

ITEM #:	19
DATE:	06-09-26
DEPT:	HR

**COUNCIL ACTION FORM**

**SUBJECT: WORKERS COMPENSATION AND MUNICIPAL FIRE AND POLICE SYSTEM  
MEDICAL CLAIMS ADMINISTRATION**

**BACKGROUND:**

The City contracts third-party administration services for workers’ compensation and Municipal Fire and Police “411 System” injury medical claims. EMC has provided these services since at least 2009. For FY 2025/26, the City posted a Request for Proposal for Third Party Claims Administration Services. EMC Claims Solutions was awarded a one-year contract with four (4) optional 1-year extensions. The City’s current contract with EMC is set to expire on June 30, 2026. FY 2026/27 is the first of the optional extension years.

Services provided by EMC in this contract include workers’ compensation claims administration for all City employees, medical bill review, self-insured loss fund management, and pharmacy and medical expense consultation. EMC also performs regulatory filings and maintains an online claims database accessible to City staff. Additionally, EMC collects for medical bill review and savings identified through that process. The fees, along with actual claims expenses are charged to individual departments.

The table below compares the FY 2025/26 fees to the proposed FY 2026/27 fees. There are slight increases for medical claim set up and lost time claim set up.

Fee Component	Fee Components FY2025/26	Fee Components FY2026/27	Change
Claim Set Up, Incident Only	\$35 per claim	\$35 per claim	0%
Claim Set Up, Medical Only	\$260 per claim	\$265 per claim	2%
Claim Set Up Lost Time	\$1,142 per claim	\$1,150 per claim	.7%
Medical Bill Review Fees & Reimbursement	\$9.50/invoice 30% of Savings Capped at \$10,000	\$9.50/invoice 30% of Savings Capped at \$10,000	0%

In addition to the per claim fees and the medical bill review fees listed above, EMC is requesting an annual administrative/reporting fee of \$5,350 and an OSHA 300 Reporting fee of \$3,000.

The FY 2026/27 budget contains \$35,000 for the per-claim fees, administrative/reporting fees and the OSHA 300 reporting fees. The medical bill review fees are paid from the claim fund account.

## **ALTERNATIVES:**

1. Approve the contract renewal with EMC Risk Services, LLC, of Des Moines Iowa, to provide third party administration of the City's worker's compensation and municipal fire and police "411 System" claims for July 1, 2026 through June 30, 2027.
2. Reject the EMC renewal option and direct City staff to seek other claims administration alternatives.

## **CITY MANAGER'S RECOMMENDED ACTION:**

**EMC Risk Services, LLC, continues to be an effective provider of professionally administered workers' compensation claims and associated services. Its staff has been responsive and sensitive to the needs of City employees in managing their injury and disability claims. The online claims system makes cost and other data accessible to City staff and provides a frequently utilized tool for analyzing injury types and safety program effectiveness.** Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, as described above.

## **ATTACHMENT(S):**

[2026-2027 Claims Handling Proposal City of Ames Final](#)