

# ORIGINAL

## AGREEMENT FOR SERVICES #264-S1411

**THIS AGREEMENT** made and entered by and between the County of El Dorado, a political subdivision of the State of California (hereinafter referred to as "County") and York Risk Services Group, Inc., a New York Corporation, duly qualified to conduct business in the State of California, whose principal place of business is 99 Cherry Hill Road, Suite 102, Parsippany, NJ 07054, and whose Agent for Service of Process is *CSC – Lawyers Incorporating Service, 2710 Gateway Oaks Drive, Suite 150N, Sacramento, CA 95833*, (hereinafter referred to as "Consultant");

### RECITALS

**WHEREAS**, County has determined that it is necessary to obtain a Consultant to provide workers' compensation claims third-party administration (TPA) services including administration, investigation, adjustment, utilization review, bill review, and case management; and

**WHEREAS**, Consultant has represented to County that it is specially trained, experienced, expert and competent to perform the special services required hereunder and County has determined to rely upon such representations; and

**WHEREAS**, it is the intent of the parties hereto that such services be in conformity with all applicable federal, state and local laws; and

**WHEREAS**, County has determined that the provision of these services provided by Consultant is in the public's best interest, and that these services are more economically and feasibly performed by outside independent Consultants as well as authorized by El Dorado County Charter, Section 210 (b) (6) and/or Government Code 31000;

**NOW, THEREFORE**, County and Consultant mutually agree as follows:

## **ARTICLE I**

**Scope of Services:** Consultant agrees to furnish the personnel and equipment necessary to provide workers' compensation claims third-party administration (TPA) services including administration, investigation, adjustment, utilization review, bill review, and case management.

Consultant will administer County's workers' compensation claims in accordance with Exhibit "A," marked "Compensation Claims Administration Guidelines," incorporated herein and made by reference a part hereof, as they may be updated periodically.

Consultant shall diligently and expeditiously perform all necessary services to fulfill the County's obligations under the workers' compensation laws, policies, regulations, and procedures of the State of California, including but not limited to the services listed below.

## **COMMUNICATIONS**

1. Personal contact on non-litigated indemnity cases will be maintained with the injured employee on a periodic, ongoing basis to facilitate progress and timely return to work. Initial contact must be made within two (2) working days of receipt of Employer's First Report and follow-up contact every thirty (30) days thereafter until return to work or the file must clearly reflect the reason contact should not continue at that frequency.
2. Confer on a regular basis with all persons associated with County's organization (such as Risk Management, County Counsel, accountants, consultants) involved in the processing of industrial claims.
3. Promptly return calls to injured employees and County personnel.

## **PROGRAM MANAGEMENT**

1. Meet with County personnel on an ongoing basis to develop procedures, forms, instructions, schedules, and protocols to maintain required Consultant services. County will be informed of changes in the workers' compensation laws and procedures pertinent to County's self-insured program.
2. Assist County personnel in the development of directives, notices and other program communications to employees with an emphasis on procedures utilized for coordination of return to work efforts, Qualified Injured Worker determinations, and evaluation of modified/alternate employment.
3. Provide claim forms, employer's report forms and required notices for distribution by County to its employees.
4. Establish and maintain standardized procedures acceptable to the County for the prompt reporting, recording, investigation and treatment of all industrial injuries and diseases. Provide instructional meetings as requested by County to review and explain instructions and procedures.
5. Division of Workers' Compensation (DWC) benefit notices shall be issued timely in compliance with DWC requirements where confusion may exist. Consultant will telephone or forward a personal letter to injured employee explaining DWC benefit notices or forms.



