

MEETING DATE: 05/14/07

AGENDA ITEM: Approval of a Professional Services Agreement with Southern California Risk Management Associates (SCRMA) to Provide Workers' Compensation Claims Administration, Bill Review, and Utilization Review Services.

ATTACHMENTS

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1. List of Responding Firms	1
2. Response Summary and Evaluation Matrix for Finalists	2
3. Executive Summary from SCRMA's Proposal	3 - 6

Claims Administration RFP

List of Responding Firms

Responding Firms

- 1) Acclamation Insurance Mgmt. Services
- 2) AdminSure (Colen & Lee)
- 3) Bragg Claims & Risk Mgmt. Services
- 4) Buckeye Claims Administrators
- 5) Cambridge
- 6) Claims Management Inc.
- 7) Compiq Corp. & RWI
- 8) CompPartners Inc.
- 9) Corvel
- 10) Cost Containment Solutions
- 11) Francis Claims Services
- 12) Gallagher Bassett Services Inc.
- 13) Hazelrigg Risk Mgmt. Services
- 14) Integrated Claims Administrators/MJM/A
- 15) Intercare Insurance Services
- 16) JT2 Integrated Resources
- 17) Monitor Integrated Healthcare
- 18) Murphy & Beane
- 19) Oasis Claims
- 20) Professional Dynamics Inc.
- 21) SCRMA
- 22) Sedgwick CMS
- 23) Total Healthcare Management
- 24) Tristar Risk Management

Claims Administration RFP Summary of Proposals

Summary of Evaluation Categories		AdminSure (fka Colen & Lee)	Hazelrigg Risk Mgmt.	SCRMA
Experience	Operating Since:	1983 (WC)	1991 (WC)	1988 (WC)
	Servicing Office Location:	Diamond Bar, CA	Chino, CA	Valencia, CA
	# of Municipal Clients*:	34	17	58
Risk Management Information System	System:	Valley Oaks System**	Valley Oaks System	Renaissance
	Cost for System Access: One-Time Data Conversion Costs:	N/A	\$1,500 per year, per user	\$1,400 per yr, per user
		N/A	\$11,000	\$10,000
Claims Administration	Claims Admin. Costs (Year 1):	\$329,280***	\$235,000	\$274,890
	Claims Admin. Costs (Year 2):	\$342,451	\$242,050	\$274,890
	Claims Admin. Costs (Year 3):	\$356,149	\$249,311	\$274,890
	Claims Admin. Costs (Year 4):	\$370,395	\$256,791	not to exceed \$288,635
	Claims Admin. Costs (Year 5):	\$385,211	\$264,495	not to exceed \$303,070
	Total 5 Year Contract:	\$1,454,206	\$1,258,647	\$1,416,375
Bill Review	Bill Review Service Cost:	\$4 per bill/4% of savings	\$6.50 per bill/15% of savings	\$6 per bill/15% of net savings
Utilization Review	UR Services (Per Claim):	4% of net medical charges, not to exceed \$750 per claim	\$150 plus PA fees for Inpatient Hospital Review	5% of net medical charges
	UR Services (Dr's Review):	\$200 per hr	\$250 per hour	\$200 per hr
Medical Provider Network	Network:	Concentra	HRMS Customized	Well Comp
	Cost for MPN:	N/A	\$175 per claim transferred into MPN	\$48 per claim - One time \$1,200 application fee
Estimated Total Cost****		\$329,280	\$250,500	\$290,290

* Clients with Police, Fire, and/or Transit only.

** AdminSure does not currently operate using the Valley Oaks System. They have purchased the system and expect to be up and running within the next 6 months.

*** AdminSure extended the offer to continue to handle the City's Program "Status Quo" under the existing contract, with the current price structure (\$195,000 per yr), staffing level and service standards for one more year in lieu of their 5-year contract quote.

**** Equals Year 1 contract cost plus one-time data conversion plus access for three users plus MPN application fees.

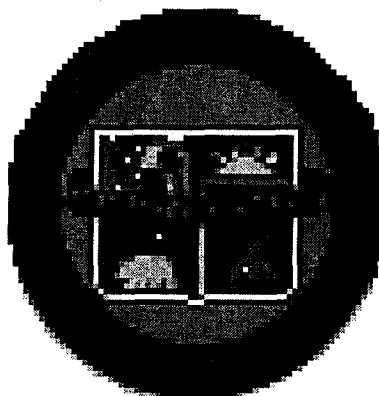
SCRMA

Southern California
Risk Management Associates

presents

A Proposal

for



**WORKERS' COMPENSATION CLAIMS
ADMINISTRATION AND MANAGED CARE
SERVICES**

February 15, 2007



Southern California
Risk Management Associates

February 15, 2007

City of Culver City
ATTN: Ela Valladares, Deputy City Clerk
9770 Culver Blvd.
Culver City, CA 990232

RE: Request for Proposals Workers' Compensation Claims Administration, Utilization Review,
and Medical Bill Review Services

Dear Ms. Valladares:

On behalf of Southern California Risk Management Associates, Inc. ("SCRMA"), the workers' compensation division of York Insurance Services Group, Inc. ("York"), we would like to thank the City of Culver City ("City") for the opportunity to participate in this proposal process. We would be privileged if afforded the opportunity to provide the City with our effective and cost-efficient workers' compensation cost containment solutions including workers' compensation claims administration, utilization review ("UR") and medical bill review ("BR") services.

