

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

June 23, 2020

FROM

LEANNA WILLIAMS, Director, Department of Risk Management

SUBJECT

Amendment to Contract with Insurity Claims Software, LLC

RECOMMENDATION(S)

Approve **Amendment No. 4** to **Contract No. 15-517** with Insurity Claims Software, LLC for the software license, maintenance, and upgrades to continue using the automated claims system, SIMS, extending the contract for one additional year, for a new term of July 28, 2015 to July 27, 2021, and increasing the total contract amount by \$378,176 from \$1,757,351 to \$2,135,527, with all other terms and conditions remaining the same.

(Presenter: LeAnna Williams, 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 additional Discretionary General Funding (Net County Cost). Costs for these services will be paid from the Department of Risk Management's (DRM) self-insurance funds. The estimated annual cost of \$378,176 is included in DRM's 2020-21 recommended budget. Details of these costs are as follows:

Software License Fees		Total
Annual ClaimsXPress Term License and Maintenance		\$138,176
Professional Service	Estimated Hours	Estimated Total
Modify Reserve Buckets to provide more detail for Carriers and Underwriters	245	\$49,000
Update Organization Tree to improve reporting	155	\$31,000
Document Imaging ClaimsXPress to FileNet	200	\$40,000
Utilization Review and Pharmacy Connector modifications for new vendor	200	\$40,000
Upgrade ClaimsXPress payment processing	300	\$60,000
Account Management/upgrade implementation	100	\$20,000
Total Professional Service Fees @ \$200 Per Hour	1,200	\$240,000
Amendment Total		\$378,176

BACKGROUND INFORMATION

The contract with Insurity Claims Software LLC is for the continued use of its automated claims system (SIMS), which is necessary for the daily administration of workers' compensation and liability claims. Since the implementation of SIMS in 2016, DRM has experienced some issues and has sought solutions as system functionality continues to decline. At this time, DRM is conducting a fit-gap analysis to identify and document the new system requirements to provide advanced functionality for efficient claims administration, effective and detailed data analytics to assist department with trend analysis. Once this analysis is completed, the DRM plans to issue a request for proposals to procure a new claim system within the next fiscal year.

The recommended contract amendment will provide ongoing support and maintenance of the SIMS system and license, modify the reserve buckets to show more detail, update organizational tree to improve reporting, add the document imaging ClaimsXPress to FileNet, modify the Utilization Review and Pharmacy Connector to assist a new vendor, upgrade the ClaimsXPress payment processing module, and enhance account management functionality. The recommended contract extension will allow DRM to have uninterrupted use of SIMS to continue with the administration of workers' compensation and liability claims while continuing to evaluate alternatives to procure a new automated claims system with advanced functionality and customization that better serve the needs of the DRM.

PROCUREMENT

On July 28, 2015 (Item No. 75), as the result of a competitive process, ePro Bid No. RMG115-RMADM-1216, the Board of Supervisors (Board) approved Agreement No. 15-517 with Systema Software, LLC in an amount not to exceed \$641,541 to develop an integrated claims management system consisting of various service modules, user training, data conversion, ongoing service, staff support, installation, set up and implementation for the period of July 28, 2015 through July 27, 2018.

On November 1, 2016 (Item No. 55), the Board approved Amendment No. 1 to Agreement 15-517 with Systema Software, LLC, which increased the contract amount by \$350,858 to add functionality and additional licenses. All other contract terms remained the same.

On January 9, 2017, DRM was notified that Insurity Claims Software, LLC acquired Systema Software, LLC. There was no change to the tax identification number. All terms and conditions in Contract No. 15-517 with Systema Software, LLC remained the same.

On July 10, 2018 (Item No. 36), the Board approved Amendment No. 2 to Agreement 15-517 with Insurity Claims Software, LLC, extending the term of the contract from July 28, 2018 to July 27, 2019, and increasing the contract amount by \$413,976 to fund license fees and professional services for the extended term.

On June 11, 2019 (Item No. 68), the Board approved Amendment No. 3 to Agreement 15-517 with Insurity Claims Software, LLC, extending the term of the contract from July 28, 2019 to July 27, 2020, and increasing the contract amount by \$350,976 to provide ongoing support and maintenance of the SIMS system and licenses, upgrade work flows and claim reserves functionality, and upgrade the entire system to Version 18-R1.

On May 20, 2020 Purchasing Department reviewed and approved this contract extension, allowing additional time to perform a gap analysis of the current claims system and complete a request for proposal process to procure a new automated claims system.

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June 23, 2020

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Teresa McGowan, Principal Assistant County Counsel, 387-5283) on May 21, 2020; Purchasing Department (Bruce Cole, Supervising Buyer, 387-2148) on May 20, 2020; Finance (Joon Cho, Administrative Analyst, 387-5402) on June 2, 2020; and County Finance and Administration (Kelly Welty, Deputy Executive Officer, 387-4376) on June 2, 2020.

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Record of Action of the Board of Supervisors
County of San Bernardino

APPROVED (CONSENT CALENDAR)

Moved: Josie Gonzales Seconded: Robert A. Lovingood
Ayes: Robert A. Lovingood, Janice Rutherford, Dawn Rowe, Curt Hagman, Josie Gonzales

Lynna Monell, CLERK OF THE BOARD

BY _____
DATED: June 23, 2020



cc: Risk- Williams w/agree
 Contractor- C/O Risk w/agree
 File- w/agree
la 07/2/2020