

## ORDINANCE/RESOLUTION REQUEST

Please email requests to the Mayor's Legislative Team  
at [MileHighOrdinance@DenverGov.org](mailto:MileHighOrdinance@DenverGov.org) by **3:00pm on Monday**.

***\*All fields must be completed.\****  
*Incomplete request forms will be returned to sender which may cause a delay in processing.*

Date of Request: \_\_\_\_\_

Please mark one:  Bill Request or  Resolution Request

**1. Has your agency submitted this request in the last 12 months?**

Yes  No

**If yes, please explain:**

**2. Title:** *(Include a concise, one sentence description – please include name of company or contractor and contract control number - that clearly indicates the type of request: grant acceptance, contract execution, amendment, municipal code change, supplemental request, etc.)*

A contract for the provision of bill review and repricing services for the City's workers' compensation program by CorVel Corporation through December 31, 2013.

**3. Requesting Agency:**

Risk Management

**4. Contact Person:** *(With actual knowledge of proposed ordinance/resolution.)*

- **Name:** Raymond Sibley
- **Phone:** 720-913-3349
- **Email:** Raymond.Sibley@denvergov.org

**5. Contact Person:** *(With actual knowledge of proposed ordinance/resolution who will present the item at Mayor-Council and who will be available for first and second reading, if necessary.)*

- **Name:** Raymond Sibley
- **Phone:** 720-913-3349
- **Email:** Raymond.Sibley@denvergov.org

**6. General description of proposed ordinance including contract scope of work if applicable:**

Ordinance approves the contract with CorVel Corporation through December 31, 2013 Total contract amount in one year will be \$720,000. CorVel Corporation provides bill review services for the City's Workers' Compensation Program and reviews all bills and medical reports for accuracy, medical necessity and applies Colorado State Fee schedule and negotiated provider discounts.

**\*\*Please complete the following fields:** *(Incomplete fields may result in a delay in processing. If a field is not applicable, please enter N/A for that field.)*

- a. **Contract Control Number:** CE06002
- b. **Duration:** Through December 31, 2013
- c. **Location:** All
- d. **Affected Council District:** All
- e. **Benefits:** Fee Schedule and PPO Reductions on all Workers' Comp medical bills
- f. **Costs:** \$700,00

**7. Is there any controversy surrounding this ordinance? (Groups or individuals who may have concerns about it?) Please explain.**

No

*To be completed by Mayor's Legislative Team:*

SIRE Tracking Number: \_\_\_\_\_

Date Entered: \_\_\_\_\_



# CITY AND COUNTY OF DENVER

**Finance Office**  
**Risk Management**  
**Workers' Compensation Unit**

201 WEST COLFAX  
 DEPARTMENT 1105  
 DENVER, CO 80202-4705  
 PHONE: (720) 913-3330  
 FAX: (720) 913-3184

Interoffice Memorandum

TO: City Council, Finance Committee  
 FROM: Raymond F. Sibley, Director of Risk Management  
 DATE: October 16, 2012  
 RE: Contract with CorVel Corporation

This is a request to approve an agreement with CorVel Corporation for services related to the City's workers compensation program.

All medical bills for services provided to claimants under the City and County of Denver's workers' compensation program are reviewed and compared to corresponding medical reports to determine accuracy and medical necessity. After each medical bill is verified and approved it is adjusted to comply with the Colorado State fee schedule and specific pricing agreements between the providing physicians/vendors, the City and/or CorVel Corporation.

The City has contracted with CorVel Corporation to provide these services for over 10 years. A competitive process (RFP) was initiated in 2009 and a new contract was awarded to CorVel Corporation pursuant to XO8. A competitive process will be initiated in 2014 for services beginning January 1, 2015.

After reviewing and repricing the City pays the approved amounts to specific physicians/vendors. This process has saved significant amounts over the last few years.

	Amount Billed	Amount Paid	Reduction/Savings
2006	9,916,444	4,403,166	5,513,267
2007	11,146,769	4,103,973	7,042,734
2008	11,524,877	4,976,848	7,548,130
2009	9,639,760	3,030,973	6,608,788
2010	12,090,943	3,258,407	8,755,908
2011	9,175,675	2,823,307	6,352,368

Savings over the last 5 years have ranged from 55-65% of total billed charges.

Fees paid to CorVel are generated in three ways:

- 23% of savings identified through professional review and hospital line item review.
- 20% of savings realized through pricing contracts between CorVel and physician/vendor.
- \$4.50 per bill for review and adjustment.

Fees vary annually depending on the number of workers' compensation claims and the volume of medical services provided/bills received.

2010	\$500,585	Paid
2011	\$487,099	Paid
2012	\$350,000	Estimated
2013	700,000	Budgeted

This is the fourth year of the contract entered into as a result of the 2009 competitive process.

Please contact me if you have questions or require additional information.

*To be completed by Mayor's Legislative Team:*

SIRE Tracking Number: \_\_\_\_\_

Date Entered: \_\_\_\_\_

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