



Legislation Text

File #: 090144, **Version:** 0

090144

991339

THE CHAIR

Resolution authorizing an extension of a contract among the City of Milwaukee, other government employers and CORVEL Corporation to provide Preferred Provider Network discounts and Pharmacy Benefit Management services for those employees using Workers' Compensation services.

This resolution authorizes an extension of a contract among the City of Milwaukee, other government employers and CORVEL Corporation to provide Preferred Provider Network discounts and Pharmacy Benefit Management services for those employees using Workers' Compensation services.

Whereas, The City of Milwaukee has been participating in a joint Preferred Provider Network Organization with CORVEL Corporation to control health care costs through network discounts and a pharmacy benefit management program associated with Workers' Compensation claims for nine years; and

Whereas, File No 991339 initiated a three year contract for 2000-2001-2002 and File No 021214 extended the contract from 2003 to 2005 for an additional three years; and Files No 051366 and File No 060096 extended the contract from 2006-2008; and

Whereas, Additional participants in this contract are the Milwaukee Public Schools, the Metropolitan Milwaukee Sewerage District and Milwaukee County; and

Whereas, The City of Milwaukee has avoided health care costs associated with Workers' Compensation claims of \$2,107,425 from 2000-2002, \$3,946,676 from 2003-2005, and \$10,840,534 from 2006-2008, including \$2,099,181 in 2006, \$4,055,188 in 2007 and \$4,686,165 in 2008; and

Whereas, The avoided costs increased in 2007 and 2008 when the City directed CORVEL to use their discounts on both network and non-network bills; and

Whereas, There is no direct cost to the City budget for these services since CORVEL is paid through a percent of savings agreement; and

Whereas, The percent of savings retained by CORVEL in the three years of this contract will not change from the current 23% for Professional Review, Usual and Customary and PPO Re-pricing; and

Whereas, The City of Milwaukee Department of Employee Relations-Workers' Compensation Section and the other taxing groups desire to extend this contract for a period of three years, January 1, 2009 through December 31, 2011; now, therefore, be it

Resolved, By the Common Council of the City of Milwaukee, that the Department of Employee Relations is directed to extend this contract with CORVEL Corporation for a period of three years, with the form and content of such agreement to extend the contract to be subject to the approval of the City Attorney.

MB
DER-EBD