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Human Resources Department
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To: Human Resources/IT Committee and Common Council Members

From: Jay Ratchman, Interim Human Resources Director

Date: July 7, 2021

Re: Recommendation for Worker's Compensation Third Party Administration

A request for proposal for our worker's compensation third party administration (TPA) services was recently completed. After our review of these proposals, it is our recommendation that the City of Appleton switch TPA services from our current vendor (Convergent Claim Administration Services) to the Cities and Villages Mutual Insurance Company (CVMIC). If approved, this transition would take place on September 1, 2021.

CVMIC specializes in providing liability insurance and risk management services to Wisconsin Cities and Villages ranging in population from 2,500 to over 100,000. The City of Appleton already has a strong relationship with CVMIC, and this would be an expansion of that relationship. CVMIC was the lowest cost provider that bid in the RFP process, and we are very confident CVMIC will do a great job handling our workers compensation TPA services.

Please contact me if you have any questions regarding the recommendation.

	Convergent 2022 Fee Per Claim	CVMIC 2022 Fee Per Claim	SFM 2022 Fee Per Claim	Corvel 2022 Fee per Claim	5 Year Avg - COA	Convergent Totals	CVMIC Totals	SFM Totals	Corvel Totals
Indemnity (Lost Time)	\$840	\$790	\$1,020	\$1,400	7	\$5,880	\$5,530	\$7,140	\$9,800
Medical (Over 1,500)	\$350	\$126	\$153	\$195	12	\$4,200	\$1,512	\$6,579	\$2,340
Medical (Under 1,500)	\$130	\$126		\$195	31	\$4,030	\$3,906		\$6,045
						\$14,110	\$10,948	\$13,719	\$18,185
								\$6,069	
									\$19,788

Min Fee - Max Fee
MMHR Reporting Fee
RMIS Information

\$15,000 - ?
\$500 per year
Avail. @ some point. - No Fee?

\$14,000 - \$24,000
\$0
Origami - No Fee

\$3,000-\$30,000
\$15 per claim
\$500 per user

\$20,000 +
0
\$2,500 (5 users)

*SFM - Medical only claims that exceed \$2,500 in paid medical costs will be billed the difference between the Lost Time Claim fee and the previously charged medical - only fee. Note: Over the past 5 years, we average

about 7 medical claims per year that exceeded \$2,500 in medical costs. Based on SFM's proposal, I estimate this would result in an additional fee of \$6,069 from SFM.