01-0124-PR23

January 24, 2001

AMEND BOARD REPORT 00-1025-PR19

APPROVE ENTERING INTO AN AGREEMENT WITH COGHLAN KUKANKOS COOK TO PROVIDE SUBROGATION CLAIM MANAGEMENT SERVICES

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:
Approve entering into an agreement with Coghlan Kukankos Cook (CKC) Law Offices to provide Subrogation Claim Management Services for the Board's self-funded medical insurance plan. CKC will be paid on a contingency fee basis. CKC was selected on a non-competitive basis because of their success at achieving subrogation collections higher than other firms examined. CKC has been reviewed and approved by the Board's General Counsel. A written retainer for these services is currently being negotiated. No Services may be provided and no payment shall be made to CKC prior to the execution of the written retainer. The authority granted herein shall automatically rescind in the event a written retainer is not executed within 60 days of the date of this Board Report. Information pertinent to this retainer is stated below.

This amendment is necessary to clarify the reimbursable expenditures payable to this vendor.

SPECIFICATION NO: 99-250470

VENDOR:	Coghlan Kukankos Cook Chicago Illinois 60606 One North Franklin	**USER:**	Bureau of Risk and Benefits Management 125 South Clark 14th Floor Chicago Illinois 60603
Contact Person:	John Kukankos (312) 357-9200	**Contact: Person:**	Cynthia Asghar, Deputy Chief Fiscal Officer Georgette Hampton, Director (773) 553-2818

TERM: The term of this retainer shall commence on the date the retainer is executed, and shall end 36 months thereafter.

SCOPE OF SERVICES: CKC shall provide subrogation services, reimbursement recovery and coordination of benefits for injury, illness, medical care or other losses to an employee participating in the Board's self funded insurance program, which will be subrogated to all present and future rights of recovery that representatives may have arising out of an injury. Subrogation rights are included as provisions in the Board's self insurance medical program, so that the Plan may recover, when appropriate, the amounts it has paid on behalf of participants for injuries that are related to an accident where other coverage or reimbursements is available and also so that the Plan may coordinate benefit payments with other insurers.

DELIVERABLES: CKC shall provide monthly and annual reports indicating names, dates of services and medical providers for which reimbursement has been received. CKC shall also maintain a database so trends can be established to determine vendors' claim payment patterns to determine if they are not acceptable to the Board of Education's standards.

OUTCOMES: CKC services will result in an efficient cost-effective Subrogation Claims Management Program aligned with the Board's self-funded medical plan.

AUTHORIZATION: Authorize the General Counsel to include other relevant terms and conditions in the written retainer. Authorize the President and Secretary to execute the retainer. Authorize the Director of Risk and Benefits Management to execute all ancillary documents required to administer or effectuate this retainer.

COMPENSATION: CKC will be paid a contingency fee in the amount of 33.33% of the gross recoveries it is responsible for obtaining for the first two years, and will be paid a contingency fee in the amount of 29.75% of the gross recoveries it is responsible for obtaining in year 3 of the retainer period. ~~CKC shall be responsible for all court costs, out of pocket expenses, and all other costs associated with these claims without reimbursement from the Board~~.

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REIMBURSABLE EXPENDITURES: CKC shall be reimbursed for ordinary expenses which may include the following: itemized long-distance telephone charges, police report copying charges, photocopying, laser printing lexis or other computer research, overnight express delivery and postage expenses incurred by CKC, and shown, the Board's satisfaction, to be incidental to CKC's performance under the agreement; providing, however, such ordinary expenses shall not exceed 2.3% of year-one recoveries, 1.5% of year-two recoveries, and 1.4% of year three recoveries. Additionally, CKC shall be reimbursed for expenses of legal actions including charges made by court clerks for filing documents or for duplication of filed documents, costs of transcripts of testimony at depositions, trials or other proceedings, witness fees incurred on behalf of the Plan, and authorized travel, providing; however, any and all such legal actions must be authorized by the Board's Director of Risk and Benefits Management.

AFFIRMATIVE ACTION: Vendor agrees to comply with and be bound by the provision of the Revised Remedial Plan for Minority and Women Business Enterprise Economic Participation (M/WBE) Plan

LSC REVIEW: Local School Council approval is not applicable to this report.

FINANCIAL: Charge to Bureau of Risk and Benefits Management: ~~**$0**~~ $30,000 Charge to sundry units, all operating funds, sundry programs, hospital insurance (object 5680) Fiscal Year: ~~2000~~ 2001 Subrogation collections will be deposited to the appropriate health care budget lines so that health care costs can be reduced.

GENERAL CONDITIONS:
Inspector General – Each party to the agreement shall acknowledge that, in accordance with 105 ILCS 5/34-13.1, the Inspector General of the Chicago Board of Education has the authority to conduct certain investigations and that the Inspector General shall have access to all information and personnel necessary to conduct those investigations.

Conflicts – The agreement shall not be legally binding on the Board if entered into in violation of the provisions of105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board members during the one year period following expiration or other termination of their terms of office.

Indebtedness – The Board's Indebtedness Policy adopted July 26, 1995 (95-0726-EX3), as amended from time to time, shall be incorporated into and made a part of the agreement.

Ethics – The Board's Ethics Code adopted September 27, 1995 (95-0927-RU3), as amended from time to time, shall be incorporated into and made a part of the agreement.

Contingent Liability – The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

Approved for Consideration:

Natalye Paquin KAS

Natalye Paquin
Chief Purchasing Officer

Approved:

Paul G. Vallas

Paul G. Vallas
Chief Executive Officer

Within Appropriation:

Kenneth C. Gotsch

Kenneth C. Gotsch
Chief Fiscal Officer

Approved as to legal form:

Marilyn F. Johnson

Marilyn F. Johnson
General Counsel