

THE SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA

FINANCIAL SERVICES DEPARTMENT

M_E_M_O_R_A_N_D_U_M

TO: Mitsi Corcoran, Chief Financial Officer
FROM: Bert Palmer, Risk Manager
DATE: April 21, 2008
SUBJECT: Agreement for Workers' Compensation Claims Services

BACKGROUND

The current agreement with *Comp Options Insurance Company, Inc.*, (Comp Options) for claims administration services will reach the end of the five (5) year rate guarantee on July 1, 2008. The expiring agreement was the result of a joint Request for Proposal (RFP) prepared and evaluated by Sarasota County Government (SCG), City of Sarasota (City) and Sarasota County Public Schools (SCPS).

RENEWAL

The school district, Sarasota County Government and the City of Sarasota entered into direct negotiations with Comp Options to continue its services and provide rate guarantees. The expiring service fee is \$195,000 annually [paid 1/12th monthly] and has not changed since the inception of the rate guarantee on July 1, 2003.

The renewal agreement effective July 1, 2008 calls for a 3% increase in the annual fee to \$201,000. The fee will increase by 3% annually for each of the following four (4) years. The district can terminate the agreement with 60 days notice at anytime. The annual service fee will be scheduled as follows:

Contract Period	Annual Fee
7/01/2008 – 6/30/2009	\$201,000
7/01/2009 – 6/30/2010	\$207,000
7/01/2010 – 6/30/2011	\$213,000
7/01/2011 – 6/30/2012	\$219,000
7/01/2012 – 6/30/2013	\$225,000

The basic services are the same as those provided under the expiring agreement. The claims handling procedure has been enhanced by the use of a criteria based claim model combined with the use of a Nurse Triage claim intake system. The added features allow for more personal contact with the injured worker and a quicker more exact medical evaluation. The result is better and timelier medical care.

RECOMMENDATION

I recommend that the district renew the service agreement with Comp Options. They have provided exemplary service and have been a major factor in the financial success of the district self-funded workers' compensation program. Their claims administration combined with the district return-to-work program have resulted in our district having the lowest experience modification factor of any school district in the state.

If you have any questions, please let me know.

Attachments