

To: Board of Education

From: David Cunningham, executive director human resources and legal  
Kathy Johnson, executive director finance

Re: Workers Compensation Third Party Administration 2018-2019

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 2017-2018 \$50,528
- Risk Management Services for 2016-2017 \$50,528
- Risk Management Services for 2015-2016 \$49,056

Rationale:

Thomas McGee, L.C. has provided good service and administration of the district's workers compensation program. The proposed new agreement is for three years effective July 1, 2018 through June 30, 2021.

- Risk Management Services for 2018-2019 \$50,528
- Risk Management Services for 2019-2020 \$50,528
- Risk Management Services for 2020-2021 \$52,044

Recommendation:

Administration recommends board approval of the proposed three year agreement, July 1, 2018 through June 30, 2021. Payment of \$50,528 for 2018-2019 contracted amount to Thomas McGee, L.C. for third-party administration services. Medicare reporting and loss control services will be billed at \$125 per hour.

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 three year agreement with Thomas McGee, L.C. for third party administration services and Medicare reporting and loss control services, effective July 1, 2018 to June 30, 2021, as outlined in their agreement and approve the year one (1) payment of \$50,528, with loss control services to be billed at \$125 per hour. To be paid from the Workers Compensation Reserve Fund."