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DEPARTMENT OF
ADMINISTRATIVE SERVICES
RISK MANAGEMENT DIVISION

CITY OF SACRAMENTO
CALIFORNIA

921 TENTH STREET
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SACRAMENTO, CA
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June 6, 2000



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City Council
Sacramento, California

Honorable Members in Session:

SUBJECT: CONTRACTS FOR OCCUPATIONAL AND INDUSTRIAL MEDICAL SERVICES WITH CHW MEDICAL FOUNDATION (MEDCLINIC), H&H OCCUPATIONAL MEDICAL ASSOCIATES, AND THE PERMANENTE MEDICAL GROUP (KAISER) IN THE AMOUNT OF \$75,000 EACH

LOCATION AND COUNCIL DISTRICT: City.

RECOMMENDATION:

It is recommended that the City Council adopt the attached resolution authorizing the City Manager to contract with H&H Occupational Medical Associates, CHW Medical Foundation, and The Permanente Medical Group for occupational and industrial medical services.

CONTACT PERSON:

Margaret Ann Allen, Risk Manager, 264-5823

FOR COUNCIL MEETING OF: June 20, 2000

SUMMARY:

The City has a continuing need for medical treatment for our employees suffering workers' compensation injuries as well as occupational medical services which include: pre-placement physical examinations, Department of Transportation physicals for incumbent commercial drivers, and return-to work examinations for employees recovering from serious non-industrial illnesses or accidents. City safety programs require medical monitoring programs for a variety of employees in classifications with biological or physical exposures which are mandated by state and federal statutes.

COMMITTEE/COMMISSION ACTION:

None.

BACKGROUND INFORMATION:

On September 20, 1999 a Request for Proposal for Medical Services was issued to thirteen medical facilities, from which eight responded. An evaluation team comprised of representatives from Regional Transit, Schools Insurance Authority and the City of Sacramento interviewed and rated the bidders. Three facilities were selected to provide medical services to our employees and potential employees.

The objective of the Request for Proposal process was to determine providers who could offer the highest quality of service at the most reasonable cost. The performance of the bidders was measured utilizing the following criteria:

- That the examining physicians have experience and capability of distinguishing the physical demands of City job classifications;
- That the examinations and related reporting can be performed on a timely basis and not present delays in hiring needed employees;
- That the examining physicians are well versed and current in the laws and requirements governing the practice of occupational medicine.
- That the hours of operation and facility locations are convenient to employees from all of our operating departments.
- That the cost of such medical services are competitive within services obtainable from the medical profession.

Following extensive reference checks of the three facilities selected, as well as evaluating past performance with the City, we are certain that the objective stated above has been achieved.

FINANCIAL CONSIDERATIONS:

The total annual billing for occupational medical services is approximately \$200,000. Referrals for medical services will be equally distributed among the three providers selected. Funding to pay for the expected comprehensive occupational medical services is included in the 2000-2001 Risk Management Budget.

The above three medical facilities are also authorized to provide industrial medical services to our employees requiring treatment for workers' compensation injuries. Employees have the right to choose the physician with which they prefer to treat should they incur a work-related injury or illness. Funds to cover the cost of industrial medical services are included in the 2000-2001 Workers' Compensation Fund.

ENVIRONMENTAL CONSIDERATIONS:

The subject of this report does not involve a project that requires compliance with the California Environmental Quality Act (CEQA), inasmuch as it does not involve an activity₂

which may cause a direct or indirect change in the environment (Public Resources Code Section 21065).

POLICY CONSIDERATIONS:

The extensive evaluation and selection process implemented to procure occupational and industrial medical services for the City is consistent with City Council direction to implement the most efficient and effective loss prevention programs possible.

ESBD CONSIDERATIONS:

A concerted effort was made to include ESBD medical facilities in the bidding process. H&H Occupational Medical Associates is certified as a small business enterprise.

Respectfully submitted,



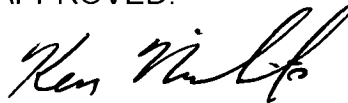
Margaret Ann Allen
Risk Manager

REPORT APPROVED:



Robert P. Thomas
City Manager

APPROVED:

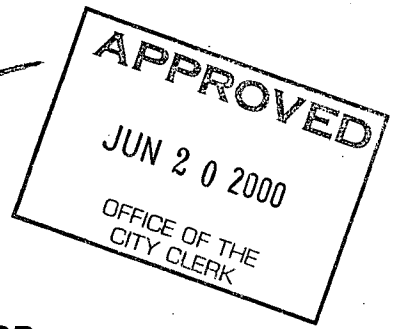


Ken Nishimoto
Director of Administrative Services

RESOLUTION NO. 2000-355

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____



RESOLUTION AUTHORIZING AGREEMENTS FOR OCCUPATIONAL AND INDUSTRIAL MEDICAL SERVICES

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

1. That the City Manager is hereby authorized and directed to contract with CHW Medical Foundation for the purpose of providing occupational and industrial medical services to City employees for the period June 1, 2000 through June 30, 2003.
2. The annual cost of occupational medical services provided by CHW Medical Foundation shall not exceed \$75,000.
3. That the City Manager is hereby authorized and directed to contract with H&H Occupational Medical Associates for the purpose of providing occupational and industrial medical services to City employees for the period June 1, 2000 through June 30, 2003.
4. The annual cost of occupational medical services provided by H&H Occupational Medical associates shall not exceed \$75,000.
5. That the City Manager is hereby authorized and directed to contract with The Permanente Medical Group for the purpose of providing occupational and industrial medical services to City employees for the period June 1, 2000 through June 30, 2003.
6. The annual cost of occupational medical services provided by The Permanente Medical Group shall not exceed \$75,000.
7. The Administrative Services Department is authorized and directed to pay fees for said services from the Risk Management operating budget.

MAYOR

ATTEST:

CITY CLERK

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____