



City of Broken Arrow

Request for Action

File #: 22-645, Version: 1

**Broken Arrow City Council
Meeting of: June 6, 2022**

Title:

Approval of and authorization to execute a Professional Services Agreement between the City of Broken Arrow and Two Oaks Investments, LLC, dba Consolidated Benefits Resources (CBR) to provide services for Workers' Compensation claims administration

Background:

The City provides Workers' Compensation benefits to employees through a self-insured program. With the self-insured concept, the City contracts with a third-party administrator to administer the program and pay the associated claims. Consolidated Business Resources has been providing services for workers' compensation claims administration since approximately March 7, 2017.

CBR was established in 1968 and has built their business on customer service, expertise and the philosophy that taking care of injured workers quickly and compassionately will reduce future costs. CBR has a local office in Tulsa that helps to administer the claims. Historically, we have been in an agreement with CBR which is a set annual fee based on a certain number of claims. For Fiscal year 2021-2022, the set number of claims was 120 with the annual fee being \$70,000. If we incur additional claims, we are charged an additional \$600 per claim.

Since CBR has been administering the TPA services, we have exceeded the 120-claim threshold three times.

2016-2017 106 claims

2017-2018 107 claims

2018-2019 137 claims

2019-2020 112 claims

2020-2021 152 claims

2021-2022 151 claims (27 open, 124 reopen)

For fiscal year 2022-2023, we are proposing we change the pricing model to remove the excess overage and enter into a new agreement with a flat fee of \$80,000 with no maximum claim threshold. If we see a similar number of claims this next fiscal year, the increase of \$10,000 will save at least \$18,700 due the fact that CBR is recommending a fee increase, from \$600 per additional claim to \$700 per additional claim, and they have proposed a cap at 110 claims if we were to continue with the \$70,000 annual fee.

Cost: \$80,000

Funding Source: Fund 660 Workers' Compensation

Requested By: Kelly Cox, Human Resources Director

Approved By: City Manager's Office

Attachments: Professional Services Agreement

Recommendation:

Approve and authorize execution of the Professional Services Agreement between the City of Broken Arrow and Two Oaks Investments, LLC, dba Consolidated Benefits Resources (CBR) to provide services for Workers' Compensation claims administration.