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Retirement Administrator



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**MENDOCINO COUNTY**  
EMPLOYEES' RETIREMENT ASSOCIATION  
625-B KINGS COURT  
UKIAH, CALIFORNIA 95482-5027

Date: October 19, 2016  
To: Board of Retirement  
From: James Wilbanks, Retirement Administrator  
Subject: MMRO Contract Renewal

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The contract between MCERA and Managed Medical Review Organization (MMRO) expired on September 30, 2016. It was due for renewal in June and both sides did not realize it at the time.

As MMRO has begun working on our disability cases, they have realized the level of complexity of the 1937 Act and the difficulties involved. To say the difficulties were more significant than expected is an understatement. The cases under the 1937 Act handled by MMRO in other jurisdictions have been relatively simple. The cases MMRO has handled for Mendocino County have been anything but simple.

Because of the level of complexity involved, MMRO has informed us of a need to increase their fees in order to continue offering the services. Attached you will find a proposed two year fee arrangement from MMRO. I negotiated the fee increase over two years, with the stipulation that the renewal be for a two year term. The previous cost per case was a flat rate of \$935.

I recommend the Board authorize the Retirement Administrator to renew the contract with MMRO for two years under the terms attached as this still represents a significant cost savings from our prior medical advisor.



**2016 Amended Pricing for Mendocino County Employees' Retirement Association (MCERA)  
Disability Retirement Claim Management Services**

**DISABILITY RETIREMENT CLAIM MANAGEMENT SERVICES**

<b>FIXED COST PER DISABILITY RETIREMENT CLAIM</b>		
<b>Disability Claim Type</b>	<b>Estimated Claim Volume</b>	<b>Case Rate Range</b>
New Claim	10 – 12 per year	10/1/2016 – 9/30/2017: \$1,255 per claim 10/1/2017 – 9/30/2018: \$1,575 per claim
Recommendation Report Addendum		\$450 per Addendum

<b>INDEPENDENT MEDICAL EXAMINATION COST</b>	
<b>PHYSICIAN SPECIALTY</b>	<b>COST PER CASE</b>
ORTHOPEDISTS	QUOTED AT TIME OF SCHEDULING
PSYCHIATRIST	QUOTED ON TIME OF SCHEDULING
NEUROLOGY	QUOTED ON TIME OF SCHEDULING
INTERNAL MEDICINE	QUOTED ON TIME OF SCHEDULING
<b>Specialist Medical Review (SMR)<sup>1</sup></b>	
	\$665 per claim

<b>PROFESSIONAL TESTIMONY</b>	
<b>Disability Claim Type</b>	<b>Case Rate Range</b>
Testimony – Disability NCM	\$225 per hour
Testimony – Physician Medical Consultant	\$445 per hour
Testimony – Independent Medical Provider (IME or Peer Review)	Varies per hour



- **Travel Expense Reimbursement.** In the event that MMRO representatives: (i) appear at a monthly BOARD meeting in-person; or (ii) are required to travel in order to provide testimony at an administrative or legal proceeding, MCERA shall reimburse MMRO for all incurred travel expenses, including airline flight(s) (coach class), meals and lodging. Such reimbursements shall be made with fourteen (14) days following MMRO's submission of a travel expense reimbursement request, which shall include documentation supporting each expense.
- MMRO will be available for consultation with MCERA at monthly board meetings, as requested, to discuss recommendations with the BOARD. Such consultation shall be by telephone, unless MCERA requests MMRO representatives appear in-person.
- MMRO will be available for witness preparation and testimony with MCERA and will participate by phone, or if necessary, in person at administrative hearings or legal proceedings. Upon request by MCERA, MMRO will provide expert staff, including Disability Nurse Case Managers or Physician Medical Consultants to participate in the administrative hearings, or to consult with the MCERA Board, at the hourly rates set forth above.

<sup>1</sup> SMR charges include medical record review up to 1". Additional charges may apply for medical records in excess of 1".