



City of Austin

Recommendation for Action

2/2026

Posting Language

..Title

Authorize a contract for workers' compensation medical management services to administer the City's physician panel, manage medical costs, and support employee return to work for Austin Human Resources with Injury Management Organization, for an initial term of two years in an estimated amount of \$2,900,000 with up to three one-year extension options each in variable amounts for a total contract amount not to exceed \$7,590,000. Funding: \$1,450,000 is available in the Workers' Compensation Fund of Austin Human Resources. Funding for the remaining contract term is contingent upon available funding in future budgets.

..Body

Lead Department
Austin Financial Services.

Client Department(s)

Austin Human Resources.

Fiscal Note

Funding in the amount of \$1,450,000 is available in the Fiscal Year 2026-2027 Operating Budget of Austin Human Resources.

Funding for the remaining contract term is contingent upon available funding in future budgets.

Procurement Language:

Austin Financial Services issued a Request for Proposals solicitation RFP 5800 SLW3034 for these services. The solicitation was published on June 23, 2026, and closed on July 28, 2026. Of the four offers received, the proposal submitted by the recommended contractor represented best value to the City based on the solicitation's evaluation criteria. A complete solicitation package, including a log of offers received, is available for viewing on the City's website. This information can currently be found at https://financeonline.austintexas.gov/afo/account_services/solicitation/solicitation_details.cfm?sid=144356.

MBE/WBE:

This contract will be awarded in compliance with the City Code Chapter 2-9B (Minority-Owned and Women-Owned Business Enterprise Procurement Program). For the services required for this solicitation, there were no subcontracting opportunities; therefore, no subcontracting goals were established.

For More Information:

Direct questions regarding this Recommendation for Council Action to the Austin Financial Services – Central Procurement at: FSDCentralProcurementRCAs@austintexas.gov or 512-974-2500. Respondents to the solicitation and their Agents should direct all questions to the Authorized Contact Person identified in the solicitation.

Additional Backup Information:

Chapter 504 of the Texas Labor Code allows a public employer to establish a physician panel for employees with work-related injuries or illnesses. A physician panel is a selected group of treating doctors and specialists available to provide covered care. The contract will administer the City's Central Texas physician panel and provide related medical management and cost containment services, including provider credentialing and contracting, provider directories and education, employee notices, complaint and appeal processes, medical bill review, preauthorization and utilization review, peer reviews, coordination of required medical and designated doctor examinations, pharmacy benefit management, nurse case management, field case management, and vocational rehabilitation.

These services support the City's goals to provide timely access to appropriate care, help employees recover and return to work safely, comply with state requirements, and manage medical costs. Performance measures will address quarterly utilization-review, bill-review, and electronic-data results; website availability and provider-directory updates; diagnosis-code reporting; return-to-work reports; employee contact at least every 15 days while an employee is off work or working with restrictions; response times; and compliance with the City's requirements for medical decision-making.

This will replace the current contract ending December 31, 2026. The requested authorization is based on the offer received and departmental estimates of future needs. The recommended contractor is the current provider of these services and is a City-certified minority/women-owned business.

An evaluation team with expertise in this area evaluated the offers and scored Injury Management Organization as the best to provide these services based on experience and qualifications, program administration, price, local business preference, and small business preference.

If the contract is not approved, the City may not have a contract in place to maintain the physician panel and medical cost containment services beginning January 1, 2027, which could disrupt access to care, medical reviews, bill processing, case management, pharmacy services, and return-to-work coordination.

Contract Details:

Contract Term
Length of Term
Contract Authorization

Initial Term
2 years
\$2,900,000

Optional Extension 1
1 year
\$1,510,000

Optional Extension 2
1 year
\$1,560,000

Optional Extension 3
1 year
\$1,620,000

Total
5 years
\$7,590,000

Note: Contract authorization amounts are based on the City's estimated annual usage and may be more or less in the initial term and in each exercised optional extension; however, the total contract amount will not exceed \$7,590,000.