

MILWAUKEE COUNTY
Inter-Office Communication

DATE: April 28th, 2014

TO: Supervisor Theodore Lipscomb, Chairman, Judiciary, Safety, and General Services Committee

FROM: Amy Pechacek, Director, Department of Risk Management

SUBJECT: Update on Risk Management's Workers' Compensation Third Party Administration RFP (INFORMATIONAL ONLY)

BACKGROUND

Following an external audit evidencing workers' compensation claims that were being adjusted below industry standards and concurrent with compliance issues and fines from the state, the decision was made during the 2014 budget deliberations to move workers' compensation claims handling to a third party administrator (TPA). The RFP was placed on hold until the vacant Director of Risk Management position was filled.

The new Director, Amy Pechacek, was introduced to the Judiciary Committee at the March 6th, 2014 meeting and advised the Committee that the RFP for workers' compensation claims handling had been drafted and was in the final stages of revisions. The Committee requested an update from Ms. Pechacek when a timeline and implementation plan was developed.

TIMELINE

The RFP was finalized with the associated timeline:

- Issue date: April 22, 2104
- Proposers' meeting: May 5, 2014
- Deadline for receipt of questions: May 9, 2014
- Proposal deadline: May 30, 2014
- Panel review and interviews: June – July, 2014
- Presentation of award recommendation to Board: September, 2014
- Implementation: October, 2014

IMPLEMENTATION AND INTERNAL STRUCTURE PLAN

- Implementation specifics will depend on the TPA's proposal.
- Vacant Safety Manager position in Risk Management was updated to Claims and Safety Manager and will oversee the TPA for handling practices, analytics, and results. This position began recruitment on April 14, 2014 and will close on May 1, 2014.
- Current internal administrative support position for workers' compensation claims will support the reporting of new claims and act as the liaison between employees and TPA.
- The two positions that currently adjust claims internally are held by retirement eligible employees who will assist in the transferring of data and transitioning of claims handling as needed per the specifications of the successful bidder.