

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF SAN BERNARDINO COUNTY
AND RECORD OF ACTION**

September 24, 2024

FROM

WHITNEY FIELDS, Director, Department of Risk Management

SUBJECT

Contract with Medata, Inc. for Workers' Compensation Bill Review Services

RECOMMENDATION(S)

Approve a fee-for-service **Contract No. 24-906** with Medata, Inc., to provide workers' compensation bill review services for the County's self-insured workers' compensation program, in accordance with the contracted fee schedule, for an estimated aggregate cost of \$2,500,000, for the period of September 25, 2024, through September 24, 2029.

(Presenter: Whitney Fields, Director, 386-8621)

COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES

Operate in a Fiscally-Responsible and Business-Like Manner.

FINANCIAL IMPACT

Approval of this item will not result in the use of Discretionary General Funding (Net County Cost), as these services will be paid from the Department of Risk Management's (DRM) workers' compensation insurance funds 4082, and 4104 (Special Districts), in accordance with the contracted fee schedule (Attachment A of the contract); these insurance funds are financed by departments and Board-Governed Special Districts via internal service rates approved by the Board of Supervisors (Board). The estimated aggregate cost for these services over a five-year period is \$2,500,000, or \$500,000 each year. The total contract amount was estimated based on statistical usage information from the prior three years. The estimated cost for the remainder of 2024-25 is approximately \$458,000. Sufficient appropriation has been included in the DRM's 2024-25 budget and will be included in future recommended budgets.

BACKGROUND INFORMATION

The County's workers' compensation program has been self-insured and self-administered since 1978. The DRM has developed and used various cost containment programs, including a Managed Medical Care program emphasizing bill review that ensures compliance with the State's Medical Fee Schedule for Workers' Compensation.

On April 16, 2019, (Item No. 41) the Board approved Contract No. 19-206 with CareWorks Managed Care Services Inc. to provide workers' compensation medical bill review (MBR) services for the period of April 16, 2019, through April 15, 2024, and the estimated aggregate cost of \$2,500,000.

On December 19, 2023 (Item No. 86) the Board approved an amendment to this contract extending the term to December 31, 2024. MBR services include: line by line review of all medical and hospital charges to ensure compliance with the State's Medical Fee Schedule for

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Workers' Compensation; verification that charges are for the appropriate procedure; validation that charges are reasonable; identification and correction of fee schedule excesses; elimination of duplicate charges; identification of billing infractions; unbundling of service codes to achieve savings; and inclusion of Preferred Provider Organization discounts with certain medical providers. Through these MBR services, DRM achieved a 61.1% reduction in billed medical expenses, from \$164,715,804 to \$64,012,393, through medical bill review services for the period of April 16, 2019, through June 30, 2024.

PROCUREMENT

On February 6, 2024, DRM released Request for Proposal (RFP) No. RMG124-RMADM-5188 on the County's Electronic Procurement Network. (e-Pro). The following eight vendors submitted proposals:

Vendor Name	Location
Allied Managed Care	Sacramento, CA
Corvel	Irvine, CA
EK Health Services, Inc	San Jose, CA
Genex/Enlyte	San Diego, Ca
Innovative Claims Strategies	Piscataway, NJ
Medata	Irvine, CA
Medex	Irvine, CA
Sedgwick Claims Management Services	Memphis, TN

Based on the evaluation criteria, the review panel which consisted of staff from the DRM and County Counsel, evaluated the proposals and ranked them based upon technical and financial reviews, compliance with RFP requirements, company qualifications, and experience providing MBR to public entities. The review panel recommends awarding a contract to Medata, Inc., who was determined to be best able to meet the needs of the County. On August 27, 2024, award and denials letters were sent to all responsible and responsive proposers. No appeals were received by the Purchasing Agent.

The recommended contract includes guaranteed rates for the entire period of the contract, and shall be effective from September 25, 2024, through September 24, 2029, with either party able to terminate the contract with a 30-day written notice.

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Laura Feingold, Chief Assistant County Counsel, 387-5455) on August 26, 2024; Purchasing (Jessica Barajas, Supervising Buyer, 387-2065) on August 26, 2024; County Administrative Office (Diane Rundles, Assistant Executive Officer, 387-5572) on August 28, 2024; Finance (Ivan Ramirez, Administrative Analyst, 387-4020) on August 29, 2024; and County Finance and Administration (Paloma Hernandez-Barker, Deputy Executive Officer, 387-5423) on September 9, 2024.

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Record of Action of the Board of Supervisors
San Bernardino County

APPROVED (CONSENT CALENDAR)

Moved: Curt Hagman Seconded: Joe Baca, Jr.
Ayes: Col. Paul Cook (Ret.), Jesse Armendarez, Curt Hagman, Joe Baca, Jr.
Absent: Dawn Rowe

Lynna Monell, CLERK OF THE BOARD

BY



DATED: September 24, 2024



cc: Risk - Fields w/agree
Contractor - c/o Risk w/agree
File - w/agree
CCM 09/26/2024