

CONSENT AGENDA  
ITEM NO. 26

**CITY OF SAN ANTONIO  
OFFICE OF MANAGEMENT & BUDGET  
INTERDEPARTMENTAL CORRESPONDENCE**

TO: Mayor and City Council

FROM: Louis A. Lendman, Director of Office of Management & Budget

THROUGH: Terry Brechtel, City Manager

COPIES TO: Milo Nitschke, Director of Finance; Michael Rich, Risk Manager; File

SUBJECT: Professional Services Contract for Third Party Administrator

DATE: September 25, 2003

**RY AND**

**INS**

This Ordinance authorizes the City Manager or her designee to renew a contract with Medical Audit Consultants, Inc. to provide medical cost containment services. The term of the contract renewal will be for a one-year period beginning October 1, 2003 through September 30, 2004, at a cost of \$349,112.

Staff recommends approval of this ordinance.

**BACKGROUND**

The City employs the services of Medical Audit Consultants, Inc. to provide medical cost containment services related to the City's workers' compensation program. These services include, but are not limited to bill review, utilization review, peer review, pre-authorization, case management, vocational and rehabilitation evaluation, discharge planning, return to work program, identification of catastrophic illness or injury and other workers' compensation medical cost management related services. The medical cost containment service provider works closely with the City's Third Party Administrator and Risk Manager to perform its function.

Pursuant to Ordinance No. Ordinance 92442, the City Manager and the President of Medical Audit Consultants, Inc. executed an agreement for the provision of medical cost containment services for an initial two-year period, which allowed for renewal for three (3) successive one (1) year periods. The cost for this renewal period is **\$349,112**. Through this Ordinance the City will be exercising its second renewal option under the same terms and conditions.

**POLICY ANALYSIS**

On August 31, 2000, City Council passed and approved Ordinance 92442 which authorized the execution of the original contract between the City and Medical Audit Consultants, Inc. On August 30, 2001, City Council passed and approved Ordinance 94461 which authorized an amendment to the contract to appropriated additional funds for additional expenses from the utilization of a preferred provider organization network assembled by the contractor and allowing the City's Third Party Administrator to initiate payments on behalf of the City for services provided by Medical Audit Consultants Inc. On October 31, 2002, the first renewal and extension of this contract was passed and approved by City Council pursuant to Ordinance 96654. This Ordinance will authorize the continuation of these services for an additional year as provided for in this contract.

### **FISCAL IMPACT**

Medical cost containment services are budgeted for annually in the Self-Insurance Workers' Compensation and Liability Funds. The sources of these funds include operating revenues through departmental assessments for risk management services and non-operating revenues. Non-operating revenues include interest on time deposits, stop loss payments and recovery of subrogated claims. This Ordinance will authorize one full year of medical cost containment services and recurring expenditures for subsequent years will be requested through subsequent ordinance, annually.

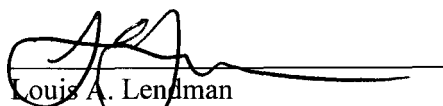
### **COORDINATION**

The Office of Management & Budget has coordinated this item with the City Attorney's Office and Finance Department.

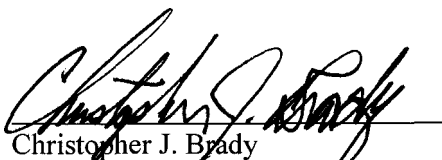
### **SUPPLEMENTAL COMMENTS**

The City's **Risk** Manager has evaluated the services provided by Medical Audit Consultants, Inc. and has determined them to be in compliance with the scope of services contained in the contract. I concur with this evaluation. The Discretionary Contracts Disclosure Form is attached.

### **SIGNATURES**



Louis A. Lendman  
Director of Management & Budget



Christopher J. Brady  
Assistant City Manager

### **APPROVED:**



Terry M. Brechtel  
City Manager

\* Sep 19 03 09:39a

08/18/09 FRI 08:45 FAX

COSA RISK MGMT

--- MAC

002

## City of San Antonio Discretionary Contracts Disclosure\*

For use of this form, see City of San Antonio Ethics Code, Part D, Sections 1&2

Attach additional sheets if space provided is not sufficient.

State "Not Applicable" for questions that do not apply.

\* This form is required to be supplemented in the event there is any change in the information under (1), (2), or (3) below, before the discretionary contract is the subject of council action, and no later than five (5) business days after any change about which information is required to be filed.

### Disclosure of Parties, Owners, and Closely Related Persons

For the purpose of assisting the city in the enforcement of provisions contained in the City Charter and the code of ethics, an individual or business entity seeking a discretionary contract from the city is required to disclose in connection with a proposal for a discretionary contract:

(1) the identity of any individual who would be a party to the discretionary contract;

ELAINE K. MUNOZ

(2) the identity of any business entity that would be a party to the discretionary contract;

MEDICAL AUDIT CONSULTANTS INC.

and the name of:

(A) any individual or business entity that would be a subcontractor on the discretionary contract;

NONE

(B) any individual or business entity that is known to be a partner, or a parent or subsidiary business entity, of any individual or business entity who would be a party to the discretionary contract;

NONE

(3) the identity of any lobbyist or public relations firm employed for purposes relating to the discretionary contract being sought by any individual or business entity who would be a party to the discretionary contract.

NONE

\* A business entity means a sole proprietorship, partnership, firm, corporation, holding company, joint stock company, receivership, trust, unincorporated association, or any other entity recognized by law.

09/18/03 FRI 08:40 FAX

COSA RISK MGMT

MAC

003

### Political Contributions

Any individual or business entity seeking a discretionary contract from the city must disclose in connection with a proposal for a discretionary contract all political contributions totaling one hundred dollars (\$100) or more within the past twenty-four (24) months made directly or indirectly to any current or former member of City Council, any candidate for City Council, or to any political action committee that contributes to City Council elections, by any individual or business entity whose identity must be disclosed under (1), (2) or (3) above. Indirect contributions by an individual include, but are not limited to, contributions made by the individual's spouse, whether statutory or common-law. Indirect contributions by an entity include, but are not limited to, contributions made through the officers, owners, attorneys, or registered lobbyists of the entity.

To Whom Made:	Amount:	Date of Contribution:
MARIO SALAS	100.00	11/16/01
ED GARZA	100.00	5/21/02

### Disclosures in Proposals

Any individual or business entity seeking a discretionary contract with the city shall disclose any known facts which, reasonably understood, raise a question<sup>2</sup> as to whether any city official or employee would violate Section 1 of Part B, Improper Economic Benefit, by participating in official action relating to the discretionary contract.

Signature: <i>Elaine K. Mungen</i>	Title: PRESIDENT Company: MEDICAL AUDIT CONSULTANTS, INC.	Date: 9/19/03

<sup>2</sup> For purposes of this rule, facts are "reasonably understood" to "raise a question" about the appropriateness of official action if a disinterested person would conclude that the facts, if true, require recusal or require careful consideration of whether or not recusal is required.