

PROCUREMENT SUMMARY

WORKERS' COMPENSATION MANAGED CARE
SERVICES/PS161339000

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| 1. | Contract Number: PS161339000 | |
| 2. | Recommended Vendor: Anthem Workers Compensation, LLC | |
| 3. | Type of Procurement (check one): <input type="checkbox"/> IFB <input type="checkbox"/> RFP <input type="checkbox"/> RFP-A&E <input checked="" type="checkbox"/> Non-Competitive <input type="checkbox"/> Modification <input type="checkbox"/> Task Order | |
| 4. | Procurement Dates: | |
| | A. Issued: N/A | |
| | B. Advertised/Publicized: N/A | |
| | C. Pre-Proposal Conference: N/A | |
| | D. Proposals Due: N/A | |
| | E. Pre-Qualification Completed: Pending | |
| | F. Conflict of Interest Form Submitted to Ethics: May 14, 2020 | |
| | G. Protest Period End Date: N/A | |
| 5. | Solicitations Picked up/Downloaded: N/A | Proposals Received: 1 |
| 6. | Contract Administrator: Marc Margoni | Telephone Number: (213) 922-1304 |
| 7. | Project Manager: Cathy Yates | Telephone Number: (213) 922-4297 |

A. Procurement Background

This Board Action is to approve Contract No. PS161339000 to Anthem Workers' Compensation, LLC (AWC) to provide workers' compensation managed care service in support of Metro's workers' compensation claims administration.

This is a single source, non-competitive, incentive-based procurement issued in accordance with Metro's Acquisition Policy and the contract type is incentive based.

In April 2010, Metro awarded a 10-year, inclusive of three, two-year options, non-competitive incentive-based contract to AWC (formerly Anthem Blue Cross) to provide Workers' Compensation Preferred Provider Organization (PPO) and Medical Provider Network (MPN) services. This contract will expire on July 31, 2020.

To effectively administer workers' compensation claims and medical costs, the continued services of a workers' compensation managed case service provider is required.

B. Evaluation of Proposals

The proposal submitted by Anthem Workers' Compensation, LLC was found to be compliant with Risk Management's technical specifications and requirements and offers higher potential savings not available through any other provider. AWC has the broadest coverage due to its extensive geographic group network access. It is also able to leverage its PPO network to maximize PPO discounts and offer savings to Metro that are typically lower than State Workers' Compensation fee schedules.

Anthem WC has been Metro's workers' compensation managed care provider since 2010 and their performance has been satisfactory.

C. Cost/Price Analysis

The recommended rate has been determined to be fair and reasonable based on price analysis and technical analysis. The proposed incentive fee of 20% of medical bill savings is 2% lower than the current contract rate.

| Proposer Name | Proposal Amount | Metro ICE | Negotiated or NTE amount |
|----------------------|------------------------|------------------|---------------------------------|
| Anthem WC | 20% | 20% | 20% |

D. Background on Recommended Contractor

Anthem Workers' Compensation, LLC (AWC) is a wholly owned affiliate of Anthem, Inc. AWC is headquartered in Costa Mesa, CA with operations offices in Woodland Hills, Thousand Oaks, and San Diego. AWC is one of the industry's most comprehensive Workers' Compensation PPO network providing PPO network savings and accessibility. It is dedicated to the administration of workers' compensation care by providing access to appropriate and quality medical care to injured workers and giving self-insured employers, Third Party Administrators (TPAs) and insurance carriers the power to better manage their workers' compensation costs and benefits. AWC also provides a full range of consultative reporting solutions designed to keep clients ahead of fluctuating workers' compensation trends. Service areas include California, Colorado, Illinois, Indiana, Kentucky, Missouri, and Nevada. Major clients include The State Compensation Insurance Fund, Berkshire Hathaway, Liberty Mutual, Farmers Insurance, CIGA, Amtrust North America, Keenan & Associates, Insurance Company of the West, Guard Insurance, ESIS and Broadspire. AWC also provides network access service to the San Francisco Muni/MTA.