6. Within ten (10) days of receipt, County to be notified electronically on the following:
  - a. All correspondence from Consultant to employee.
  - b. All legal correspondence from applicant or defense attorney.
  - c. Reports from rehabilitation counselor.
  - d. Formal investigation reports.
  - e. Med-Legal reports.
  - f. Any medical report containing work status information.
7. Consultant shall meet quarterly with County to review any claims which are reported to excess insurance during the quarter and additional claims upon notice from County.
8. At all reasonable times during the term of this contract, County, or any designated representative, shall have access to Consultant premises, and records related to work under this contract. Consultant shall make such records available for inspection, audit and copying by County or its designated representative at County's expense. In addition to any other records required by this agreement, Consultant shall maintain all books, papers, records, documents, and other materials related to work performed under this contract confidential; in the same manner as County is required by law to do. Upon termination of contract all such records, books, papers, documents and other evidence obtained from County or related to work performed under this contract shall be forthwith returned to County.
9. Consultant will work with County to implement a strategic plan that will enable County and Consultant to work efficiently and define expectations for both parties as defined in Exhibit "B," marked "El Dorado County Strategic Planning Development," incorporated herein and made by reference a part hereof.

#### **PERSONNEL REQUIREMENT**

1. This section is delineated separately to emphasize the importance the County places on the qualifications and experience of the actual personnel who will be working with the County on a daily basis. The County requires participation in the selection of all personnel providing services. County's continuing approval will be required each time a change in personnel is anticipated.
2. The adjuster(s) dedicated to handling County claims will handle a caseload not to exceed 150 files.
3. The adjuster(s) dedicated to handling County claims will have a minimum of five (5) years workers' compensation experience.

#### **CLAIMS HANDLING**

1. All new claims will be created, reserved, and entered into the computer within five (5) working days following Consultant receipt of the Employer's First Report. The basis for the initial reserves, and subsequent reserve revisions, will be clearly explained in the file.

2. A diary system will be established in order that each active case is reviewed at least every thirty (30) days. By prior consent of County, inactive cases may be placed on a diary not to exceed ninety (90) days.
3. The diary schedule will be contained in the file.
4. A specific plan of action outlining direction on the investigation and handling of all indemnity cases will be established within ten (10) working days of receipt of the Employer's First Report and clearly evidenced in the file. Each open indemnity claim file shall include a plan for implementation of appropriate case activity and resolution, and such plan shall be revised as appropriate while the claim remains open. The plan should be accessible on-line bearing the name of the person who established the plan and the date written.
5. All phone conversations, discussions, and meetings held on the case will be clearly documented in each file.
6. Within three (3) working days of notice of injury, Consultant will contact County in order to determine if compensability is to be acknowledged or questioned when not self-evident on initial report from County. On all questionable claims, Consultant will complete an initial evaluation of compensability (accept claim, deny claim, or delay acceptance pending results of additional investigation) and advise County and injured employee of the process to be undertaken in investigation of the claim.
7. Recommend determinations on eligibility for temporary disability compensation, permanent disability compensation, medical benefits, vocational rehabilitation benefits and all other workers' compensation benefits in accordance with the State Workers' Compensation laws and the internal benefit programs of County.
8. All correspondence will be clearly stamped with the date of receipt.
9. Authorize prompt payment of benefits in accordance with medical advice, defense counsel, advisory ratings, awards, or settlement agreements.
10. Negotiate settlements on behalf of County. Consultant has authority for purpose of compromising and/or resolving any claim against the County being handled by Consultant. Approval to settle any claim must be obtained from County Risk Management in writing. The Consultant will clearly document the criteria by which a settlement value is based. Settlement proposals directed to County shall be forwarded by Consultant or defense counsel in a concise and clear written form with a reasoned recommendation. Settlement authority shall not exceed \$25,000.00.
11. Consultant will make timely identification of all claims involving:
  - a. Subrogation/third party recovery potential
  - b. 2nd injury fund potential
  - c. Apportionment or other offsets
  - d. Reinsurance obligations



