

To: Board of Education

From: Anna Stubblefield, assistant superintendent, educational support & equity, ext. 1760  
Kathy Johnson, director, finance, ext. 2376

Re: Workers Compensation Third-Party Administration for 2017-2018

Date: June 8, 2017

Background:

The self-insured fund for workers compensation was established in June 1993 in order for USD 497 to handle its workers compensation obligation on a self-funded basis rather than purchasing workers compensation insurance. Thomas McGee, L.C. has been our third-party administrator since that time. Having a quality third-party administrator is essential in maintaining an effective program. The district has, in the past, checked costs in relation to this service and found Thomas McGee's fees to be in line with comparable services elsewhere.

History of the past contract amounts:

- Risk Management Services for 2016-2017 \$50,528
- Risk Management Services for 2015-2016 \$49,056
- Risk Management Services for 2014-2015 \$47,627

The contract for the 2017-2018 school year would be a one year contract with Thomas McGee, L.C. as our third-party administrator.

Rationale:

Thomas McGee, L.C. has provided good service and administration of the district's workers compensation program.

Recommendation:

Administration recommends board approval for payment of the 2017-2018 contracted amount to Thomas McGee, L.C. for third-party administration services and Medicare reporting. Loss control services will be billed at \$125 per hour.

Risk Management Services for 2017-2018: \$50,528

This expenditure will be paid from the Workers Compensation Reserve Fund. Account Number: 3023000000 Work Comp Administration-53400 Contracted Professional Services

Motion:

"I move the Board of Education approve a one year agreement with Thomas McGee, L.C. for third party administration services in 2017-2018, as outlined in their agreement and in the amount of \$50,528, with loss control services to be billed at \$125 per hour."

**AMENDMENT VIII**  
**LAWRENCE UNIFIED SCHOOL DIST. #497**  
**FEE AND SERVICE SUMMARY**  
**EFFECTIVE 7/1/2017 through 6/30/2018**

Exhibit A of the Agreement between Thomas McGee, L.C. and **LAWRENCE UNIFIED SCHOOL DIST. #497** is hereby modified as stated below effective July 1, 2014. All other provisions of the Agreement dated July 1, 1993, remain intact and unchanged.

Thomas McGee, L.C. will provide all of the following services on a fixed annual fee basis, payable at the beginning of the agreement:

**Risk Management Services For 2017-2018                      \$50,528**

**Loss Control Services provided by Thomas McGee will be billed at \$125 per hour.**

Our services include the following:

- ◆ We will provide claims administration / adjusting for an unlimited number of claims, including "medical only" and "indemnity".
- ◆ We will provide recordkeeping for an unlimited number of "incident reports".
- ◆ We will assist you each year with your renewal for qualification with the State.
- ◆ We will provide you monthly loss runs formatted to fit your business needs. In addition, we will provide monthly loss runs to your Excess carrier and the State, year-end 1099 forms and annual State reports.
- ◆ We will provide you with periodic updates of what is being proposed in the Legislature that can impact Workers' Compensation.
- ◆ We will provide your organization, at your request, with loss control services to help reduce the frequency and severity of accidents at a rate of \$125 an hour.
- ◆ We will coordinate with a PPO program of your choice, or direct contract with health care providers in your area to help reduce your medical expenses whenever possible.
- ◆ We will meet you quarterly on any claim(s) that exceed \$10,000 in value to insure you are aware of all the facts and direction the claim will take.
- ◆ We will manage any litigation that may come up with an attorney of your choice
- ◆ We will aggressively pursue any opportunities for recovery from third parties upon your approval to do so.

For the purpose of this Agreement only, a Medical Only Claim shall be defined as any claim submitted that principally utilizes a Claim Technician to process invoices and correspondence regarding the claim.

For the purpose of this Agreement only, an Indemnity claim shall be defined as any claim submitted that due to the specific nature of the claim requires principally the use of a Senior Adjuster to oversee the management of the claim, whether for investigative, medical management or other reason regardless if any indemnity or medical payments are ever made.

For the purpose of this Agreement only, a Record Only shall be defined as any incident that has been submitted that has not turned into a claim.

- ◆ Any costs associated with the National Council on Compensation Insurance (NCCI) are **NOT** included in Thomas McGee Service fees including: any Data Collection Fees, Experience Rating Production Fees, Affiliation or Non-Affiliation License Fees, Proof of Coverage Fees, Policy Form Fees, Regulatory & Legislative Service Fees, or any other Licensing Fees associated with the NCCI. Any costs associated with NCCI will be the direct responsibility of **LAWRENCE UNIFIED SCHOOL DIST. #497**. Thomas McGee will invoice **LAWRENCE UNIFIED SCHOOL DIST. #497** for any NCCI Fees billed to Thomas McGee on behalf of **LAWRENCE UNIFIED SCHOOL DIST. #497**.
- ◆ Any costs associated with the management of claims imposed by State or Federal regulatory changes have not been included in this Agreement. Any additional costs imposed such as for Electronic Data filing will be in addition to the fees quoted herein. Thomas McGee will invoice **LAWRENCE UNIFIED SCHOOL DISTRICT #497** for any additional fees due to regulatory requirement changes during the term of this Agreement.

The fees stated above do not include the transfer of electronic data in or out of our claims management system. Costs associated with the electronic movement of data are considered to be ancillary services and will be quoted separately based upon the specific requirements of the project.

- ◆ The fees do not include any charges for EDI (Electronic Data Interface) associated with the submission of First Report of Injury forms electronically to the State. We will invoice separately **LAWRENCE UNIFIED SCHOOL DIST. #497** for costs associated with this service.

IN WITNESS WHEREOF, the parties have caused this agreement to be executed on their behalf by the undersigned duly authorized persons.

DATE: \_\_\_\_\_ BY: \_\_\_\_\_  
**LAWRENCE UNIFIED SCHOOL  
DIST. #497**

DATE: \_\_\_\_\_ BY: \_\_\_\_\_  
Thomas McGee, L.C.