



Ordinance Request Executive Summary

An ordinance to amend the City's existing contract with CorVel Corporation for services related to the City's workers compensation program by adding 24 months and \$950,000 to the term.

All medical bills for services provided to claimants under the City and County of Denver's self-funded 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 bill review/fee scheduling services for over 15 years. In 2014, the City initiated a competitive process, and the contract was awarded to CorVel Corporation.

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

	Amount Billed	Amount Paid	Reduction/Savings
2010	12,090,943	3,258,407	8,755,908
2011	9,175,675	2,823,307	6,352,368
2012	7,409,470	2,590,374	4,819,096
2013	10,244,386	4,644,385	7,056,922
2014	15,049,281	4,466,210	11,158,314
2015 YTD 9/2015	13,640,696	3,486,789	10,154,701

Savings over the last 5 years have ranged from 55-70% of total billed charges.

Fees paid to CorVel are generated in four ways:

- 20% of savings identified through PPO Network Access.
- 20% of savings from Professional Review Services.
- 20% of savings realized through pricing contracts between CorVel and other physician/vendors.
- \$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	\$226,533	Paid
2013	\$236,950	Paid
2014	\$288,773	Paid
2015 YTD 9/2015	\$253,971	Paid To Date