



City of San Antonio

Agenda Memorandum

File Number:

Agenda Item Number: 20

Agenda Date: February 22, 2024

In Control: City Council A Session

DEPARTMENT: Office of Risk Management

DEPARTMENT HEAD: Debra Ojo

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

1305 Workers' Compensation Health Care Network Services

SUMMARY:

This ordinance authorizes a contract with Injury Management Organization, Inc. (IMO) to provide medical cost containment services through a 1305 Workers' Compensation Health Care Network (HCN) in accordance with the Texas Insurance Code for the City of San Antonio for an estimated contract value of \$3,196,783.33 for a three-year term with two, one year renewal options. Funding in the amount of \$372,958.06 is available from the Workers' Compensation Fund FY 2024 Adopted Budget. Funding for subsequent fiscal years is contingent upon City Council approval of the annual budget and funds.

BACKGROUND INFORMATION:

The City receives an average of 1,603 workers' compensation claims, annually. The City retains the services of Cannon Cochran Management Services, Inc. (CCMSI) for third-party claims management, which involves the investigation, adjusting and payment of benefits and medical providers.

The HCN will provide and manage a network of contracted and credentialed physicians and specialists to provide the highest quality and appropriate care to City employees. The HCN will ensure a broad range of Network coverage throughout San Antonio and surrounding areas; facilitate faster access to medical care through telephonic or field case nurse services; assist with facilitating a “Return-to-Work” program with physicians and employees; implement a Network Quality Improvement Program; and adhere to established performance measures. The HCN will also be responsible for the medical cost containment, which includes medical bill review, utilization review, peer review and pharmacy bill auditing in accordance with Texas Department of Insurance fee guidelines.

The Finance Department on behalf of the Office of Risk Management released a Request for Proposals (RFP) on August 9, 2023, seeking proposals for a qualified vendor for 1305 Workers’ Compensation Health Care Network Services. The RFP was advertised in the Hart Beat, TVSA channel, the City’s Bidding & Contracting Opportunities website, the San Antonio eProcurement System (SAePS), and an email notification was released to a list of potential Respondents. Responses were due on September 25, 2023, and one firm responded to the RFP and was deemed eligible for review. On November 20, 2023, the proposal was reviewed by the evaluation committee which included representatives from the Office of Risk Management, the Human Resources Department, the San Antonio Police Department, and the San Antonio Fire Department. The proposal was evaluated on Experience, Background, and Qualifications, Proposed Plan, Price, the Small Business Economic Development Advocacy Program, the Local Preference Program, and the Veteran-Owned Small Business Preference Program. After committee review and evaluation, Injury Management Organization, Inc. (IMO) was recommended for award by the evaluation committee based on consensus scoring.

ISSUE:

Award of this contract through the approval of City Council will allow for continued enhancements of the City Council’s policy of providing workers’ compensation benefits to City employees.

This contract will be awarded in compliance with the Small Business Economic Development Advocacy (SBEDA) Program. However, since only one response was deemed eligible for evaluation via consensus scoring Injury Management Organization, Inc. (IMO) did not receive evaluation preference points.

The Local Preference Program was applied to this solicitation; however, the evaluation of the one response was based on consensus scoring. No LPP points were applied.

The Veteran-Owned Small Business Preference Program (VOSBPP) was applied in this solicitation; however, the evaluation of the one response was based on consensus scoring. No VOSBPP points were applied.

ALTERNATIVES:

The City could attempt to establish its own Network or perform internal cost containment and associated services. This would require additional specialized and experienced personnel and associated staffing costs and would not necessarily guarantee the same level of claims handling expertise, cost containment, nor the highest quality and most appropriate medical treatment. The City may also elect to remain out of network and experience increases in workers' compensation costs.

FISCAL IMPACT:

This ordinance authorizes a contract with Injury Management Organization, Inc. (IMO) to provide medical cost containment services through a 1305 Workers' Compensation Health Care Network (HCN) for an estimated total contract value of \$3,196,783.33 for a three-year term with two, one year renewal options. Funding in the amount of \$372,958.06 for year one of the agreement is available from the Workers' Compensation Fund FY 2024 Adopted Budget. Funding for subsequent fiscal years is contingent upon City Council approval of the annual budget and funds.

RECOMMENDATION:

Staff recommends approval of this ordinance to execute a professional services agreement with Injury Management Organization, Inc. (IMO) for 1305 Workers' Compensation Health Care Network.

This contract is procured by means of Request for Proposal and a Contracts Disclosure Form is attached.