A California corporation headquartered in Upland, California, SCRMA is a recognized leader in the provision of workers' compensation solutions. We administer claims for some of the most complex entities in California including over 100 cities and, as indicated in our Executive Summary, 41 of which are located in Los Angeles County.

As a result, we are familiar with the coordination of various City salary continuation programs and workers' compensation benefits. In addition, we have developed expertise in the area of safety officers and the coordination of PERS disability retirement issues. All of our city and fire district clients are members of PERS. Our clear understanding of the PERS disability retirement process is a key element of our successful program.

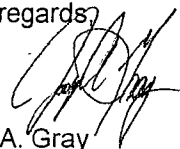
Starting with a just a hand full of Southern California entities in 1988, we now provide claims administration for over 350 Northern and Southern California employers representing 240,000 lives and 17,000 injured workers.

Our proposal elaborates on SCRMA's demonstrated capacity to provide the third party claims administration ("TPA"), UR and BR services requested.

If any questions should arise, please do not hesitate to contact me directly as follows:

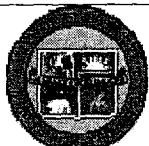
Jody A. Gray, President
Southern California Risk Management
313 East Foothill Blvd., Upland, CA 91786
jody.gray@SCRMA.com / 909-608-7171 / Fax: 909-608-7165

Best regards,


Jody A. Gray

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EXECUTIVE SUMMARY



The Company

Founded in 1988, SCRMA is a leading provider of workers' compensation claims management and cost containment services to California self-insured employers.

Our integrated service offering is comprised of claims administration and a suite of managed care services, including bill review ("BR"), utilization review ("UR"), and a proprietary medical provider network ("MPN"). Utilized in concert, SCRMA's suite of integrated services significantly reduce our clients' overall cost of workers' compensation by enabling us to offer our 350+ clients a comprehensive, self-insured workers' compensation claims solution.

SCRMA has extensive experience successfully managing claims for complex, California public and private entities including the Los Angeles County Cities of Artesia, Bell Gardens, Bellflower, Cerritos, Claremont, Commerce, Cudahy, Duarte, El Segundo, Hawaiian Gardens, Hermosa Beach, Irwindale, La Canada-Flintridge, La Habra Heights, La Mirada, La Palma, La Puente, La Verne, Lakewood, Lawndale, Lomita, Maywood, Malibu, Norwalk, Palos Verdes Estates, Paramount, Pico Rivera, Rancho Palos Verdes, Rolling Hills Estates, Rosemead, San Dimas, San Gabriel, Santa Fe Springs, Seal Beach, Sierra Madre, Signal Hill, South El Monte, South Pasadena, Temple City, Walnut, West Hollywood, and Westlake Village.

In addition to the public entities listed above, SCRMA also successfully handles workers' compensation claims for the Housing Authority of the City of Los Angeles and the Los Angeles Community College District, the largest community college district in the state.

Distinctive Competency

SCRMA's only focus is workers' compensation. We believe that the workers' compensation climate is one of the most difficult and ever-changing markets in the country. SCRMA believes that a firm must be focused on workers' compensation in order to deliver quality service and maximize financial results for clients.

Our service philosophy is based on a set of highly effective best practices, the nucleus of which includes ongoing communication with the injured employee and employer. While highly subjective, these qualitative protocols result in less margin for error and a synergistic approach to claims management, which in turn results in quantifiable cost savings. As a result, we have achieved the following:

- Less than 3% annual client turnover
- Unique insight and analysis into pending and new regulatory change
- Ability to significantly reduce our clients' cost of risk

We are familiar with the coordination of various salary continuation programs and workers' compensation benefits. In addition, we have developed expertise in the area of safety officers and coordination of PERS disability retirement issues. All of the cities and fire districts that we serve are members of PERS. A clear understanding of the PERS disability retirement process is a key element of our program.

Our proposal substantiates our capacity to perform all services required to supervise and administer the City's program and to act as your representative in matters related to your obligations under the workers' compensation laws of the State of California. We will effectively and cost efficiently manage your program in accordance with the rules and regulations promulgated by the Department of Self-Insurance Plans and the Division of Workers' Compensation Audit Unit.

