

**BOARD OF TRUSTEES OF COMMUNITY COLLEGE DISTRICT No. 508
County of Cook and State of Illinois**

**THIRD PARTY ADMINISTRATOR SERVICES
Cannon Cochran Management Services, Inc.
(Contract Amendment Board Report # 29447 adopted May 7, 2009)**

THE CHANCELLOR

REPORTS

that the District continues to require Third Party Administrator Services which include participation in the District's Workers' Compensation Program, the General Liability Program and the Student Athlete Injury Program along with a range of comprehensive services including claims management and administration, reporting, consultation and ongoing cooperation with the District Risk Management and Legal Staff, settlement management and training services to District staff; and

that the District issued a Request for Proposals during January 2009 and engaged the services of Cannon Cochran Risk Management Services, Inc. (CCMSI) by Board action on May 7, 2009 (Board Report 29447) to provide Third Party Claims Administration (TPA) for an initial 36 month term beginning on July 1, 2009 through June 30, 2012 with an option to extend for two additional one year terms; and

that the services provided by Cannon Cochran Risk Management Services, Inc. (CCMSI) has met the District expectations and is consistent with industry best practices; and

that there has been an increase in the claim volume and associated expense since the commencing of the initial contract; and

that Office of Risk Management is requesting approval to exercise a contract amendment to allow for an Administrative Fee adjustment from \$4,160.42 per month to \$4275.00 per month and an increase in the Escrow Deposit from \$60,000 per month to \$75,000 per month for the period of July 1, 2010 through June 30, 2011; and

that the Escrow Deposit shall be remitted on a frequency as to ensure the uninterrupted benefits and payments to medical providers and the Administrative Fee shall be paid on the final day of each month following the delivery of services.

that the Office of M/WBE contract Compliance has reviewed the above proposed amendment and Cannon Cochran Management Services-Chicago, IL, subcontracting to certified MBE firms Paradigm Risk Management, Excel Answering Service and Boye Janitorial and the certified WBE firm of Risk Innovations, remains in compliance with the Board Approved Participation plan.

THE CHANCELLOR

RECOMMENDS

that the Board of Trustees authorizes the Chairman to execute a Contract Amendment to increase the Administrative Fee to an estimated cost of \$51,300 and increase the estimated Escrow Deposit to \$900,000 for the period of July 1, 2010 through June 30, 2011.

FINANCIAL

\$51,300 – Liability Fund – 005001-522100-01000-0025010-00084-01000
\$900,000 – Liability Fund – 005001-522100-01000-0025010-00084-01000

Respectfully submitted,

Cheryl L. Hyman
Chancellor

July 14, 2010 - Risk Management- Office of Human Resources and Staff Development – District Office