

PERSONAL SERVICES CONTRACT SUMMARY ("PSC FORM 1")

Department: MUNICIPAL TRANSPORTATION AGENCY -- MTA Dept. Code: MTA

Type of Request: [X] Initial [] Modification of an existing PSC (PSC # _____)

Type of Approval: [] Expedited [X] Regular ([] Omit Posting)

Type of Service: Workers Compensation Claims Management

Funding Source: Operating Funds PSC Duration: 9 years 1 day
PSC Amount: \$35,000,000 PSC Est. Start Date: 10/01/2022 PSC Est. End Date: 09/30/2031

1. Description of Work

A. Scope of 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 consequence 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. Has this service been provided in the past. If so, how? If the service was provided via a PSC, provide the most recently approved PSC # and upload a copy of the PSC.

These services have been provided under PSC No. 4088-03/04 and are currently provided under PSC# 4088-11/12.

D. Will the contract(s) be renewed? No

2. Union Notification: On 04/12/2022, the Department notified the following employee organizations of this PSC/RFP request: SEIU Local 1021

FOR DEPARTMENT OF HUMAN RESOURCES USE

PSC# 48002 - 21/22

DHR Analysis/Recommendation:

07/18/2022

Commission Approval Required

DHR Approved for 07/18/2022

Approved by Civil Service Commission with conditions

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

B. Which, if any, civil service class(es) normally perform(s) this work?

8141,8165,1209,

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 which could be viewed as a conflict of interest.

5. Additional Information (if "yes", attach explanation)

YES NO

- A. Will the contractor directly supervise City and County employee? YES NO
- B. Will the contractor train City and County employee?
The scope of this work does not require SFMTA employees to be trained. YES NO
- C. Are there legal mandates requiring the use of contractual services? YES NO
- D. Are there federal or state grant requirements regarding the use of contractual services? YES NO
- E. Has a board or commission determined that contracting is the most effective way to provide this service? Resolution: 03-190 YES NO
- F. Will the proposed work be completed by a contractor that has a current PSC contract with your department? YES NO

THE ABOVE INFORMATION IS SUBMITTED AS COMPLETE AND ACCURATE ON BEHALF OF THE DEPARTMENT HEAD ON 06/15/2022 BY:

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