



County of Los Angeles  
**CHIEF EXECUTIVE OFFICE  
OPERATIONS CLUSTER**

WILLIAM T FUJIOKA  
Chief Executive Officer

**DATE:** January 17, 2013  
**TIME:** 1:00 p.m.  
**LOCATION:** Kenneth Hahn Hall of Administration, Room 830

**AGENDA**

Members of the Public may address the Operations Cluster on any agenda item by submitting a written request prior to the meeting.  
Three (3) minutes are allowed for each item.

1. Call to order – Ellen Sandt
- A) **IT Local Area Disaster Recovery Briefing**  
CIO – Richard Sanchez or designee
- B) **Joint Report**  
CEO Risk Mgmt./County Counsel – Steve NyBlom and Steve Estabrook
- C) **Risk Management Discussion on Workers' Compensation TPAs Contracting Process**  
CEO Risk Mgmt. – Reggie Crowell or designee

**NOTICE OF CLOSED SESSION**

- CS-1 County Counsel Annual Litigation Report**  
County Counsel – Steve Estabrook
2. Public Comment
  3. Adjournment

# **FACT SHEET**

## **WORKERS' COMP THIRD PARTY ADMINISTRATION RFP PROCESS AND CONTRACT EXTENSIONS**

### **SUBJECT / REQUEST**

- County Workers Compensation Third Party Administration (TPA) RFP process and further TPA contract extensions through 12/31/13 until new contracts are awarded taking effect 1/1/14.

### **TARGETED BOARD AGENDA**

- On or about June 4, 2013 preferably earlier.

### **DESCRIPTION OF PROGRAM / ITEM**

- Workers Compensation Third Party Administration Program.

### **AMOUNT / COST**

- Additional base cost of \$9,175,568 from 7/1/13 through 12/31/13.

### **FUNDING SOURCE**

- County Workers Compensation Trust Fund.

### **PURPOSE**

- Extend TPA contracts to secure a smooth transition of possibly 17,100 workers compensation files to potentially three (3) new Workers Compensation Third Party Administrator vendors.
- Ensure that the County's Workers Compensation Program continues to appropriately deliver benefits to injured workers as required by California State law and administered by Workers Compensation Administration Board.

### **CONTRACTING PROCESS**

- Release of first Workers Compensation RFP on 5/4/12
- Issued second Workers Compensation RFP on September 24, 2012 per advice of County Counsel
- Conducted mandatory proposers conference on October 18, 2012
- On October 24, 2012, a 30 day extension was granted to solicit responses from more proposers to the solicitation

- The extension resulted in a response from another proposer
- The County has received six proposals to its solicitation
- Evaluations of the proposals to be completed by January 31, 2013
- Contract negotiations with TPA awardees 2/1/28 through 2/28/13
- Prop A Cost Analysis – CEO by 2/1/13 through 2/28/13
- Auditor Review of Cost Analysis by 3/21/13
- Protest process from 2/1/13 through 5/1/13 if County Review Policy initiated

## **ISSUES / CONCERNS**

- Adequate workers compensation file transfer protocols are paramount due to sheer volume of claim files and the possibility of three new TPAs. Adequate testing of claims information systems and compatibility with County Systems must be assured to avoid chaos and penalties.

## **SUCCESSSES / ACCOMPLISHMENTS**

- County received a new proposal after the extension was granted.

## **DISTRICTS IMPACTED**

- All

## **CONTACT PERSON**

- Reginald Crowell
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