

Reply to Common Council File No. 021214
From DOA-Budget and Management Division

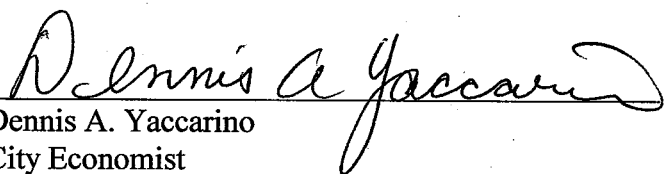
December 12, 2002

Ref: 02013

Common Council file 021214 contains a resolution that authorizes the extension of a contract between the city, other governmental units and CORVEL to provide a preferred provider network discount and pharmacy benefit management services for those employees using workers' compensation services. The contract would be extend from 2003 to 2005.

CORVEL has created a preferred provider network and pharmacy benefit management service that offers discounted services to employees using the network. The benefit to the city is quality health care for employees at a reduced cost. Savings have been achieved despite a State law that allows workers' compensation patients to choose any physician or hospital to provide health care services. It is estimated that CORVEL has saved the city \$871,000 in 2001 with savings through the first 10 months of 2002 at \$755,000.

RECOMMENDATION: ADOPT COMMON COUNCIL RESOLUTION 021214 THAT AUTHORIZES THE EXTENSION OF A CONTRACT BETWEEN THE CITY, OTHER GOVERNMENTAL UNITS AND CORVEL TO PROVIDE A PREFERRED PROVIDER NETWORK DISCOUNT AND PHARMACY BENEFIT MANAGEMENT SERVICES FOR THOSE EMPLOYEES USING WORKERS' COMPENSATION.


Dennis A. Yaccarino
City Economist

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