

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

442



FROM: Human Resources Department

SUBMITTAL DATE:
July 3, 2007

SUBJECT: Workers' Compensation Medical Provider Contracts

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve the Contract with CorVel Healthcare Corporation ("CorVel") for Medical Provider Network Services, Bill Review and First Report of Injury reporting for workers' compensation claims; and
2. Approve the Contract with Physicians & Surgeons Network ("P&S Network") for Utilization Review, Peer Review Services for workers' compensation claims.
3. Retain one (1) copy of the signed Agreements and return three (3) copies to Human Resources for distribution.

BACKGROUND: In February 2007, Human Resources received approval by the Board to extend an Agreement with First Health for their medical provider network and bill review services for workers' compensation claims. The contract is due to expire on July 31, 2007. The Workers' Compensation Division in conjunction with the Purchasing Department has conducted a review and appraisal of vendors providing bill review and medical provider network services, and CorVel was selected as the most appropriate vendor for Riverside County.

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

FINANCIAL DATA	Current F.Y. Total Cost:	\$800,000	In Current Year Budget:	No
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	No
	Annual Net County Cost:	\$ 0	For Fiscal Year:	2007/2008

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

C.E.O. RECOMMENDATION:

APPROVE

BY:
Steve P. Schubert

County Executive Office Signature

- Consent
- Policy
- Consent
- Policy

Dept Recomm.:
Per Exec. Ofc.:

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

BACKGROUND (continued):

CorVel provides automated bill review, scanning of medical bills, reports for real time viewing, software for state mandated utilization review, around the clock First Report of Injury Service and a medical provider network which includes a partnership with Kaiser Permanente Medical Group, among others. This partnership allows our employee's access to *Kaiser on the Job* for their worker's compensation injuries when Kaiser is their provider for primary health insurance. Additionally, all injured workers seen in the Occupation Medicine Department at Kaiser will be seen by a physician instead of physician assistants. CorVel's flexibility offers a complete solution with improved efficiency, real time information, reduction in paperwork, proprietary software with technical support and consolidation of our records into one database. This improved system will allow for data collection, quality oversight and leverage for future decisions.

In December 2006, the Board of Supervisors approved the implementation of an on-site Utilization Review Unit within the Workers' Compensation Division. This unit is responsible for evaluating medical treatment requests in accordance with state mandated guidelines and timeframes. On June 7, 2007 Utilization Review Enforcement Regulations were implemented subjecting all reviews for medical treatment to sizeable penalty violations. One of the specific requirements is to provide Medical Peer Review for all denied or modified decisions regarding treatment. Physicians and Surgeons Network has agreed to contract with us for Medical Director Oversight and Medical Peer Review.

The Workers' Compensation Division has made a commitment to provide quality medical care to our injured employees. Over the last four years the division has implemented several cost containment programs while providing quality medical care utilizing evidence based guidelines. The goal is to provide the right care, for the right reasons, for the right outcome – so that our employees may return to productive lives both on and off the job, and return to work so the service to departments is minimally disrupted. These efforts have resulted in \$5,000,000 in savings for claims costs in FY 05/06. In addition, the departmental charges for workers' compensation were reduced by \$6,800,000 for FY 07/08. These requested contracted services will assist in continuing to provide the best quality medical care for our employees.