

May 9, 2006

The Honorable Common Council
Finance and Personnel Committee
200 East Wells Street
Milwaukee, WI 53202

**RE: WORKERS COMPENSATION "TECHNICAL CHANGE" TO THREE
YEAR CONTRACT EXTENSION WITH CORVEL FOR 2006-2008**

Dear Ladies and Gentlemen:

Common Council 051366 approved the three year extension of a contract with CORVEL to provide a Preferred Provider Network discount and Pharmacy Benefit Management services for those employees using Workers Compensation services.

This resolution resolves a technical issue with the contract extension. Under the current contract CORVEL provided a "Surgical/RN Review" in a limited number of cases for \$72.20 per hour. Under the new contract CORVEL will provide a "Professional Review Service" in a much broader number of cases at 22% of the savings. The City anticipates greater avoided costs under this contract benefit, as well as greater payments to COREL.

The Department of Employee Relations and the City Attorney's office have reviewed this change and recommend it be approved. Please contact me at mbrady@milwaukee.gov or at 286-2317 if you have any additional questions or comments. A draft resolution is attached.

Sincerely,

Michael Brady
Employee Benefits

City Attorney Grant Langley
Dennis Yaccarino, Budget Office
Marianne Walsh, Legislative Reference Bureau
Maria Monteagudo
Burma Hudson
James Owczarski
Debra Fowler