

# Committee Report

Management Committee



**Committee Meeting Date:** May 8, 2024

**For the Metropolitan Council:** May 22, 2024

## Business Item: 2024-119

Workers' Compensation; Liability Bill Review & Pharmacy Program; Contract 18P132A – Amendment 3

### Proposed Action

That the Metropolitan Council authorize the Regional Administrator to execute an amendment to contract 18P132A with Rising Medical Solutions to provide electronic medical bill review and processing for workers compensation and liability claims, pharmacy benefits program and managed care services for a total contract value of \$674,000.

### Summary of Management Committee Discussion/Questions

The Business Item was presented by Michael Cowell, Director, Risk Management.

The following background was given:

This is amendment 3, which is the 2-year extension of the workers' compensation, liability bill review and pharmacy program with Rising Medical Solutions.

Their services keep the Risk Management Department in compliance and ensure we are following all required state statutes during the bill review and payment process for our workers' compensation and liability claim payments.

As stated, this is a 2-year contract expiring on April 30<sup>th</sup>, 2026, for an additional amount of \$224,000 that will bring the total amount of the contract to \$674,000 over 7-year period.

Motion by Cederberg, seconded by Osman. Motion carried.

# Business Item

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<b>District(s), Member(s):</b>	All
<b>Policy/Legal Reference:</b>	FM 14-2 - Expenditures for the Procurement of Goods, Services, and Real Estate Policy
<b>Staff Prepared/Presented:</b>	Michael Cowell, Director, Risk Management, 651-602-1784
<b>Division/Department:</b>	Regional Administration/Risk Management

### Proposed Action

That the Metropolitan Council authorize the Regional Administrator to execute an amendment to contract 18P132A with Rising Medical Solutions to provide electronic medical bill review and processing for workers compensation and liability claims, pharmacy benefits program and managed care services for a total contract value of \$674,000.

### Background

The Council executed contract 18P132A with Rising Medical Solutions in 2019 for a period of three years. In March of 2022, amendment one was authorized as a sole source to add \$200,000 to the contract to a total value of \$450,000 and extend the term to April 30, 2024. This was requested to allow for the completion of parallel and interfacing software system implementation for a claim management contract. Additionally, there was unexpected frequency and severity in post-traumatic stress disorder (PTSD) claims due to the pandemic that exhausted the anticipated budget allocated for historical claim costs. Amendment two extended the contract term to April 30, 2026, and this amendment request will authorize a sole source addition of \$224,000 to the contract to support ongoing claims and service needs through the remainder of the contract term.

### Rationale

Council Policy requires amendments exceeding 10% of the original authorized contract value be approved by the Council for services contract if the cumulative value exceeds \$500,000. Amendments to contracts of this value that exceed 10% of the original value constitute sole source procurements requiring Council approval.

### Thrive Lens Analysis

This contract amendment will further advance the Thrive outcomes of Stewardship by ensuring reliability, security and a cost effectiveness through a system that processes electronic medical bills, claims, pharmacy benefits, and managed care services for Council employees.

## **Funding**

The current contract is included in each Division's operating budget using local funds.

## **Small Business Inclusion**

This action is an amendment to contract 18P132A. The Office of Equity and Equal Opportunity did not set a Metropolitan Under Utilized Business (MCUB) goal on the initial solicitation. There are no direct impacts to small businesses with the proposed action.

