staff. AdminSure provides TPA services to 17 Orange County Cities including the City of Fullerton. AdminSure renewed or secured 25 agreements to provide TPA services for workers' compensation programs throughout the state in fiscal years 2020-21 and 2021-22. As indicated previously, AdminSure agreed not to increase the administrative fee for FY 2021-22 with a 2% increase for FY 2022-23 and an additional 2% increase for FY 2023-24.

The amendment term will be July 1, 2021 through June 30, 2024.

The proposed amendment includes minor changes to clarify language and update formatting.

Attachments:

- Attachment 1 – Proposed Amendment with AdminSure
- Attachment 2 – AdminSure Service Agreement 2018