



# MARIPOSA COUNTY

Human Resources/Risk Management • (209) 742-1375



## **RESOLUTION - ACTION REQUESTED 2015-296**

MEETING: June 23, 2015

TO: The Board of Supervisors

FROM: Steve Johnson, Human Resources Director - Risk Manager

RE: Approve One Year Amendment to Tristar Agreement

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### **RECOMMENDATION AND JUSTIFICATION:**

Approve an Agreement with Tristar Risk Management Services ("Tristar") for the Administration of the County's Workers' Compensation Claims for the Period from July 1, 2015 Through June 30, 2016; Authorize the Board of Supervisors Chairperson to Sign the Amended Agreement, and Authorize Staff to Issue a Request for Proposal for Workers' Compensation Administration Services for Mariposa County, During the Second Six Month Term of This Agreement.

Tristar is responsible for Workers' Compensation bill review, utilization review, and both telephonic and field nurse case management services for Mariposa County. The annual claims administration fee is recommended to increase by 2.2 percent, or \$680, from \$30,280 to \$30,960 per year. The not-to-exceed amount for the entire cost of the agreement is recommended at \$93,000, which includes the administrative fee, for the following reasons:

- An increase in Mariposa County's Workers' Compensation claims severity, and
- A 50 percent increase in the number of reported Mariposa County Workers' Compensation claims since 2006.

Based on this information, Mariposa County currently utilizes 35 percent of a full time Tristar Workers' Compensation Adjustor, whose annual, fully loaded cost runs between \$175,000-\$185,000 per year.

Human Resources/Risk Management staff recommends that the Board of Supervisors also authorize staff to move forward with a Request for Proposal ("RFP") for Workers' Compensation Administration Services for Mariposa County, during the second six month term of this Agreement, in order to award a service agreement that will include the administration of existing Workers' Compensation claims and all new claims beginning at the program inception date of July 1, 2016, for Mariposa County.

At that time, the RFP will identify a Workers' Compensation Third Party Administrator partnership that will deliver the following objective and measurable results:

- Reduce the cost and duration of Workers' Compensation claims;
- Provide claim processing in a timely and professional manner;
- Actively pursue subrogation;
- Assist in returning injured employees back to work, and
- Maintain strong communications with the injured worker and Mariposa County.

**BACKGROUND AND HISTORY OF BOARD ACTIONS:**

The Board of Supervisors initially approved a 3-year agreement with Tristar effective July 1, 2006, with subsequent approved contracts through June 30, 2015. The principals have been administering the County's Workers' Compensation claims since 1992 from their Fresno location, initially under the name of Ross and Castillo Claims Management, until this firm was subsumed into the firm Tristar Risk Management Services in 2006.

**ALTERNATIVES AND CONSEQUENCES OF NEGATIVE ACTION:**

A negative action would result in staff needing to identify another company to perform claims services which could impact the management of current open claims.

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**FINANCIAL IMPACT:**

**Funding is budgeted in the Workers' Compensation fund in the Requested Fiscal Year 2015-16 Budget.**

**ATTACHMENTS:**

**Tristar Contract 2015 (DOC)**

**CAO RECOMMENDATION**

Requested Action Recommended

*Mary Hooson*

Mary Hooson, CAO

6/18/2015

**RESULT: ADOPTED BY CONSENT VOTE [UNANIMOUS]**  
**MOVER:** Marshall Long, District III Supervisor  
**SECONDER:** Rosemarie Smallcombe, District I Supervisor  
**AYES:** Smallcombe, Jones, Long, Cann, Carrier