



PORTLAND PUBLIC SCHOOLS
OFFICE OF RISK MANAGEMENT

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To: School Board
From: Joe Crelier, Director of Risk Management
Subject: New contract with CorVel Enterprise Comp Inc.

BACKGROUND

Since being awarded a contract with PPS after a competitive request for proposal process in early 2017, CorVel Enterprise Comp, Inc. has been providing third-party administration services for PPS's self-insured Workers Compensation program. During this time, the company has reliably and responsively provided the services. The CorVel staff have become aware of the details of PPS's operations, locations, and PPS's risk management positions on workers' comp claim handling. All State of Oregon audits of the company's work on behalf of PPS have scored high. We use a dedicated CorVel adjuster to the PPS account. The adjuster's supervisor used to hold the role of the dedicated adjuster for the PPS account, representing layers of experience and working knowledge and trust. The use of the 24/7 injury reporting line staffed by nurses has been effective and provides a barrier-free process for any PPS employee to verbally report an injury, receive telephone triage and medical direction, as well as follow-up (in addition to in-person care). In light of this ongoing, long-standing relationship of knowledge and trust, PPS has directly negotiated a new contract with CorVel for another three years, with the options for two additional one-year extensions.

RELATED POLICIES/BEST PRACTICES

PPS Board Policy 8.60.022

ANALYSIS OF SITUATION

PPS has been an Oregon authorized self-insurer for workers compensation since 1978. Continuing with the industry best practice of utilizing a third-party administrator ensures dedicated and focused work providing services and resources to PPS's injured workers.

FISCAL IMPACT

Estimated \$305,000 per year in a combination of fixed fees and fees per claim estimated on annual averages.

TIMELINE FOR IMPLEMENTATION / EVALUATION

New contract will take effect June 1, 2022

BOARD OPTIONS WITH ANALYSIS

1. Approve contract in current form.
2. Request changes be negotiated before the next Board meeting.
3. Not approve contract, require a RFP process. Short-term contracts with CorVel would be required until an RFP award.

CONNECTION TO BOARD GOALS

Best fiscal approach to workers' compensation allows District monies to be directed to Board goals. Self-insurance provides all the services for injured workers without the high cost of insurance premiums. District funds are only spent for the administration of the self-insurance program and for actual injury costs. This creates the opportunity for an ending fund balance in Fund 601.

STAFF RECOMMENDATION

Staff recommends approval of the contract.

As a member of the PPS Executive Leadership Team, I have reviewed this staff report.

_____ (Initials)