

# Exhibit to Agenda Item #1

Approve Contract Change No. 2 to Contract No. 4500099793 for Workers' Compensation & Short Term / Long Term Disability Third Party Claims Administration Services with **Intercare Holdings Insurance Services, Inc.** to extend the contract expiration date by two years from December 31, 2022, to December 31, 2024, and increase the contract not-to-exceed amount by \$1 million, from \$2.12 million to \$3.12 million.

Board Finance & Audit Committee and Special SMUD Board of Directors Meeting  
Tuesday, November 15, 2022, scheduled to begin at 5:30 p.m.

Virtual Meeting (online)

# Background – Claims Administration Services

SMUD is self-insured for Workers Compensation, Short-Term Disability (STD) and Long-Term Disability (LTD) Programs, providing benefits to employees that are injured on the job and partial salary replacement for those unable to work due to non-work-related illness or injury

## Intercare Holdings

2013 solicitation (RFP) with nine proposers

- Intercare was the highest technical rated proposer (10% higher than all others)
- Awarded contract

2017 solicitation (RFP) with three proposers

- Intercare was the highest rated proposer by 20%
- Modified program to be able to administer STD/LTD programs for SMUD

# Contract Extension Allows

Maintain continuity of programs while SMUD's People Services & Strategies (PS&S) department explores options to enhance STD/LTD benefits to continue to support our diverse workforce. Analysis to include:

- Plan designs
- Benchmarking
- Employee contributions
- Additional offerings (paid family leave)
- Financials
- Launch RFP for services needed based on completed analysis

# Pricing Environment

- Current monthly rate
  - \$30,840.75 per month
- Proposed rates
  - Year 1 - \$32,471.07 per month
  - Year 2 - \$33,607.56 per month
- Rates proposed are in line with contracted escalation of 3% which is significantly lower than the current inflation rate of approximately 9% per Consumer Price Index for All Urban Consumers

# Intercare experience and qualifications

- Has been a strategic partner with SMUD for the last nine years providing STD, LTD and Workers Compensation claims administration services to the organization and its employees
- Has been the successful bidder in the past two RFPs
- Locally based and headquartered in Rocklin, California
- Experienced with California regulatory requirements for Workers' Compensation services
- Worked to modify their services to meet SMUD's need for a claim administrator for STD/LTD

# Board Action Request

Approve Contract Change No. 2 to Contract No. 4500099793 for Workers' Compensation & Short Term / Long Term Disability Third Party Claims Administration Services with **Intercare Holdings Insurance Services, Inc.** to extend the contract expiration date by two years from December 31, 2022, to December 31, 2024, and increase the contract not-to-exceed amount by \$1 million, from \$2.12 million to \$3.12 million.