## **INVESTIGATION**

1. Perform investigation, as necessary and appropriate, pertaining to questionable cases and the status of injured employees in order to assist in the adjustment and litigation of cases. Report to County on all investigations, and advise County if additional investigation by outside investigators is warranted. Consultant may contract for specialized and professional investigation services of County's choice when such service is needed. All investigations will be coordinated with appropriate County personnel on a case-by-case basis. The County shall be kept informed on the scope and results of investigations.
2. When circumstances warrant, and upon prior approval by County, a field activity check/surveillance will be conducted on the injured employee in order to determine if there is any work capability.
3. Subrogation issues will be promptly identified and investigated. In all cases where a third party (other than a County employee or agent) is responsible for the injury of the employee, the third party shall be contacted within 30 days with notification of County's right to subrogation and the recovery of certain claim expenses. In all cases, Consultant shall consult with County about the value of the subrogation claim and other considerations. With County consent, timely initiate litigation to effect collection of such claims on behalf of County, and assist counsel to pursue such claims. Upon County authorization, subrogation counsel shall be assigned to file a lien or Complaint in Intervention in the civil action.

## **LITIGATION MANAGEMENT**

1. Promptly respond to claims filed with the Workers' Compensation Appeals Board, and cooperate with attorneys for County in hearings before the Board. Consultant shall assist and coordinate with legal counsel in preparation of litigated cases and attend WCAB pre-trial conferences and trials whenever appropriate.
2. Consultant may employ legal counsel to advise concerning the legality and advisability of rejecting, settling, compromising and paying claims against County, or to represent County in litigation arising from said claims. Within three (3) working days of referral of the case to defense counsel, a letter will be directed to the attorney, with a copy to County, outlining the case status, issues, and requested work to be done by outside counsel. Use of outside counsel is subject to general supervision of County Counsel and Risk Management.
3. All bills for legal fees and legally related costs shall be gathered and reviewed by Consultant. Consultant shall pay all appropriate legal bills from the trust fund in accordance with the County standard practices. The retention of outside legal counsel by Consultant shall be subject to approval by County and shall be subject to such practices and policies as may be established by County.
4. For all claims handled by outside counsel involving liability issues (i.e., any claim or potential claim other than for workers' compensation benefits), Consultant will ensure that outside counsel will advise County of potential third party liability claims.

## **MEDICAL CONTROL**

1. The treating physician (facility) will be contacted prior to making the initial indemnity payment to establish the extent of injury, length of disability, and causal relationship of the injury to the job or alleged work-related incident.
2. Maintain close liaison with medical service providers to insure maximum efficiency in the management of claims and compliance with State law regarding provision of job descriptions to determine return to work possibilities.
3. Provide County with all medical reports containing work restrictions or information regarding the injured employee's anticipated return to work or potential vocational rehabilitation.
4. Where medical issues are questioned, a medical examination will be scheduled with a qualified physician, as allowed under applicable Labor Code. Consultant will send written correspondence summarizing the status of the specific case and outlining issues to be addressed by the evaluating physician. Consultant will provide to the physician any relevant medical and job information that will assist the physician in making an objective evaluation.
5. Utilize medical service providers as the County may direct from time to time, including any MPN designated by the County.
6. Review all medical bills for appropriate payment. Any medical bill received will be reviewed with regard to causal relationship to the accident/work-related injury. Medical bill review pricing will be completed by Consultant or agreed upon consultant. Medical billings and expense billings shall be reviewed and processed for payment as appropriate within sixty (60) days of receipt, or written denial or request for further explanation or documentation was sent within sixty (60) days of receipt.
7. Utilization review services will be completed through a consultant agreed upon by County.

## **REHABILITATION**

1. Identify and advise County within 5 days of medical information received involving potential permanent work restrictions.
2. Where needed, rehabilitation and/or retraining will be recommended and the progress will be closely monitored and controlled. The first evaluation as to the appropriateness of rehabilitation will take place according to workers' compensation state requirements.
3. Within 5 days of receipt of permanent work restrictions, Consultant will confer with County to discuss potential for modified/alternate employment, appropriate notices to be issued and potential assignment of a rehabilitation counselor.
4. Assist in selection of competent rehabilitation counselor, and in the development of appropriate rehabilitation plan.
5. Keep County advised as to status of any ongoing rehabilitation cases, as well as direct, supervise and monitor the work and charges related to all rehabilitation cases.
6. Consultant to attend and participate in informal and formal rehabilitation conferences whenever possible.



## **REPORTING & RECORDKEEPING**

1. In accordance with law and the requirements of various State agencies, record and file the Employer's Report of Occupational Injury and other detailed statistical records of all claims and disbursements.
2. Assume all responsibility for notification to the excess carrier on behalf of the County in accordance with the specific requirements of the excess carrier. Ongoing reporting of all necessary information on the current status of claims as required by the excess carrier. Consultant shall pay any costs, damages, or penalties incurred for lack of proper reporting.
3. Monthly loss runs shall be provided to County Risk Management within 15 days after month end.
4. Report to Index Bureau on each claim. Submit updates as necessary.
5. Provision of trust account management, including a reconciliation of bills paid and monthly check registers which include all disbursements made by Consultant on behalf of County.
6. Prepare Self-Insurer's Annual Report (Form A4-40) for County signature and submission to the State.
7. Prepare Federal Information Return (Form 1099-MED) for applicable payments made on behalf of County.
8. Provision of information needed for completion of the OSHA 300 logs.
9. Maintain all records and historical data on losses arising from employee injuries in accordance with the requirements of the State of California, including a file for each disability claim, a record of each denial, delay, litigated claim and make these files and records available for review by County upon request. Maintain closed claim inventory.
10. All original reports, documents and claims data of every kind or description that are prepared in whole or part for Consultant in connection with this agreement shall be County's property. Consultant shall not make available to any individual or organization any report, document or data which was given to, prepared by, or assembled by Consultant pursuant to this agreement unless prior consent is given by County. All such records shall be held in strictest confidence by Consultant. Claim information may be provided to defense counsel retained for the purpose of defending County against claim.
11. Provision of a comprehensive annual management report which:
  - a. Analyzes past and future projected fiscal year costs.
  - b. Interprets data on losses and trends.
  - c. Recommends program improvements to favorably impact costs and procedures.

## **PENALTIES**

Under California law, numerous administrative fines and penalties are required for payment of benefits or services that are overdue. The County will be advised within five (5) days of all penalty increases to benefits or bills paid along with an explanation for the cause of the penalty. If the delay is a result of Consultant receiving Employee's Claim Form in excess of 10 days from

County's receipt, the increased cost will be paid by County. All other fines, penalties, and fees which result from unnecessary delay by the Consultant shall be paid by Consultant. These amounts will be reported to County and deducted from the upcoming monthly administration fee.

## **TRUST FUND**

Establish and maintain a trust account for the payment of proper charges against the County arising from industrial injuries, including payments of temporary and permanent disability compensation, medical expenses, allocated expenses, bill review, and other benefits. The trust account shall be maintained and established in compliance with Government Code 31000.8. Funds in the trust account shall not exceed the Board of Supervisors approved maximum (as evidenced by a Board Minute Order) at any one time. This amount will be a sum sufficient to provide for the settlement of claims for a 30 day period.

Consultant shall notify County weekly, on Mondays, that the trust account needs to be replenished, and the amount necessary to be deposited. Consultant shall provide County with a monthly Check Register which includes all disbursements made by Consultant, and a monthly reconciliation of the trust account, and shall make other reports on the status of the trust account and disbursements therefrom as may be required by the County in addition to the foregoing check register. The trust account shall not be used for any payments to Consultant, with the exception of agreed-upon services specified in written authorization by County.

## **ARTICLE II**

**Term:** This Agreement shall become effective upon final execution by both parties hereto and shall cover the period of November 1, 2013 through October 31, 2016.

## **ARTICLE III**

**Compensation for Services:** For services provided herein, County agrees to pay Consultant in advance, according to the following schedule:

November 1, 2013 through October 31, 2014	\$21,750.00 per month
November 1, 2014 through October 31, 2015	\$22,402.50 per month *
November 1, 2015 through October 31, 2016	\$23,074.58 per month *

\* NTE 3% increase per year after year one.

