

**COUNTY OF MILWAUKEE
INTEROFFICE COMMUNICATION**

DATE: August 11, 2023

TO: Liz Sumner, Chairperson, Milwaukee County Board of Supervisors

FROM: Adam Abelson, Director, DAS-Risk Management

SUBJECT: **Third Party Administration of Milwaukee County's Workers' Compensation Program**

FILE TYPE: Action

REQUEST

The Director of Department of Administrative Services Risk Management Division is recommending a contract award to the Sedgwick Claims Management Services for Third-Party Administration of Milwaukee County's Workers' Compensation program.

BACKGROUND

Milwaukee County uses a Third-Party Administrator (TPA), Sedgwick Claims Management Services, for processing Milwaukee County Workers' Compensation claims. Milwaukee County has used Sedgwick for these services since 2019. From 2015-2019, TPA services were provided to Milwaukee County by the Aegis Corp.

Milwaukee County entered a contract with Sedgwick after a Request for Proposal was completed four years ago. This contract expires October 31, 2023. A new contract will begin November 1, 2023 and run through October 31, 2028. An RFP process was created to find the most qualified and cost efficient TPA provider.

OPERATIONAL ANALYSIS

The current TPA has served us well during the last four years and throughout the transition from our previous TPA provider, Aegis Corp. The Workers' Compensation program is performing at a high level and is seeing the continued benefits of a return-to-work policy, a nurse triage program, and enhanced technology and dashboard systems. Sedgwick offers a web-based system and employee accessible application that has been highly utilized during the service period. They also have many systems and resources in-house which has been used to reduce overall costs to the program.

Sedgwick aligns well with our Risk Management culture of focusing on safe return-to-work claim resolutions, as well as integrating managed care and ancillary services while aggressively protecting Milwaukee County from fraud with their expertise on workers compensation programs within the State of Wisconsin.

VENDOR SELECTION

The TPA Request for Proposals was issued on April 21, 2023. A proposers' meeting was held on May 5, 2023, and the deadline for proposals was June 2, 2023. The panelists' individual

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assessment scores were due on July 6, 2023. The top four scoring proposers were invited back for interviews on August 1, 2023. After the interviews, Sedgwick was the lead proposer.

Sedgwick started in 1969 and has grown to be the largest third-party administrator in the U.S. We will continue to receive services from their Wisconsin-based team.

COSTS

The Sedgwick annual contract costs are approximately \$256,520 for the first year, \$263,232 for the second year, \$271,129 for the third year, \$279,262 for the fourth year, and \$287,640 for the fifth year.

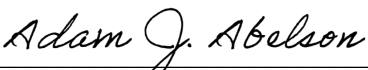
BUDGET IMPACT

Annual costs will be reduced in 2024 resulting from the RFP process for the five-year term of the contract.

PREPARED BY

Adam Abelson, Director, Risk Management, DAS

APPROVED BY



Adam Abelson, Director
Risk Management Division
Department of Administrative Services

Attachments:

cc: David Crowley, County Executive
Mary Jo Meyers, Chief of Staff, Office of the County Executive
Kelly Bablitch, Chief of Staff, County Board
Janelle M. Jensen, Manager, Legislative Services Division, Office of the County Clerk
Joseph Lamers, Director, Office of Strategy, Budget, and Performance
Vince Masterson, Capital Budget Coordinator, Office of Strategy, Budget, and Performance
Pamela Bryant, Capital Finance Manager, Office of the Comptroller
Justin Rodriguez, Budget and Management Coordinator, Office of the Comptroller