



**Council**  
**Communication**  
Office of the City Manager

<b>Date</b>	June 18, 2007
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<b>Agenda Item No.</b>	<u>37</u>
<b>Roll Call No.</b>	<u>07-</u>
<b>Communication No.</b>	<u>07-353</u>
<b>Submitted by:</b>	<b>Tom Turner,</b> <b>Human Resources Director</b>

**AGENDA HEADING:**

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

**SYNOPSIS:**

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

**FISCAL IMPACT:**

Amount: \$240,000 (Varies: Cost charged back to injured employee's department.)

Funding Source: 2007-2008 Operating Budget, Page 187, Human Resources Department, Employee Benefits, HRS960100

**ADDITIONAL INFORMATION:**

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 police and 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.

Costs are paid from network savings received through EMC. EMC's RFP response includes several fee reductions, which could lower work place injury cost by an estimated \$100,000. Annual cost is based on the number and severity of injuries. A cost estimate for FY 08 is \$240,000

EMC's contract with the City expires June 30, 2007. Therefore, the City's purchasing department solicited requests for proposals (RFP #V07-122). Two companies responded, EMC Risk Services (Des Moines, IA) and Bass and Babb Companies (Osceola, IA). Both proposals were reviewed and scored. EMC Risk Services received the higher score. Bass and Babb provided a cost estimate lower than EMC, however, they did not provide a third party claims administration system required of the RFP. EMC's proposal reduced current fees, including PPO savings cost by 2%, bill review fee from \$8.85 to \$8.00 and waived the check fee. The EMC proposal also included a reduction in the EDI transmission fee from \$6.50 per report to \$5.00. EDI is the state required electronic notice of injuries that result in more than three days away from work or injuries resulting in permanency payments. In total, these reductions are estimated to reduce workplace injury costs by \$100,000 per year.

**PREVIOUS COUNCIL ACTION(S):**

Date: 2/9/2004

Roll Call Number: 04-284

Action: Amended Agreement with EMC Risk Services, Inc. for occupational health care bill review and payment services. ([Council Communication No. 04-049](#)) Moved by Vlassis to adopt. Motion Carried 7-0.

**BOARD/COMMISSION ACTION(S): NONE**

**ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE**