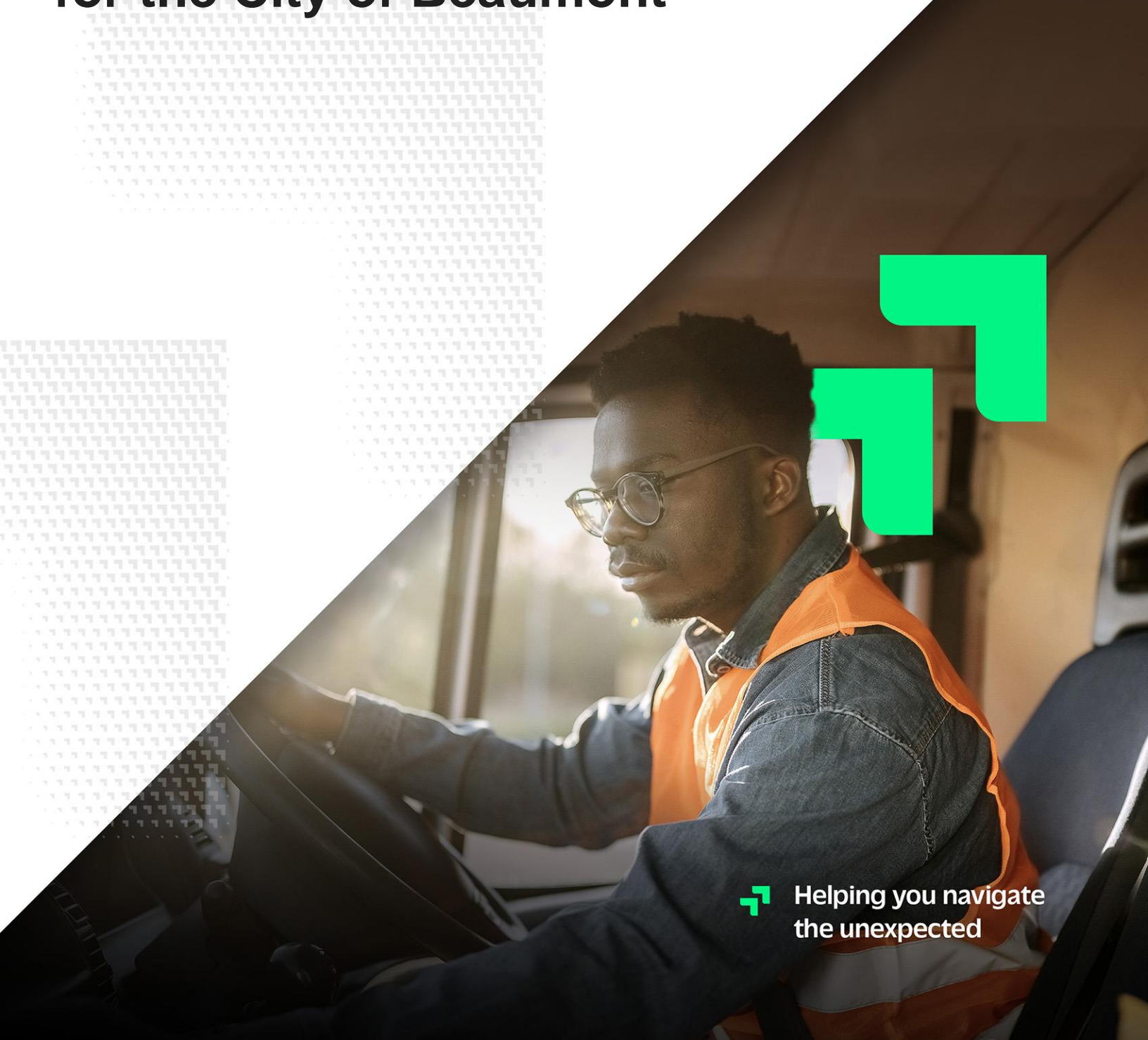


# Response to RFP for Workers Compensation Third Party Administrator Services for the City of Beaumont





## 5. Services/Scope of Work

The selected TPA shall provide the City with sufficiently qualified personnel to efficiently and effectively meet the responsibilities as defined below and any other duties incidental or in addition to those responsibilities as it relates to claims management services.

### I. Services Required – Claims Personnel

The senior claims adjustors shall be state certified (SIP certification) and have a minimum of five years' experience in adjusting workers' compensation claims for public entities. The TPA shall also provide a supervisor who shall oversee the servicing of CITY's claims. The supervisor shall be state-certified and have at least 8 years' experience in adjusting public entity workers' compensation claims. The claims assistant shall have a minimum of 2 years of claims experience.

Paula Gentry, claims examiner, and Juan Tapia, claims team lead, both have more than 20 years of industry experience. We have provided their bios in the appendix. They possess all required licenses and knowledge of labor codes, salary continuation and rules/regulation pertaining to public entities. They have excellent communication and negotiation skills, and they provide exceptional service to the City's account. Sedgwick agrees to continue allowing the City the right to approve individuals assigned to the program.

The senior claims adjustor shall possess the following: A. Time management and organization skills sufficient to prioritize tasks. B. Knowledge of the Labor Code, 4850 benefits, presumptive injuries/illnesses, salary continuation, and rules/regulations pertaining to public entities. C. Exceptional written and verbal communication skills and negotiation skills. D. Ability to develop relationships with specialty medical providers and ancillary service vendors. The TPA shall provide adequate personnel for the claims unit as needed to cover vacation, illness, separation of employment, etc. No examiner(s) or supervisor outside the claims team shall service CITY's account without prior approval by CITY.

The City retains the right and opportunity to interview, approve, and/or reject all proposed individuals to be assigned to the City's account.

Sedgwick agrees to comply with these requirements.

### II. Services Required - General Program Administration

TPA shall be licensed by the State Office of Self Insurance Plans and shall provide staff, professional, and clerical services, as required to administer a self-insured program in compliance with all rules and regulations governing the administration of self-insurance pursuant to State of California rules and regulations. The TPA shall ensure each claims examiner handling CITY's claims will receive continuing education training each year. The TPA shall annually certify the training received by each claims examiner in writing each June 1st.

TPA shall conduct training in workers' compensation laws, claims reporting and procedures, claims systems procedures, and orientation meetings for CITY's Human Resources/Risk Management department staff as requested. TPA shall provide CITY with information on changes or proposed changes in rules and legislation affecting CITY's self-insured program.

TPA shall be responsible for all costs and penalties incurred as a result of its errors or delays in the administration of the claims. This includes, but is not limited to, its failure to determine compensability or to pay claims timely, self-imposed penalties, penalties imposed by the WCAB, or penalties imposed by other regulatory agencies.



**CITY reserves the right to request the reassignment of vendors, subcontractors, or TPA employees that are not performing in a manner satisfactory to CITY. If the work is to be reassigned, CITY shall maintain sole discretion on reassignment. TPA shall prepare and provide CITY with the OSHA 300 and OSHA 300A annual reports; prepare and provide CITY with the Public Self-Insurance Annual Report; and as requested prepare charts and graphs, perform statistical analysis of claim frequency and severity, loss trends, etc.**

**At CITY's request, the TPA shall make available all CITY claim files for independent audit. TPA shall fully cooperate with the audit and provide all information and data required to conduct and complete the audit. The TPA shall implement a disaster recovery plan that is intended to secure, and if necessary, restore information adversely affected by a security breach, force majeure, or natural disaster. TPA shall make reasonable efforts to ensure that, at all times, it has a sufficient number of trained personnel on hand to meet its obligations under the Agreement, including in the event of a force majeure, natural disaster, or pandemic. If necessary, the TPA shall complete a file and data transfer, including IT conversion, from the incumbent TPA. All costs incurred for this data transfer and conversion shall be borne by the TPA.**

Sedgwick agrees to comply with this requirement. We are licensed by the State Office of Self Insurance Plans, and all examiners receive continuing education. Our staff have completed training with the City's HR/Risk Management staff, and we continually provide changes in rules and regulations as they impact the City's program. We do not employ vendors or subcontractors. Sedgwick routinely holds claim audits and we have implemented a disaster recovery plan that we make available to clients in the event of a disaster. No data transfer is needed, as we are the incumbent TPA.

### **III. Services required - Claims Administration**

- **Claims Administration (from handle claims inception to disposition)**
- **Provide and manage a Medical Provider Network (MPN)**
- **Provide Managed Care Services, which shall include:**
  - Medical Billing Reviews**
  - Utilization Reviews**
  - Field Nurse Case Management**
  - Telephonic Nurse Case Management**
  - Pharmacy Card Services**
- **Case Load per examiner – Each senior claim examiner shall have a caseload not to exceed 150 open indemnity claims. Each claims assistant shall have a caseload not to exceed 100 open future medical claims and medical only claims. The supervisor shall oversee this requirement.**
- The WC supervisor shall regularly review the work product of the examiners. The supervisor shall review 50% of the examiners caseload monthly and conduct comprehensive reviews of all claims with reserves in excess of \$50,000**
- **Forms – TPA to provide all forms necessary for the processing of benefits or claims information, including the Employer's Report of Occupational Injury of Illness (DWC Form 5020), Employees Claim Form (DWC-1), vouchers, checks, and other related forms. The cost of providing these forms shall be included within the contract price.**



- **Staff Training - The TPA selected is expected to conduct system administrator and user training sessions for the City. At least three (3) training sessions are conducted for the groups (1 – System Administrator Training, 2 – User Training). Furthermore, the vendor will also be required to provide all reference manuals, booklets, and/or other materials required for training.**

Sedgwick agrees to comply with this requirement. We currently provide claims administration, MPN, bill review, utilization review, nurse case manager, and pharmacy services for the City. We maintain adequate caseloads and routinely audit the work of each examiner monthly. We have provided the necessary forms and staff training to ensure program success. We agree to additional training, should the City have any refresher needs.

#### **IV. Services Required - Communication**

**The TPA shall maintain regular communications with the City and injured employees, from the inception to disposition of each claim. Communication is required but not limited to:**

- **TPA shall make initial contact with the claimant and establish a claim file within 24 hours of receiving the Employers' First Report of Injury from the city.**
- **TPA contacts the e physician's office within one to three days of notice of all new claims and shall provide follow-up and intervention with medical service providers on behalf of the City and the injured employee.**
- **TPA shall be the point of contact for injured workers for assistance with all aspects of the workers' compensation process, including explanation of permanent disability ratings and other benefit notices**
- **The TPA shall provide the City, on an annual basis, with a program improvement plan based on program utilization rates and cost-to-benefit analyses.**
- **The TPA will be required to provide a claim review with City Staff a minimum of twice in each quarter, equivalency of 8 claim reviews in a calendar year.**

Sedgwick agrees to comply with this requirement. We maintain regular communication with the City and injured employees from initial contact through claim closure to ensure knowledge of the claim process, benefits, permanent disability ratings and overall employee responsibilities. We provide physician contact and intervention, and on an annual basis demonstrate program savings, improvements and cost benefit analyses. We also maintain the required eight claim reviews in a calendar year.

#### **7. PROPOSAL REQUIREMENTS**

**The proposal shall clearly address all the information requested herein. To achieve a uniform review process and obtain the maximum degree of comparability, it is required that proposals be organized and contain all information as specified below.**

**A. Cover Letter: Maximum of two (2) pages serving as an Executive Summary which shall include an understanding of the scope of services. The RFP shall be transmitted with a cover letter that must be signed by an official authorized to bind the consultant contractually. The letter accompanying the RFP shall also provide the name, title, address, and telephone number of individuals with the authority to negotiate and contractually bind the consultant. The cover letter constitutes certification by the consultant, under penalty of perjury, that the consultant complies with nondiscrimination requirements of the State and Federal Government. An unsigned proposal or one signed by an individual unauthorized to bind the consultant may be rejected.**



Raveena Chara  
Procurement and Contracts Specialist  
City of Beaumont  
550 E. 6th Street  
Beaumont, CA 92223

RE: Request for Proposals for Workers' Compensation Third Party Administrator Services

Dear Raveena and the City's evaluation committee:

At Sedgwick, nothing is more rewarding than the opportunity to build on the solid foundation we have established with our long-standing clients. We have enjoyed a fruitful partnership with the City since 2015. Ensuring the City has the right risk management solutions in place to meet future challenges allows us to maintain a clear focus on achieving healthy outcomes defined by your needs. Our solutions for the City expand across the entire risk management spectrum— workers' compensation, call center, managed care, Medicare and subrogation.

In this proposal, we offer several key elements of our service model that differentiate us from our competitors including the City's program highlights, notable savings and success metrics, your assigned service team, and recommendations for growth and achievement. We believe Sedgwick is the optimal partner for the City, and we hope to continue as your third-party administrator (TPA).

To underscore our commitment to the City, we outline program highlights below, but also look forward to partnering with the City to identify opportunities for further collaboration. Some benefits of our current partnership include:

- We know your program history, opportunities and requirements better than any other TPA
- Our state-of-the-art technology provides access to claim data with flexible reporting and communication tools
- Close interaction between the City and Sedgwick that has played a significant role in managing the financial exposures and ultimately, controlling overall claim costs
- Through April 2025 YTD, only four new claims are indemnity type, litigation has been reduced by 7.6% on pending inventory and your closing ratio through 4.30.25 was 110%

By renewing with Sedgwick, the City will avoid the disruption in services and personnel changes that often occur when a service provider is replaced. We will continue to leverage key initiatives that have been rolled out during the current contract term.

Sedgwick proposes that your program continue to be handled from our Rancho Cucamonga, California, office. Stephanie Millhollon will continue as your claims director, with Juan Tapia as the claims team lead. Your assigned claims examiner, Paula Gentry, will continue providing optimal claims handling, with support from Adrianna Ramirez, claims associate. In addition to the operations team, Sedgwick offers a designated client services lead to support the City in all aspects of the program outside of direct claims management. Sedgwick will continue to listen, identify and analyze gaps and translate our shared vision into a roadmap for continued success. For continued improvement, we recommend a re-implementation meeting upon contract award to renew and refresh our commitment and goals. We will coordinate an implementation meeting to review current client service instructions and make any necessary changes, define mutually agreed upon goals and discuss metrics delivery. Thank you for your confidence in our people and organization, and for the opportunity to reaffirm our



dedication to the City’s valued program.

As an authorized representative of Sedgwick, I have the authority to negotiate a contract with the City; however, should you have any questions concerning this proposal, Diana Huddleston, client services manager, will serve as the primary contact and will gladly assist you. She can be reached at 602.906.3634 or [diana.huddleston@sedgwick.com](mailto:diana.huddleston@sedgwick.com).

Scott Rogers  
Executive Vice President and Chief Growth Officer

**B. Introduction/Information: Introduction of the service proposal, including a statement of understanding for the types of services contemplated. Provide a discussion on how the objectives of the scope of services will be accomplished. Provide the name of the firm submitting the proposal, its mailing address, telephone number, and the name of the individual to contact if further information is required. Any participating firms and proposed sub-consultants shall be identified and included in the proposal (all sub-consultants must be approved by City prior to signing the agreement with City).**

Sedgwick understands the City's objective is to partner with a TPA to continue providing workers' compensation claims management services to support your self-insured workers' compensation program. We have provided an in-depth response to the Scope of Services beginning below.

Firm information	Proposal contact	Client services contact
Sedgwick Claims Management Services, Inc. 8125 Sedgwick Way, Memphis, TN 38125	Alysen Wade 213.719.1339	Diana Huddleston 602.906.3634

**C. Scope of Services: Provide a description of the tasks, sub-tasks, and deliverables that will be provided. The Scope of Services should be presented in a logical format that can be easily attached to the Professional Services Agreement (Exhibit B. Any additional items not mentioned above in the list but needed in order to perform the services requested shall be included in the proposal as additional items for consideration.**

Sedgwick has provided comprehensive responses to the Scope of Services below.

**V. Scope of Work**

**1. Assisting the City in processing and managing all aspects of workers' compensation claims filed by injured or ill public employees. From initiation to resolution which includes establishing a database record upon receipt of an injury report, determining compensability, setting and updating reserves, reviewing and verifying the details of the claim, managing medical discovery, and settling the claim, if applicable.**

Sedgwick currently processes and manages all aspects of workers' compensation claims filed by the City’s public employees. When the claim is reported by the City, Sedgwick takes immediate action to ensure timely and accurate handling. This process begins with gathering all relevant details from the report, verifying coverage and assigning the claim to the designated claims examiner. A claim number is assigned, and digital file created which is accessible to the City through our viaOne claim system in real time.

The City’s HR department reports the incident to Sedgwick using our dedicated, toll-free telephone number or by accessing our claims administration platform through viaOne or our online, self-service portal, mySedgwick. The system records claim details collected during intake and routes this information to the appropriate service team.



A team lead reviews the claim within 24 hours and assigns it to an examiner based on jurisdiction, claim type and complexity.

Once the claim is received by Sedgwick and assigned by the team lead, the claims examiner contacts the employee, the healthcare provider and the employer within 24 hours to review the facts surrounding the injury and make a compensability determination.

Our unique managed care model is designed to simplify processes and decrease both temporary total disability (TTD) and medical spend. This integrated model has achieved an 8% reduction in overall medical spend per claim and a 12% reduction in overall indemnity spend per claim, demonstrating the tangible value we bring to our clients. Our managed care solutions include end-to-end clinical solutions, medical bill review and PPO and ancillary networks. Our robust clinical team is made up of registered nurses (RN), credentialed vocational rehabilitation professionals and master's level licensed clinical social workers (LCSW). Each clinician plays a specific role in managing medical recovery and return to work during the life of the claim. From 24/7 nurse triage at the time of injury, to our full suite of case management services, we partner with the client and the claims team to work toward claim resolution.

Prior to settlement, the examiner will consider all outstanding issues within the scope of the claim and negotiate them as part of the settlement. The examiner does not wait for a finding of maximum medical improvement (MMI) and works to recognize all opportunities to enter a settlement agreement at the earliest time. Sedgwick colleagues are trained in negotiation techniques and work directly with the parties to effectuate a resolution. For the City, Sedgwick has achieved an average closing ratio of over 100% over the last three years, completed seven settlements since May 2024 and has reduced the City's aged inventory by 10 claims.

**2. Upon receipt of the Employer's Report of Occupational Injury or Illness, Application for Adjudication of Claim, or any other notice of a new claim, the TPA will prepare an individual claim file within one (1) business day for each claim. A claim number shall be generated for each claim entered into the claims system. The file shall be available to CITY, including their representatives, claims auditors, and agents, for inspection and will contain all medical and factual information on each reported claim.**

Sedgwick agrees to comply with this requirement. A team lead reviews the claim within 24 hours and assigns it to an examiner based on jurisdiction, claim type and complexity. Sedgwick sends claim acknowledgments via email within one business day of receipt of the claim.

**3. In all non-litigated, lost time, or disputed cases, telephone or personal contact will be established with the injured employee/claimant within one (1) business day of receipt of notice of claim.**

Sedgwick agrees to comply with this requirement. Establishing initial contact with the injured employee within 24 hours is critical in securing a successful outcome.

**4. TPA expected to establish appropriate initial reserves within three (3) business days based on the information obtained at the time of claim set up.**

Sedgwick agrees to comply with this requirement. Each claim is unique, with exposures determined by the injured employee, client, accident details and injuries sustained. Sedgwick establishes reserves to reflect the probable ultimate exposure based on available facts, with initial reserves set for indemnity, medical, and expense categories within three business days. These are reviewed and adjusted within 14 days per PRISM standards, then every 90 days, or within five days of any material change. For medical-only claims, Sedgwick uses rules-based, automated reserving driven by common combinations of injury nature, cause, and body part codes by



state; if insufficient data exists, a default reserve of \$750 is applied. Examiners must validate reserve accuracy, and automated rules are reviewed quarterly to ensure alignment with cost trends and economic factors.

**5. TPA expected to make a compensability determination within the timeframe allowed by California Law – (accept claim, deny claim, or delay acceptance pending the results of additional investigation) and the reasons for such determination will be made and documented in the claim file within two (2) business days from the receipt of the notification of the loss by the TPA**

Sedgwick agrees to comply with this requirement. Sedgwick will comply with the City’s request to make a compensability determination (accept, deny, or delay) within two business days of receiving a claim. During the initial investigation, the examiner identifies red flags or warning indicators and collaborates with the City to develop an investigative plan. This process includes recorded statements, witness interviews, medical record reviews and identifying discrepancies. If further investigation is warranted, the examiner consults with the City to refine the approach. Upon determining causation, the examiner communicates findings to the injured employee, ensuring they understand their options. In making a compensability decision, the examiner evaluates whether the claimant is a covered employee, whether the injury or disease occurred in the course of employment (AOE/COE), whether it resulted from work-related activities, whether treatment or disability is required, and whether any statutory defenses apply.

**6. Arranging for investigation as applicable, ensuring all necessary documentation is provided in a timely manner including all benefit notices, proactively notifying the City and the excess carrier of all claims which exceed or may exceed the self-insurance retention.**

Sedgwick agrees to comply with this requirement. Within two business days of receiving a claim, the examiner determines whether to accept, deny, or delay based on available information. If compensable, benefits are initiated, and notices issued; if further investigation is needed—due to concerns like prior injuries, medical history, or questionable activities—the examiner consults with the City and may issue a formal delay. Investigative steps may include recorded statements, subpoenas for records, or medical-legal evaluations. Once the investigation concludes and the City concurs, a final compensability decision is made. Sedgwick strives to minimize delays and complies with all California regulations. For claims with escalating exposure—such as severe injuries, extended disability, or litigation—the examiner promptly evaluates reserves and, if nearing the self-insured retention threshold, notifies the employer and PRISM with a detailed status report. Updates are provided at key milestones or at least every 90 days.

**7. With the direction of HR/Risk staff arranging legal counsel on behalf of the City as applicable, proactively seeking the opportunity to minimize the City’s risk through in-depth claims analysis in an effort to identify the most appropriate cost-effective resolution.**

Sedgwick agrees with this requirement and will continue to work with the City on gaining consensus prior to assigning a case to legal counsel. The recommendation for the involvement of defense counsel occurs when an administrative process such as mediation, conference or hearing requires legal representation and management of those processes. If a legal referral is needed, the claims examiner discusses their recommendation with the City and together they will agree on the approach as well as which law firm and specific attorney is to be assigned. Sedgwick examiners partner with defense counsel through timely communication and strategy sessions.



**8. The claims adjusters is expected to work routinely with city staff, medical providers, injured employees, and defense attorneys, if applicable, to ensure claims are handled appropriately and in a timely manner.**

Sedgwick agrees to comply with this requirement. Our claims examiners work directly with injured employees, City staff and attorneys to gather claim information and documentation, set reserves, document claim progress, manage the claim to closure and participate in claim reviews. Sedgwick will continue to send quarterly claim reviews and monthly reports with highlighted KPIs.

**9. The TPA will investigate questionable claims with coordination, assistance, and approval from the City.**

Sedgwick agrees to comply with this requirement. The initial investigation process begins when the claim is reported. The examiner reviews paperwork filed at the time of injury for any red flag indicators, concerns or benefits that may be due. They undertake a desk-level investigation to confirm the demographics of the injury and obtain information from the employee, employer and medical provider relative to the injury, past medical history and activity. If compensable, benefits for lost wages are addressed, notices issued and tasked for ongoing benefits. If additional questions or concerns arise from the desk-level investigation, we will discuss with the City to confirm concurrence and will issue a formal delay of the claim.

The questions/concerns warranting additional investigation could include prior injuries, past medical history or questionable outside activities prior to, at the time of or subsequent to the injury. During this investigative period, the examiner may assign an investigator to obtain recorded statements, subpoena medical or insurance records and may require a medical-legal evaluation to determine the compensability of the claim. Upon completing the investigation process and after concurrence from the City, we accept or deny the claim. Where a formal delay is required, Sedgwick completes the investigation quickly. We administer all claims, whether accepted, delayed or denied, in accordance with all California regulations, statutes and timeframes.

**10. The TPA shall closely monitor all active claims and make timely reports to the City of case status, pending issues, suspected malfeasance, and any other pertinent program information.**

Sedgwick agrees to comply with this requirement. Examiners are required to conduct ongoing reviews of each open active claim at a minimum of every 45 days. During these reviews, updates to the City concerning any pending issues or barriers to resolution should be brought to the attention of the City for discussion and agreed upon plan of action.

**11. The TPA shall provide the City with regular loss reports, as requested by the City, and provide special reports such as OSIP Annual Report, OSHA Form 300, OSHA Form 300A.**

Sedgwick agrees to comply with reporting requirements and provides a comprehensive monthly claim and expense report that includes detailed data on open and closed claims, financial summaries (total incurred, reserves, paid-to-date), new claims, closures, and categorized recovery amounts across all levels of the City's structure. Additionally, Sedgwick offers flexible OSHA recordkeeping through the viaOne OSHA tool, enabling centralized compliance with OSHA's reporting requirements. Our trained analysts manage all updates, including time tracking, injury classification, and privacy designations, and generate standard reports such as OSHA 300, 300A, 301, DART, and BLS surveys. We also support electronic submissions based on establishment size and NAICS codes.

**12. The TPA shall, on behalf of the City, examine all reports of industrial injury to or disease of employees reported to it by the City and properly process each claim from its inception to resolution. Such procedures shall include, but not be limited to, determining the compensability of claimed injuries and illnesses under the**



**State Workers' Compensation Law, eligibility for payments of medical benefits and medical examinations, coordinating rehabilitation efforts, recommending payment of temporary and permanent disability compensation, and utilizing, as necessary or desirable, the advisory rating of the Permanent Disability Rating Bureau.**

Sedgwick agrees to comply with this requirement.

**13. All claim files shall be reviewed at least every 45 days for active claims and at least every six months for claims that have settled but remain open for the employee's future medical care. Each claim is expected to have a plan of action updated at least every (60) calendar days on active claims and 180 days for claims that have been settled.**

Sedgwick agrees to comply with this requirement. An initial diary is set within 30 days of claim assignment to ensure the investigation, and first benefit payment (if appropriate) have been completed in a timely fashion. Subsequent diaries are set no later than every 45 days for the examiner and 120 days for the supervisor for the life of the claim, in addition to those required by the examiner's follow-up activities. Future medical claims are reviewed at least once every six months, or sooner if treatment activity requires regular review. The team leads for the City's program will focus on technical quality by performing ongoing reviews of all open indemnity claims at various points in their life span. Sedgwick requires standard reviews after the first 30 days and every 90 days thereafter through the first year. We schedule subsequent reviews based on the individual merits of the claim.

**14. The assigned adjuster is expected to follow a diary system and the supervisor shall monitor the diary reviews by printing a "No Activity" report each month to identify any files that have fallen off the diary system.**

Our system generates a diary for open claims to assist the examiner by automatically documenting critical activities and performing data validation and edits during the claims management process. We may set additional diaries based on client instructions to remind the examiner and team lead of critical dates for the claim. The system allows for the examiner, team lead, nurse and other diaries on the same claim. Our internal control reports identify cases that are open without a diary so we can ensure no claims remain open without a diary.

**15. The examiner shall request a report from the ISO on all new indemnity claims. The TPA shall review and analyze all reports.**

Sedgwick agrees to comply with this requirement.

**16. The TPA will help minimize the overall cost of workers' compensation which includes but is not limited to negotiating medical treatment costs, advocating for cost-effective rehabilitation services, and identifying fraudulent or unnecessary claims.**

Sedgwick agrees to comply with this requirement. Sedgwick offers a fully integrated, end-to-end clinical solution that leverages early clinical involvement and predictive analytics to improve outcomes and control costs. Claims are identified for case management based on data insights and evaluated by licensed clinicians to determine the appropriate level of nurse intervention, with clients charged only for services performed. Our managed care services include nurse triage (29% lower average incurred), field and telephonic case management (saving \$5,200 and \$8,000 per claim, respectively), surgery nurses (14% reduction in PT costs, 13% increase in return to work), utilization review (49% of treatments denied or negotiated), pharmacy management (46% reduction in morphine equivalents, 77,000 scripts avoided), and return-to-work strategies (up to 60% reduction in indemnity incurred). Additional cost containment services include medical bill review (15:1 ROI, 61% savings), national provider benchmarking (47% fewer lost-time files), and network solutions (PPO, pharmacy, and specialty networks)



continuously optimized by our network management team.

### **17. Medical Administration**

**The TPA, absent a Medical Provider Network (MPN), shall coordinate with CITY to develop a panel of occupational medical facilities and high-quality general practitioners, specialists, hospitals, and emergency treatment facilities to which injured employees should be referred. The panel shall be regularly reviewed and updated. The TPA shall assist CITY in identifying an industrial clinic and/or medical providers, if requested.**

Sedgwick agrees to comply with this requirement. The City currently uses our Wellcomp MPN. The Wellcomp MPN meets the applicable access standards for pursuant to Labor Code Section 9767.5. The MPN provides access to primary care physicians or emergency care and other occupational health service specialists near the City's covered employees' residences or workplaces.

We have a team dedicated to providing ongoing MPN program management and ensuring excellent customer service for our clients' injured employees. The team has 17 years of experience in MPN implementation and coordination service with the California Department of Workers' Compensation and strategic development and oversight of Sedgwick's California MPN solutions.

### **18. Medical Payments**

**Medical bills will be matched to the file, reviewed for accuracy, and approved for payment within the time limits established by Labor Code Section 4603.2. If all or part of the bill is being disputed, the TPA will notify the medical provider, on the appropriate form letter, within the timeframe established by the Labor Code Section 4603.2.**

Sedgwick agrees to comply with the medical payments requirement. All medical bills are validated and indexed to the appropriate claim file using identifying information on the bill such as name, date of birth, SSN, claim number, name of employer etc. Within five days of receipt, the examiner is required to send the bill to our bill review department for processing. Within our system, the examiner can dispute the bill, request additional information, or request full review and payment based on the status of the claim. Provider payments and Explanations of Review are required to be made within 21 days of Sedgwick received date.

### **19. Provision of Benefits**

**The TPA shall provide all compensation and medical benefits in a timely manner and in compliance with the statutory requirements of the California Labor Code. The TPA shall compute and pay temporary disability benefits to injured employees/claimants based upon earnings information and authorized disability periods. The TPA shall review, compute, and pay all informal ratings, death benefits, Stipulated Awards, Findings and Awards, life pensions, or Compromise and Release settlements City shall establish a banking account from which such benefits are paid.**

Sedgwick agrees to comply with the provision of benefits requirement. Accurate indemnity benefit payments are a critical responsibility of Sedgwick's claims examiners, supported by a system that aligns payments with documented work status and maintains a complete work history for the City's reference. Examiners use automated benefit approval diaries to ensure timely payments and regularly coordinate with the City's HR department to confirm off-work status and verify benefit accuracy. Indemnity payments are initiated within 14 days of disability onset or as required by statute, with subsequent checks processed in accordance with jurisdictional timelines. Long-term payments are scheduled in advance, and payments resulting from awards or



orders are issued within five days of receipt. All substantiated bills are paid within 21 days, or vendors are notified of non-payment reasons.

## **20. Allocated Loss Expenses**

**All allocated loss expenses shall be the responsibility of CITY. It is agreed and understood that, whenever practicable, allocated loss expenses should be paid directly from the applicable claim file. The above fee arrangement shall include all services included in this RFP except for payments made by the TPA on CITY's behalf for medical, disability, or other benefits, and allocated loss expense.**

Sedgwick agrees to comply with this requirement. Please see our pricing narrative for all allocated loss expenses.

**Allocated Loss Expense shall mean all WCAB or court costs, fees, and expenses; fees for service of process; fees to attorneys; fees of independent adjusters or attorneys for investigation or adjustment of claims for AOE/COE investigations not performed by the TPA's workers' compensation claims personnel; the cost of employing experts for the purpose of preparing maps, photographs, diagrams, chemical or physical questions; the cost of copies of transcripts of testimony of coroner's inquests or private records; the cost of depositions and court reporter or recorded statements; and any similar costs or expenses properly chargeable to the defense of a particular claim or to the protection of the subrogation rights of CITY; provided, however, that all of the above services performed by the TPA's personnel shall not be considered allocated loss expenses unless CITY is informed by the TPA that an AOE/COE investigation is necessary and CITY requests, in writing, that the TPA perform that investigation; the TPA personnel can then perform the investigation and the costs of that investigation shall be considered as allocated loss expenses. If CITY does not request the AOE/COE investigation be performed by the TPA personnel, such investigation shall be referred by the TPA to an independent investigator. Allocated loss expense shall also include medical cost containment program costs as defined in Title 8, Division 1, Chapter 8, Subchapter 2, Article 6, and Section 15300.**

Sedgwick agrees to comply with this requirement.

## **21. The initial Indemnity Payment**

**The initial indemnity payment or voucher will be issued and mailed to the injured employee/claimant or employer, if appropriate, together with a properly completed DWC benefit notice within ten (10) business days of the knowledge of the first day of disability.**

Sedgwick agrees to comply with this requirement. Sedgwick best practices dictate that claims examiners issue lost wage benefits timely and for the correct amount. This consists of confirming and documenting the compensability determination, obtaining a current medical work status, calculating the average weekly wage upon receipt of a wage statement from the employer and establishing a payment diary. Following the initial disability payment, ongoing payments are diaried every 14 days for review and additional benefit payment, if supported, or termination if return to work has or will occur. A DWC benefit notice is sent any time there is a change in the benefit.

**Late payments must include the self-imposed increase in accordance with the Labor Code. Reasons for the late payment shall be clearly documented in the computer notepad within one (1) business day.**

Sedgwick agrees to comply with this requirement. We are responsible for any fines and penalties that are a result of noncompliance with the California Labor Code, or the workers' compensation rules and regulations of the state, that are the fault of Sedgwick and/or our vendors. We operate openly and honestly with our clients in



penalty assessments on claims. All penalty payments are transparent on the claim file, whether by the client or by Sedgwick. We have an automated process to reimburse the client for any TPA penalties that the CSD reviews for accuracy. Sedgwick uses different payment codes to ensure proper processing of these payments. We reimburse the client for penalties that are determined to be our responsibility monthly, or whatever time interval the client deems appropriate based on the coding.

**The City participates in the PERS retirement system and shall pay Labor Code 4850 benefits.**

Sedgwick agrees to comply with this requirement.

**All indemnity payments or vouchers subsequent to the first payment will be verified, except for obvious long-term disability, and issued timely in compliance with the Labor Code.**

Sedgwick agrees to comply with this requirement.

## **22. Return to Work**

**The TPA shall provide assistance to CITY in coordinating return to work information that is appropriate for injured employees while recovering and prior to their return to regular duties. The TPA shall consult with CITY at least once a month in those cases where the injury residuals might involve work restrictions and assist CITY in the provision of modified duty when appropriate. The TPA shall notify CITY immediately upon receipt of an employee's permanent work restrictions so that CITY can determine the availability of permanent modified or alternative work.**

Sedgwick agrees to comply with this requirement. Sedgwick realizes the importance of a safe return to work (RTW) and will continue to collaborate with the City to establish a tailored approach to identify and administer claims that require modified duty placement. The examiner serves as a liaison between the medical provider, the injured employee and the employer to facilitate a safe and timely return to work. To do this, the examiner obtains the work status report from the provider and reviews the work restrictions with the City to collaborate with them on light duty or transitional roles which may be available. With the assistance of the claims examiner, the employer communicates the light duty availability to the employee with encouragement and emphasis on safety.

## **23. Permanent Disability**

**The TPA shall determine the nature and extent of permanent disability and arrange for an informal disability rating whenever possible to avoid Workers' Compensation Appeals Board (WCAB) litigation. Determination of the level of permanent disability shall be clearly noted in the claim file within one (1) business day.**

Sedgwick agrees to comply with this requirement.

**The TPA shall take advantage of any potential apportionment potential to prior claims, disabilities, and impairments. The TPA shall also advise CITY on the date of injury of potential credits and increases to permanent disability benefits should CITY accommodate permanent/alternative work for at least twelve (12) months.**

Sedgwick agrees to comply with this requirement.

**All permanent disability benefit notices shall be sent to the employee/claimant as required by the California Labor Code. Copies of benefit notices will be maintained in the applicable claim file with a copy to the city.**

Sedgwick agrees to comply with this requirement.

## **24. Supplemental Job Displacement Benefits (SJDB)**



In accordance with all applicable California laws, the TPA shall advise the injured employee/claimant of his/her right to SJDB, provide appropriate SJDB, control SJDB costs, attempt to secure the prompt conclusion of SJDB, and provide notification to CITY should work restrictions require permanent or modified alternative accommodations.

Sedgwick agrees to comply with this requirement.

## **25. Settlements**

The TPA shall obtain CITY authorization on all settlements and/or stipulations. If the total incurred amount exceeds CITY's retention with the excess carrier, the written settlement proposal shall also be directed to the excess carrier to provide authority in addition to CITY's authority. The TPA or defense counsel shall forward settlement proposals to CITY and the excess carrier if applicable. All requests for settlement authority shall be clear and concise and include a written claim analysis, estimate of permanent disability, coverage, and the defense counsel's comments and recommendations along with the dates of any pending litigation activity or conferences at the WCAB. If multiple claims are included in a settlement, the request shall outline the amount to be paid for each applicable benefit type to be paid on each claim. Settlement considerations must include an evaluation of the need for a Medicare Set Aside (MSA). Any referral for an MSA evaluation must have the prior approval of CITY.

Sedgwick agrees to comply with this requirement. Our examiners have specific settlement and payment authority levels based on their experience that the City can customize. If the settlement exceeds their authority, examiners notify their team lead and the City with a timely and complete evaluation of the claim exposure, recommendations, settlement range and discussion as to whether excess authority or a Medicare Set Aside will be required. Only after appropriate settlement authority is provided will it be pursued. Prior to making any referral for MSA, approval will be requested from the City.

## **26. Award Payment**

Payments on Awards, computations, commutations, or Compromise and Release agreements will be issued within ten (10) calendar days, following receipt of the CITY's authorization. Payments will be made sooner if necessary to ensure payments are made within twenty (20) calendar days of the WCAB approval date. Late payments must include the self-imposed increase and appropriate interest in accordance with the Labor Code. The TPA shall document the claim file with the date of WCAB approval, the amount of the settlement, and the type and duration of future medical care recommended by the applicable medical provider. The TPA shall also document the reason(s) for any late payment of the Award. Any penalties associated with late payment shall be incurred by the TPA.

Sedgwick agrees to comply with this requirement. We will issue settlement payments in a timely manner and per Labor Code guidelines and will ensure each settlement is paid within 10 calendar days. If by some chance there are any penalties or interest due on a settlement payment and is the error of Sedgwick, that exposure will not be paid off the file and no exposure to the City.

## **27. Subrogation**

The TPA shall promptly initiate an investigation of issues identified as material to potential litigation and subrogation recovery. In all cases where a third party is responsible for the injury to the employee/claimant, the TPA shall send a letter to the entity indicating they will pursue subrogation unless instructed otherwise by



**CITY. If the injured worker brings a civil action against the party responsible for the injury, the TPA shall consult with CITY about the value of the subrogation claim and other considerations.**

Sedgwick agrees to comply with this requirement. We identify subrogation opportunities during the initial investigation and throughout the life of the claim in coordination with the appropriate representatives of the City to assist in determining any waiver of subrogation or other contractual agreements. Sedgwick's centralized subrogation unit, which will put the liable parties on notice, actively manages and continues to monitor the claim until all subrogation recoveries have been secured.

Sedgwick has a team of data mining experts who holistically evaluate a program, review criteria and produce a supplemental, in-depth claim subrogation report. Our complimentary data mining approach is so thorough that we find subrogation opportunities in almost 15% of all cases we review over a four-month period, which has resulted in savings of \$2.3 million for our clients.

## **28. Fraudulent Claims**

**Any claim with suspected fraudulent activity shall be referred to the TPA's special investigation process for further investigation and potential referral to the appropriate authorities. The claim will be referred to an investigator with CITY's prior approval, to conduct further investigation. CITY will be notified of the referral and be provided with periodic updates.**

Sedgwick agrees to comply with this requirement. Suspicious claims can be detected at any time during the claims management process. We utilize a claim monitoring tool to identify suspicious claims based on industry-standard red flags. The tool identifies claims that reach a threshold and alert the claims examiner as well as SIU to the claim and the red flags. We educate our claims teams about investigation indicators throughout the life of the claim. Our initial investigation focuses on identifying potentially fraudulent claims so we can engage SIU and apply appropriate techniques. Where an additional outside investigation is required, we engage SIU to perform background checks, surveillance, field investigations and other public record checks to create an appropriate case. For claims where we suspect provider fraud, we use our initial investigation and claim process to explore these circumstances.

## **29. Future Medical Claims**

**Claims that remain open to monitor future medical care shall remain open for two (2) years from the last provision of any benefit in accordance with Labor Code 3207. Reviews of the file shall be documented in the claim notes to include settlement information, future medical care outline, last date and type of treatment, name of excess carrier, excess carrier reporting level, and excess carrier reporting history.**

Sedgwick agrees to comply with this requirement.

**Reserves for future medical treatment will be reviewed every one-hundred eighty (180) calendar days and adjusted for use over a three (3) year average and the injured employee/claimant's life expectancy based on the most recent version of the U.S. Life Table. The reason(s) and calculation(s) for the adjustment(s) shall be clearly documented in the claim file within one (1) business day.**

Sedgwick agrees to comply with this requirement.

**The TPA shall evaluate the claim at least annually to determine a reasonable amount for settlement of future medical benefits and any remaining benefits due. The reason(s) and calculation(s) for the recommended settlement amount shall be clearly documented in the computer notepad within one (1) business day. The TPA**



**shall clearly document the claim file with the outcome of the settlement negotiations with the employee/claimant and/or applicant's attorney. Refer to Item 25 regarding the consideration of MSA settlements.**

Sedgwick agrees to comply with this requirement.

**Should active litigation develop after the claim has been settled, the claim will be considered active and will no longer be considered a future medical claim. All appropriate performance standards contained in this document pertaining to active claims will apply.**

Sedgwick agrees to comply with this requirement.

### **30. Excess Coverage**

**Cases that have the potential to exceed CITY's self-insured retention shall be reported in accordance with the reporting criteria established by the excess coverage policies. All cases that meet the established reporting criteria are to be reported within ten (10) business days of the day on which it is known the criteria is met, or sooner if required by the excess carrier. The report shall be on a form satisfactory to the excess carrier and submitted electronically ninety (90) calendar days from the date of the initial notice and every ninety (90) calendar days thereafter, unless indicated otherwise by the excess carrier. Each submission shall include the supporting documents required by the excess carrier.**

Sedgwick agrees to comply with this requirement. Excess notification is part of our claim handling standards. Sedgwick enters client-specific excess parameters into our claims system. If a claim meets an excess trigger, the examiner reviews the file and sends a narrative report to the excess carrier. Our system flags that the carrier has been advised and establishes an automated diary to follow up with the excess carrier on any issues. The system also automatically notifies the client services director by email regarding files that need to be reviewed for proper reporting requirements.

**A copy of the submission to the excess carrier and subsequent reports shall be forwarded electronically to CITY until such time as the TPA is instructed otherwise.**

Sedgwick agrees to comply to this requirement. JURIS has system-generated alerts to ensure claims are reported timely for initial and subsequent reporting requirements and this can be customized to ensure the City also receives a copy of the initial and subsequent reports

### **31. Excess Reimbursements/Recoveries**

**The TPA shall be responsible for collecting reimbursements and recoveries from the excess carrier and on a quarterly basis. Reimbursements shall be requested by the twentieth (20th) of the following month after the quarter ending March 31, June 30, September 30, and December 31. If the claim remains open to monitor future medical care, reimbursements shall be immediately requested when the claim is reviewed semi-annually.**

Sedgwick agrees to comply with this requirement. Carrier reimbursement processes can vary by client. Per our service expectations, if examiner engagement is required in requesting reimbursement, we monitor and follow up as required for receipt of carrier reimbursement and set system diaries to ensure carrier reimbursement is timely requested and received, if appropriate. These system diaries can be customized to comply with the City's requirement that reimbursement requests be submitted on or by specific dates.



**A copy of the request to the excess carrier shall be forwarded to CITY until such time as the TPA is instructed otherwise.**

Sedgwick agrees to comply with this requirement.

### **32. Overpayments**

**The TPA shall be responsible for collecting any overpayment of any benefit. In the event that the TPA fails to collect the overpayment, the TPA may be responsible to reimburse CITY for the amount of the overpayment. Any settlement which considers credit for an overpayment against “new and further” disability must be reviewed and approved by CITY. The claim notes shall outline the reason and amount of the overpayment and the efforts taken to request reimbursement for the overpayment.**

Sedgwick agrees to comply with this requirement. While we strive to prevent overpayments, if one is identified, we will document it in the overpayment tracking system, notify the injured employee with a letter detailing the amount, reason and recovery method, seek approval from the City before applying any credit against future disability benefits and initiate recovery promptly. All overpayments and recoveries are tracked in the electronic claim file, with flagged status for ongoing monitoring.

### **33. Penalties/Self-Imposed Increases**

**Late payment of all benefits must include the self-imposed penalty/increase in accordance with California law. The claim notes shall outline the reason and amount of the penalties/increases.**

Sedgwick agrees to comply with this requirement.

**The TPA shall adhere to the requirements outlined in Section 25, Settlements, when settling exposures for penalties/increases.**

Sedgwick agrees to comply with this requirement.

### **34. Case Closure**

**Every attempt should be made to conclude cases as fairly and expeditiously as possible to avoid unnecessary litigation.**

Sedgwick agrees to comply with this requirement. Sedgwick prioritizes proactive resolution to avoid litigation whenever possible, with examiners working urgently and empathetically to deliver benefits, set expectations, and guide injured employees toward closure. When litigation is unavoidable, our comprehensive litigation management program—outlined in the appendix—establishes clear expectations for examiners and defense counsel, emphasizing early, cost-effective resolution strategies informed by industry-wide analysis. Examiners collaborate closely with counsel to develop and execute resolution plans or prepare for defense, while continuing to manage the claim and maintain communication with the client. Over the past three years, Sedgwick has maintained an average claim closing ratio exceeding 100%, and we offer detailed reports and scorecards for claims flagged as “in litigation.”

**Claims with \$3,000 for more paid to date and/or open beyond 180 days from the date of entry shall be converted to indemnity status and a reasonable, precautionary indemnity reserved placed on the claim.**

**All indemnity cases where permanent disability is not an issue, will be closed within sixty (60) calendar days of the final financial transaction or final correspondence to the employee/claimant as required by law.**

**All indemnity claims where permanent disability is an issue will remain open for two (2) years from the last payment of any benefit and then closed within sixty (60) calendar days of that date.**



**All indemnity claims where permanent disability has been denied will be closed within 30 days of denial.**

### **35. Compliance with Labor Code**

Sedgwick agrees to comply with this requirement.

### **36. Financial Administration**

**CITY has established a trust account from which the TPA shall make all indemnity, medical, and allocated loss expense payments. Payment authorization limits and payment policies will be established by CITY and reviewed from time to time with the TPA. The TPA's monthly service fee shall not be paid from the trust account.**

Sedgwick agrees to comply with this requirement.

**The TPA shall maintain complete and accurate records with respect to costs, expenses, receipts, and other such information required by CITY that relate to the performance of services under this RFP. The TPA shall maintain adequate records of services provided in sufficient detail to permit an evaluation of services. All such records shall be maintained in accordance with generally accepted accounting principles and shall be clearly identified and readily accessible.**

Sedgwick agrees to comply with this requirement. Our accounting team recently upgraded to Sage Intacct for accounting and financial reporting. Intacct enables us to automate the preparation of budgets, allocations and financial statements, while also providing the necessary level of security, user controls and authority levels needed to maintain the integrity of the financial reporting function.

### **37. Right to Audit**

**CITY or its designated representative is authorized to visit the TPA's processing and/or storage premises for the purpose of performing a claims audit, and shall have access to all data, including paper documents, microfilm, microfiche, and magnetically stored data which relate to payments or non-payments made by the TPA. Any assistance or service provided in response to a claims audit described above will be rendered at no additional cost to CITY.**

Sedgwick agrees to comply with this requirement. We welcome independent audits as directed by the City; however, all costs associated with a third-party audit for the independent review team are the responsibility of City. Sedgwick will provide on-site or electronic access to requested file information without limitations on the number of files reviewed, type of files reviewed and/or staff interviews associated with the operational review. Sedgwick would like the opportunity to review and comment on the results prior to publishing the final findings.

### **38. Payments Outside of Coverage Period**

**No charges to CITY for payments made on behalf of persons who were not valid employees of the covered CITY on the date of injury shall be accepted for payment by CITY. The TPA may be responsible to reimburse CITY for any amounts paid in error.**

Sedgwick agrees to comply with this requirement.

### **39. Client Services**

**The TPA shall consult annually with CITY on the establishment and coordination of necessary procedures and practices to meet the needs of CITY with respect to the administration and processing of claims.**

Sedgwick agrees to comply with this requirement. The City's client services manager is responsible for consulting on all aspects of their program to ensure alignment and consistency in claims handling by actively engaging in



discussions around procedures and best practices. These interactions may occur at any time the City deems necessary. Ongoing collaboration ensures that both the City and Sedgwick remain informed, aligned and proactive, driving positive outcomes.

**The TPA shall provide CITY with information regarding statutes, proposed changes to statutes, and changes to the rules and regulations affecting CITY and its responsibility as a legally uninsured workers' compensation authority.**

Sedgwick agrees to comply with this requirement. If Sedgwick is aware of any changes or updates to statutes, rules or regulations, that information is immediately provided to the City, along with an explanation if those changes or updates require procedure updates.

#### **40. Computer Access**

**The TPA shall provide online access at no additional charge to CITY. Such data shall be in a format accessible from CITY's computers and will permit CITY to print copies of the data on its printers. The TPA shall provide CITY with training for use of their computer system. If CITY, under the TPA's guidance, is not able to maintain online interface with data maintained by the TPA, the TPA may be required to provide a copy of all data processed during the previous month to CITY's office on a disk by the tenth (10th) calendar day following month end.**

Sedgwick agrees to comply with this requirement. Our training team assists in all client user training. Sedgwick offers several options for training, depending on the application. For viaOne, we typically use webinar-based training. We will continue to work with the City to offer live training plans, which may be provided on site, at a centralized location or at a Sedgwick service office. viaOne users have system support available 24 hours per day, seven days per week. We also provide documentation and offer post-training support through our viaOne support team. Sedgwick support colleagues are available after hours by mobile phone.

**The TPA shall also provide online access to the excess carrier and their vendors as requested.**

Sedgwick agrees to comply with this requirement. The Sedgwick application security team controls user access. The security team monitors and maintains system access, which includes adding and removing users, assigning roles, password management, etc.

#### **41. Confidentiality of Information**

**All data, documents, or other information developed or received, verbally or in writing, in performance of the agreement between the TPA and CITY are confidential and not to be disclosed to any person except as authorized by CITY, the TPA, or as required by law.**

Sedgwick agrees to comply with this requirement.

#### **42. Protection of Data**

**It is the TPA's responsibility to develop and implement processes and procedures relating to the protection of CITY's electronic data, including a suitable security and back-up system for all stored data and a written policy with respect to disaster recovery, physical and electronic data security, and electronic data retention.**

Sedgwick agrees to comply with this requirement. Sedgwick is committed to safeguarding the City's information and ensuring operational resilience through a robust Business Continuity Plan (BCP). The BCP outlines coordinated response and recovery procedures for both corporate and field offices in the event of unplanned disruptions such as service outages, facility loss, or access issues. A centralized corporate team oversees these



efforts, supporting rapid recovery of affected operations. The plan includes detailed incident response protocols and recovery strategies designed to minimize confusion, reduce operational downtime, and restore essential business functions promptly and effectively.

### **43. Computer Generated Reports/Loss Runs**

**Computer Generated Reports/Loss Runs** The TPA shall, at its expense, by the tenth (10th) calendar day of the following month, unless otherwise specified below:

**A. Electronically provide the following information monthly to CITY, as it pertains to their respective claims:**

- i. A listing of all open claims showing the employee/claimant's name, claim number, date of injury, paid amount, future liability, total incurred, and any amounts recovered;**
- ii. A listing of information needed for CITY to complete the applicable OSHA logs for claims where temporary disability benefits were paid during the applicable month showing the paid-to-date amounts, from and through dates of temporary disability benefits paid, claim number, and date of injury; and**
- iii. A summary listing by fiscal year showing paid-to-date amounts, future liability or reserve amounts, total incurred amounts, number of open claims, and number of closed claims.**

Sedgwick agrees to comply with these requirements.

**B. Provide the following information monthly to CITY electronically in Excel, PDF, and the appropriate formats:**

- i. All open and closed claims run by fiscal year to include the employee/claimant's name, claim number, date of injury, occupation, free form text description of the injury, free form text description of the cause, site, and nature of the injury, number of days temporary disability benefits were paid, paid amount separated by type, future liability or reserves separated by type, total incurred separated by type, and any amounts recovered for subrogation or excess insurance.**
- ii. A summary listing run by program year showing paid to date amount amounts, future liability or reserve amounts, total incurred amounts, number of open claims, and number of closed claims;**
- iii. A check register, excluding vouchers, in check number order, including any voids, refunds, and recoveries received with a page showing the total payments for the month by fiscal year;**
- iv. A check register, including all activity, in check number order, including any voids, refunds, and recoveries received with a page showing the total payments for the month to be run by fiscal year;**
- v. A voucher register run by fiscal year; and**
- vi. A "No Activity" report listing the claims that have had no activity during the previous one hundred eighty (180) calendar days. The report components should include no reserve changes, no payments, no recoveries, no refunds, and/or no computer notepad activity.**

Sedgwick agrees to comply with these requirements.

**C. Provide the following quarterly reports, in addition to the regular monthly reports, to CITY electronically in Excel format:**

- i. A listing of any administrative penalties/increases paid during the quarter. The report shall designate the party responsible for the penalty/increase;**
- ii. A listing of subrogation claims showing the employee/claimant's name, claim number, date of injury, paid to date amounts, future liability, total incurred amounts, and any excess or subrogation recoveries; iii.**



iii. As of June 30, September 30, December 31, and March 31, a listing of all open and closed claims with a total incurred value in excess of \$75,000 to be run by fiscal year alphabetically. The report should include the employee/claimant name, claim number, date of injury, paid to date amounts, future liability, total incurred amounts, and any excess insurance or subrogation recoveries;

iv. As of June 30, September 30, December 31, and March 31, a listing of all open and closed claims with a total incurred value in excess of \$125,000 to be run by fiscal year alphabetically. The report should include the employee/claimant name, claim number, date of injury, paid to date amounts, future liability, total incurred amounts, and any excess insurance or subrogation recoveries; and

v. As of June 30, September 30, December 31, and March 31, a listing of all open and closed claims with a total incurred value in excess of \$250,000 to be run by fiscal year alphabetically. The report should include the employee/claimant name, claim number, date of injury, paid to date amounts, future liability, total incurred amounts, and any excess insurance or subrogation recoveries.

Sedgwick agrees to comply with these requirements.

**D. The TPA shall provide loss data information to the excess carrier on a monthly basis in the format outlined by the excess carrier. The submissions shall be submitted to the excess carrier's secure File Transfer Protocols (FTP) server or website by the tenth (10th) calendar day of the following month. The submission shall include the required fields outlined by the excess carrier. The submissions will be made electronically in addition to the loss runs provided to CITY and will be made at no additional cost to CITY or its excess carrier.**

Sedgwick agrees to comply with this requirement.

**E. Provide a report to CITY annually in Excel format as of the end of the fiscal year, in addition to the regular monthly and quarterly reports, a year-end report. The report shall include all open and closed claims run by fiscal year, to include the employee/claimant name, claim number, date of injury, occupation, text description of the injury, number of days temporary disability benefits were paid, paid amount separated by type, future liability or reserves separated by type, total incurred separated by type, and any amounts recovered for subrogation or excess insurance.**

Sedgwick agrees to comply with this requirement.

**F. The TPA shall also provide appropriate reports as requested documenting the timely and accurate reporting of CITY'S claims to the Centers for Medicare and Medicaid Services (CMS).**

Sedgwick agrees to comply with this requirement.

**G. The TPA shall assist in the preparation of all reports that are now or will be required by the State of California or other government agencies with respect to self-insurance programs. The TPA will also assist in the preparation of all reports to statistical database organizations as requested by CITY.**

Sedgwick agrees to comply with this requirement.

**H. The TPA will provide CITY a quarterly listing of any administrative penalties/increases paid in the quarters ending March 31, June 30, September 30, and December 31. The report shall designate the party responsible for the penalty/increase.**

Sedgwick agrees to comply with this requirement.



**If the penalty/increase was the responsibility of the TPA, the TPA shall issue a check payable to CITY for reimbursement of the penalties/increases. The check and report shall be submitted to CITY by the twentieth (20th) calendar day of the following month after the quarter ends.**

Sedgwick agrees to comply with this requirement.

**I. Provide other special reports required of CITY including, but not limited to, loss trend reports, claim abstract reports, reports required by actuaries, excess insurance carriers, etc. If new programming is required in order to provide such special reports, the TPA shall pay at its own expense for new or special programming costs.**

Sedgwick agrees to comply with this requirement.

**Any corrections to the loss runs shall be made within thirty (30) calendar days of a request for correction.**

Sedgwick agrees to comply with this requirement.

**Other than standard monthly loss runs referenced in this section, computer generated loss data reports requested by CITY shall be provided within five (5) business days.**

Sedgwick agrees to comply with this requirement.

#### **44. Online Interface**

**The TPA shall provide read only online access to CITY. CITY shall have access to the claim file, including, but not limited to, examiner notes, paid, reserves and total incurred amounts, investigation reports, treating physician's reports, etc.**

Sedgwick agrees to comply with this requirement.

**The TPA shall provide CITY online access to complete and submit the Employer's First Report (Form 5020).**

Sedgwick agrees to comply with this requirement. Sedgwick can produce the employer's first report of injury for all U.S. states. We file these reports with the state either via paper or electronically, depending upon the requirements of the state. Additionally, we can send copies of the employer's first report of injury to an intricate distribution of client destinations via email or fax.

#### **45. Medicare Reporting**

**The TPA firm shall, either directly, or through an independent third-party reporting service, update and maintain all data fields required by the Centers for Medicare & Medicaid Services ("CMS") for mandatory insurer reporting in accordance with Section 111 of the Medicare Secondary Payer Act.**

Sedgwick agrees to comply with this requirement. Sedgwick's Medicare compliance department trains our examiners to understand their roles and responsibilities in Medicare reporting through extensive annual training. Sedgwick's Medicare compliance department oversees the entire process. They evaluate data and errors to make sure the data is corrected by the examiners in a timely fashion and evaluate all systems for improvements and automation opportunities. This team is also responsible for responding to any changes made by CMS to the MMSEA user's guide. Using these processes, Sedgwick receives fewer than 1% error messages back from CMS despite the hundreds of thousands of claims we report every year.

#### **46. Excess Reporting**

**Cases that have the potential to exceed CITY's self-insured retention shall be reported in accordance with the reporting criteria established by the excess insurance providers.**

Sedgwick agrees to comply with this requirement.



#### 47. Record Retention

**All claim files and associated data shall be maintained in accordance with statutory time requirements and CITY's Record Retention Policy. CITY shall be notified prior to any destruction of files to determine if CITY wishes to retain the claim file at their own expense.**

Sedgwick agrees to comply with this requirement. Sedgwick retains all claims data in our claims system for the life of the claim. We continue to retain this information upon termination of services unless otherwise obligated by stated contract provisions for the distribution of claims data. There are no additional charges for file storage while Sedgwick is under contract to the City. At the termination of the contract, however, the City may be charged the prevailing rate for storing paper files at a storage facility or for the transfer of imaged files. The City is responsible for the storage of claim files closed at the time that Sedgwick begins claims administration.

**All records, files, transcripts, computer tapes and any other materials on workers' compensation adjusting activities developed on CITY's workers' compensation claims is the property of CITY and must be relinquished in good order and condition upon termination of an eventful contract with the TPA without an additional cost.**

Sedgwick agrees to comply with this requirement. Claim records are the property of the City. The City has the right to review all files at any time and can determine if the files should be retained or destroyed.

#### 48. Conflict of Interest

**The TPA shall avoid all conflicts of interest or the appearance of conflicts of interest in performance of the contract. The TPA shall disclose any and all compensation received for ancillary services related to CITY, such as bill review services, managed care, or investigations.**

Sedgwick agrees to comply with this requirement.

**D. Approach: The firm's approach to delivering the scope of services. Provide a description of the firm's approach to communicating effectively with City staff and officials, other jurisdictional stakeholders, and the public, to facilitate successful delivery of assigned tasks.**

Sedgwick recommends continuing to manage the City's workers' compensation program within the current office structure to maintain continuity and ensure that assigned colleagues remain well-versed in applicable regulations. The City's team—Devora Brainard-DeLong (VP, Client Services), Diana Huddleston (Client Services Manager), Stephanie Millhollon (Claims Director), Juan Tapia (Claims Team Lead), Paula Gentry (Claims Examiner), and Adrianna Ramirez (Claims Associate)—brings deep expertise in claims handling and a strong understanding of the City's culture and program evolution.

**E. Structure and Content of Work Product: The firm will describe the way in which the work product will be structured and presented upon completion. Include computer and software compatibility information.**

Our workers' compensation claims process and systems utilized is included in the appendix.

**F. Communication: Provide a description of the firm's approach to communicating effectively with City staff and officials, other jurisdictional stakeholders, and the public, to facilitate successful delivery of assigned tasks.**

Sedgwick is focused on maintaining high-quality customer service through regular and effective communication with the City and adhering to applicable service agreements.

**G. Firm Profile: Provide a description of the firm, including number of professional personnel, years in business, office location(s), organizational structure (e.g., corporation, partnership, sole practitioner, etc.), areas of particular expertise, etc. The following information should also be included:**



Founded in 1969, Sedgwick is a privately owned global provider of claims and productivity management solutions, operating in 80 countries with over 33,000 colleagues. As a 100% owned subsidiary of Sedgwick, L.P., with the Carlyle Group as the majority shareholder and minority ownership by Stone Point Capital, Altas Partners, CDPQ, Onex, and management investors, Sedgwick is structured into regional business units to ensure strategic, senior-level support and local responsiveness. We build long-term partnerships by aligning with client needs and delivering consultative expertise, efficient service, and industry-leading technology. Our areas of expertise span workers’ compensation, disability, FMLA, paid family leave, general and professional liability, healthcare risk management, and specialty services such as affinity programs, fleet management, and warranty solutions.

Name	Address	City, State, Zip	Structure	Incorporation	Website
Sedgwick Claims Management Services, Inc.	8125 Sedgwick Way	Memphis, TN 38125	Corporation	Illinois, U.S.	<a href="https://www.sedgwick.com/">https://www.sedgwick.com/</a>

Proposal Contact:

Alysen Wade: phone – 213.719.1339; email – [Alysen.Wade@sedgwick.com](mailto:Alysen.Wade@sedgwick.com)

Client Services Contact

Diana Huddleston: phone – 602.906.3634; email – [Diana.Huddleston@sedgwick.com](mailto:Diana.Huddleston@sedgwick.com)

**In addition, any participating firms and proposed subcontractors shall be identified and included in the proposal (all subcontractors must be approved by the City prior to signing the agreement with the City).**

Sedgwick does not utilize any subcontractors on the City’s contract.

**H. Location of principal office that will be responsible for the implementation of this contract.**

As the City’s current partner, implementation is not applicable. Sedgwick manages the City’s claims from our Rancho Cucamonga, California, office.

**I. Proposed Team: Provide a summary description of all personnel who will be involved with facilitating the workers’ compensation program on the behalf of the City, their roles and responsibilities, and their experience with public agencies. In addition to this summary, full resumes must be provided.**

Diana Huddleston will continue to serve as the City's client services manager. Diana has been with Sedgwick for four years and has 30 years of workers’ compensation claims experience. Her experience with public entities includes a cumulative of 20 years. Her biography is included in the appendix.

**J. References: Provide at least three (3) references from previous cities, counties or other agencies for similar work completed within the last five (5) years, which include: name, address, contact person and phone number for the agency, length of time services were provided, staff assigned to each project by your firm, and a description of the services provided. All submitted materials shall become the property of the City of Beaumont.**

We have provided our references in the appendix.

**K. Firm Experience/Qualifications:**

**A list of the five (5), most recent municipalities your firm has contracted with.**



Each description shall include:

- The name of the client and a contact name, address, and telephone number.
- The scope of the TPAs' services.
- The month and year the services started and the month and year they were completed.
- The total value of the services provided.
- The key personnel involved and the sub-consultants employed, if necessary.

Our most recent municipal contracts include University of California, San Francisco; Judicial Council of California, Administrative of the Courts; Metropolitan Transportation Authority (MTA); County of Maui; and City of Los Angeles. Due to the nature of public records, Sedgwick would prefer to offer the additional information if selected as a finalist.

**L. List of all current/outstanding contracts, their status, and the completion date for each contract.**

Due to the nature of public records, Sedgwick would prefer to offer this information if selected as a finalist.

**M. Any other information that should be considered, such as any special services or customer service philosophy that define your firm's practice.**

Following our stewardship meeting in August 2024, Sedgwick recommended several opportunities, including targeted claim review and training specific for the police department; schedule time to review client service instructions (CSI) with HR and the claims team to ensure they are appropriate for your current needs; and continued support for HR/risk management with all workers' compensation needs. We remain committed to these recommendations and look forward to continuing our partnership to drive even greater success together.

**N. The firm will be required to have professional liability insurance including liability at a minimum of one million per occurrence, and two million in the aggregate, worker's compensation, and vehicle coverage including comprehensive and collision insurance naming the City of Beaumont, its officials, its employees, and agents as additional insured. The proposal shall state whether such insurances will be in force at time of contract execution.**

Sedgwick agrees to comply with the above requirements, with the noted redlined edits included in our contract redlines table document in the appendix. Copies of our certificates of insurance are included in the appendix.

**O. Cost proposal: Provide detailed cost of services in a separate sealed envelope.**

Please see the cost proposal for an overview of our pricing.

**Costing should include:**

- Break down by a per unit rate (i.e. per box, per plan set, per binder, per drawer, per book, per trip, etc.).
- Provide a table with estimates based on information outlined in this RFP.
- Fixed prices, including out-of-pocket expenses, for all costs associated within the scope of this proposal,
- Additional billable costs for non-specified tasks
- Total fees and expenses for the entire scope of the project
- Any area which proposers believe should be included in the scope of work in this proposal, but which is not stipulated in this RFP, and identifies the costs associated with the services rendered.
- Pricing should include total costs for 3 – initial year agreement and costs for potential renewal years including any Pricing adjustment factors.