

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

468



FROM: Human Resources Department

SUBMITTAL DATE:
February 1, 2007

SUBJECT: Approve Contract Extension for the Workers' Compensation Division and Amend Ordinance No. 440 pursuant to Resolution No. 440-8713 submitted herewith.

RECOMMENDED MOTION: 1) Approve the Letter of Understanding regarding the Extension of Payor Service Agreement between First Health Group Corp. ("First Health") and the County of Riverside ("County"); 2) Approve a FY06/07 mid-year budget change for additional staff in the Workers' Compensation Division for the Utilization Review plan; and 3) approve the attached Resolution No. 440-8713.

BACKGROUND: The Workers' Compensation Division is requesting a mid-year change to the FY2006/2007 Budget to increase staffing in order to facilitate compliance with the Utilization Review Guidelines outlined in the following paragraph. The County contracts with First Health for the Medical Provider Network (MPN), bill review and utilization review services. The current three year contract began February 1, 2004 and will expire on February 1, 2007.

Ronald W. Komers

Ronald W. Komers
Asst. County Executive Officer/Human Resources Dir.

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 180,160	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	Yes
	Annual Net County Cost:	\$ 0	For Fiscal Year:	2006/2007

SOURCE OF FUNDS: 11308 00000 46100 Workers' Compensation Budget	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input type="checkbox"/>

C.E.O. RECOMMENDATION:

APPROVE

County Executive Office Signature *Debra Courneyer*

- Consent
- Policy
- Consent
- Policy

Dept's Recomm.:
Per Exec. Ofc.:

RECEIVED FEB 11 2007

OFFICE OF THE CLERK OF THE BOARD
COUNTY OF RIVERSIDE, CALIFORNIA

Prev. Agn. Ref.: | **District:** | **Agenda Number:**

3.48

Background (continued):

To prevent a lapse in services a six month extension is being requested. The extension will allow the Human Resources, Workers' Compensation Division to complete a cost-benefit analysis with a comparison to similar industry vendors, to ensure quality of service and competitive rates.

The legislature has mandated through SB 899 effective February 1, 2007, that employers establish a formal medical utilization review (UR) process. The passage of SB 899 strengthened UR guidelines by creating a threshold for medically necessary treatment. Mandatory time frames and penalties for violations have been established. Although the County currently contracts for UR services a new level of service is required and, Human Resources, Workers' Compensation proposes to provide first level reviews in-house.

To accomplish the mandated UR reviews, we are requesting the addition of one Physician III-C, one Workers' Compensation Utilization Review Nurse Case Manager and one Workers' Compensation Utilization Review Technician. The additional staff will ensure compliance, provide timely response to requests for treatment, and posture ourselves to prevent penalties and participate in the medical oversight of industrial disability claims related to a Workers' Compensation injury. The additional staff will increase salary/benefit costs by approximately \$180,160. We anticipate these additional costs will be offset by a reduction in medical claims paid. There are sufficient funds in FY 06/07 budget to cover the additional costs.

1 RESOLUTION NO. 440-8713

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3 BE IT RESOLVED by the Board of Supervisors of the County of Riverside, State of California, in
4 regular session assembled on February 27, 2007, that pursuant to Section 4.C. of
5 Ordinance No. 440, the Assistant County Executive Officer/Human Resources Director is authorized to
6 amend the Class and Salary Listing of Ordinance No. 440, operative the beginning of the pay period
7 following approval, as follows:

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<u>Job Code</u>	<u>+/-</u>	<u>Class Title</u>	<u>Salary Plan/Grade</u>
13422	+	Workers' Comp Utilization Review Nurse Case Manager	MCO 496
13424	+	Workers' Comp Utilization Review Technician	MCO 229

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13 BE IT FURTHER RESOLVED that pursuant to Section 5.A. of Ordinance No. 440, the Assistant County
14 Executive Officer/Human Resources Director is authorized to make the following listed change(s),
15 operative the beginning of the pay period following approval, as follows:

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<u>Job Code</u>	<u>+/-</u>	<u>Department ID</u>	<u>Class Title</u>
73810	+ 1	1130800000	Physician III - C
13422	+ 1	1130800000	Workers' Comp Utilization Review Nurse Case Manager
13424	+ 1	1130800000	Workers' Comp Utilization Review Technician

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