

PERSONAL SERVICES CONTRACT SUMMARY

DATE: November 18, 2011

DEPARTMENT NAME: San Francisco Municipal Transportation Agency

DEPARTMENT NUMBER 68

TYPE OF APPROVAL: () EXPEDITED (x) REGULAR (OMIT POSTING ___)

() CONTINUING () ANNUAL

TYPE OF REQUEST: (X) INITIAL REQUEST () MODIFICATION (PSC# _____)

TYPE OF SERVICE: Workers' Compensation Claims Administration Services

FUNDING SOURCE: SFMTA General or Project Funds

PSC AMOUNT: \$34,000,000.00

PSC DURATION: January 1, 2012 –August 30, 2022

1. DESCRIPTION OF WORK

A. Concise description of proposed work:

The San Francisco Municipal Transportation Agency (SFMTA) is self-insured for Workers' Compensation (Workers' Comp) and existing claims are currently adjusted by a third party administrator (TPA). The contractor will provide claims adjusting and consulting services for existing and new claims for Workers' Comp benefits filed by SFMTA employees. Services include: claims review and compensability determination; payment of statutory benefits, medical providers and ancillary claims services; vendor management for bill review; investigative services; coordination of claims defense with the City Attorney; management of benefit delivery system; and data collection and management.

B. Explain why this service is necessary and the consequences of denial:

SFMTA is required by State law to provide Workers' Comp benefits to its employees. As a certified self-insured employer, SFMTA is required to provide claims administration services. Rather than purchase insurance, self-insured employers usually choose to self-insure their workers' compensation liabilities for the reasons of cost effectiveness, greater control over their claims programs, and increased safety and loss control management.

The success of a Workers' Comp self-insurance program is often dependent upon the effectiveness of loss control activities and claims supervision. If this service is denied, SFMTA would have neither the expertise nor staffing to address workers' compensation claims brought on by its employees.

C. Explain how this service has been provided in the past (if this service was previously approved by the Civil Service Commission, indicate most recent personal services contract approval number):

These services were provided by CSC No. 4088-03/04.

D. Will the contract(s) be renewed:

Yes.

2. UNION NOTIFICATION: Copy of this summary is to be sent to employee organizations as appropriate (refer to instructions for specific procedures):

SEIU, Local 1021
Union Name

Cynthia Damala
Signature of person mailing / faxing form

11/28/11
Date

IFPTE, Local 21
Union Name

Cynthia Damala
Signature of person mailing / faxing form

11/28/11
Date

RFP sent to _____, on _____, _____
Union Name Date Signature

FOR DEPARTMENT OF HUMAN RESOURCES USE

PSC# 4088-11/12

SFMTA approved
11-21-11

STAFF ANALYSIS/RECOMMENDATION:
CIVIL SERVICE COMMISSION ACTION:

3. **DESCRIPTION OF REQUIRED SKILLS/EXPERTISE**

A. Specify required skills and/or expertise:

A Claims Examiner is responsible for determining the validity of a workers' comp claim. The Workers' Comp adjuster may establish a case reserve, approve and process indemnity and medical benefits, may hire investigators, attorneys or other professionals and may negotiate settlements of claims. The Claims Adjuster is required to possess specialized knowledge, have five (5) years in the last eight (8) years of on-the-job experience adjusting California workers' compensation claims, and possess certification with "Experienced Claims Adjuster Designation".

B. Which, if any, civil service class normally performs this work?

8141 Workers' Compensation Adjuster, 8165 Workers' Compensation Supervisor I, and 1209 Benefits Technician classifications can perform some services. Historically, these classes are unique to the Department of Human Resources (DHR), Workers' Comp Division, and SFMTA does not employ staff in these classes.

C. Will contractor provide facilities and/or equipment not currently possessed by the City? If yes, explain:

Yes. The contractor must have proprietary claims adjusting procedures and claims management software that will be accessible to SFMTA. The contractor will also maintain office and storage space sufficient to house claims management staff and nearly 2,000 open Workers' Comp claims files.

4. **WHY CLASSIFIED CIVIL SERVICE CANNOT PERFORM**

A. Explain why civil service classes are not applicable:

A contracted TPA had been successfully demonstrated as the most effective way to meet statutory requirements governing the provision of workers' compensation benefits to SFMTA employees.

B. Would it be practical to adopt a new civil service class to perform this work? Explain.

No. Classifications already exist. SFMTA retains a Workers' Compensation Manager and support staff assigned to manage the disability and return to work programs. However SFMTA does not employ a workers' comp claims adjusting staff that could be viewed as a conflict of interest.

5. **ADDITIONAL INFORMATION (if "yes", attach explanation)**

	<u>Yes</u>	<u>No</u>
A. Will the contractor directly supervise City and County employees?	()	(x)
B. Will the contractor train City and County employees? - Describe training and indicate approximate number of hours. - Indicate occupational type of City and County employees to receive training (i.e., clerks, civil engineers, etc.) and approximate number to be trained.	()	(x)
C. Are there legal mandates requiring the use of contractual services?	()	(x)
D. Are there federal or state grant requirements regarding the use of contractual services?	()	(x)
E. Has a board or commission determined that contracting is the most effective way to provide this service? SFMTA Board Resolution No. 03-190 adopted December 2, 2003.	(x)	()
F. Will the proposed work be completed by a contractor that has a current personal services contract with your department?	()	(x)

THE ABOVE INFORMATION IS SUBMITTED AS COMPLETE AND ACCURATE ON BEHALF OF THE DEPARTMENT HEAD:

Parveen Boparai

Signature of Departmental Personal Services Contract Coordinator

Parveen Boparai
Print or Type Name

415-701-5377
Telephone Number

San Francisco Municipal Transportation Agency

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Address