

The background features a large, stylized letter 'M' composed of several white, 3D rectangular blocks. The 'M' is set against a dark green circular backdrop, which is itself partially overlaid by a large, curved orange shape. The bottom of the slide is a solid black area.

Workers' Compensation Medical Bill Review Services

Finance, Budget, and Audit Committee

March 19, 2026

File #2025-0882

Recommendation

AUTHORIZE the Chief Executive Officer to execute Modification No. 3 to Contract No. PS61721000, with Lien On Me, Inc. for workers' compensation medical bill review services to exercise the second, two-year option in the amount of \$2,541,000, increasing the total contract amount from \$5,160,225 to \$7,701,225, and extending the period of performance from July 1, 2026, to June 30, 2028.

Background

- Review of medical bills is consistent with industry best practice.
- It is a primary technique employed to lower workers' compensation-related medical expenditures.
- Bill review service providers analyze gross medical billings to recommend reductions in conformance with the State of California Fee Schedule and negotiated PPO contract rates.
- Metro Board of Directors awarded the eight-year (inclusive of two, two-year options) firm fixed unit rate Contract No. PS61721000 to Lien On Me, Inc.
- Metro's average monthly medical bill reduction under this contract is \$2.6 million.



Medical Bill Review Services

- Second two-year option amount reflects current volume of medical bills and an increased margin for the next two contract years.
- Recent medical bill volume averages 4,300 per month and reflects the current open claims inventory of 2,374 (compared to 1,429 open files at the start of FY21).
- Lien On Me, Inc. provides excellent services and averages 59% medical expenditure cost reductions.

Next Steps

Upon Board approval, staff will execute Modification No. 3 to Contract No. PS61721000 with Lien On Me, Inc. to continue to provide workers' compensation medical bill review services and exercise the second two-year option term.



Thank you.



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