



Agenda Item:

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COUNCIL COMMUNICATION City Manager's Office

GENERAL INFORMATION

Agenda Date: 02/09/04 Communication
No.: 04-049
Agenda Item Type: Resolution, Ordinance, or Receive/File Roll Call No.:
Submitted by: Tom Turner, Human Resources Director
Human Resources Department

SUBJECT—

Agreement with EMC Risk Services for provision of bill review services and bill payment for occupational health claims.

SYNOPSIS—

Approve and authorize the Mayor to sign agreement with EMC Risk Service, Inc., Bruce Kelley, CEO, Des Moines, Iowa for occupational health care bill review and payment services.

FISCAL IMPACT—

No increase in cost. City should experience lower work related medical cost for Police Department sworn personnel through the utilization of EMC's network discounts. Fees for the services provided by EMC are paid for with a portion of savings realized from EMC's network discounts. For calendar year 2003, the City realized a net savings of \$140,000.

RECOMMENDATION—

Approval

BACKGROUND—

EMC currently provides bill review and bill payment services for medical and prescription claims relating to work related injuries for employees covered under workers' compensation law (non-sworn personnel) and sworn personnel in the fire department. EMC reviews these bills for duplication and medical necessity. EMC also makes payment directly to the health care provider at a reduced rate per EMC's discounted or negotiated rate. The Police Department would also

like to take advantage of the potential savings by having EMC perform bill review and bill payments service. The amended contract enables EMC to begin providing bill payment for the Police Department.

EMC was the successful bidder for these services through a RFP process conducted in December 2002. City receives 30% discount of any preferred provider organization savings; 18% of non-preferred provider organization saving negotiated and 12% of individual negotiated bill reductions; plus \$8.85 per bill/claim reviewed on behalf of the City and \$6.75 per check paid on behalf of the City. EMC also transmits the state required electronic first-report of injury for lost-time injuries for the City at a cost of \$6.50 per transmission. The network discount savings received through EMC pays for these services and substantially reduces demands on City staff.