In addition, Consultant will provide medical bill review services as consultant deems appropriate. The cost for these services may be charged to the Trust Account, provided that a copy of the itemized invoice of medical review charges is forwarded monthly to County, and provided that the rates charged to County do not exceed amounts specified in Exhibit "C," marked "Medical Management Services," incorporated herein and made by reference a part hereof.

In addition, County may request optional risk control services as outlined in Exhibit "D," marked "Optional Risk Control and Special Services," incorporated here in and made by reference a part hereof. Total amount of optional services requested shall not exceed \$30,000.00.



Total amount of this Agreement, inclusive of optional services, shall not exceed \$836,724.96.

#### **ARTICLE IV**

**Taxes:** Consultant certifies that as of today's date, it is not in default on any unsecured property taxes or other taxes or fees owed by Consultant to County.

#### **ARTICLE V**

**Changes to Agreement:** This Agreement may be amended by mutual consent of the parties hereto. Said amendments shall become effective only when in writing and fully executed by duly authorized officers of the parties hereto.

#### **ARTICLE VI**

**Consultant to County:** It is understood that the services provided under this Agreement shall be prepared in and with cooperation from County and its staff. It is further agreed that in all matters pertaining to this Agreement, Consultant shall act as Consultant only to County and shall not act as Consultant to any other individual or entity affected by this Agreement nor provide information in any manner to any party outside of this Agreement that would conflict with Consultant's responsibilities to County during term hereof.

#### **ARTICLE VII**

**Assignment and Delegation:** Consultant is engaged by County for its unique qualifications and skills as well as those of its personnel. Consultant shall not subcontract, delegate or assign services to be provided, in whole or in part, to any other person or entity without prior written consent of County.

#### **ARTICLE VIII**

**Independent Consultant/Liability:** Consultant is, and shall be at all times, deemed independent and shall be wholly responsible for the manner in which it performs services required by terms of this Agreement. Consultant exclusively assumes responsibility for acts of its employees, associates, and subConsultants, if any are authorized herein, as they relate to services to be provided under this Agreement during the course and scope of their employment.

Consultant shall be responsible for performing the work under this Agreement in a safe, professional, skillful and workmanlike manner and shall be liable for its own negligence and negligent acts of its employees. County shall have no right of control over the manner in which work is to be done and shall, therefore, not be charged with responsibility of preventing risk to Consultant or its employees.

#### **ARTICLE IX**

**Fiscal Considerations:** The parties to this Agreement recognize and acknowledge that County is a political subdivision of the State of California. As such, El Dorado County is subject to the

provisions of Article XVI, Section 18 of the California Constitution and other similar fiscal and procurement laws and regulations and may not expend funds for products, equipment or services not budgeted in a given fiscal year. It is further understood that in the normal course of County business, County will adopt a proposed budget prior to a given fiscal year, but that the final adoption of a budget does not occur until after the beginning of the fiscal year.

Notwithstanding any other provision of this Agreement to the contrary, County shall give notice of cancellation of this Agreement in the event of adoption of a proposed budget that does not provide for funds for the services, products or equipment subject herein. Such notice shall become effective upon the adoption of a final budget which does not provide funding for this Agreement. Upon the effective date of such notice, this Agreement shall be automatically terminated and County released from any further liability hereunder.

In addition to the above, should the Board of Supervisors during the course of a given year for financial reasons reduce, or order a reduction, in the budget for any County department for which services were contracted to be performed, pursuant to this paragraph in the sole discretion of the County, this Agreement may be deemed to be canceled in its entirety subject to payment for services performed prior to cancellation.

#### **ARTICLE X**

**Audit by California State Auditor:** Consultant acknowledges that if total compensation under this agreement is greater than \$10,000.00, this Agreement is subject to examination and audit by the California State Auditor for a period of three (3) years, or for any longer period required by law, after final payment under this Agreement, pursuant to California Government Code §8546.7. In order to facilitate these potential examinations and audits, Consultant shall maintain, for a period of at least three (3) years, or for any longer period required by law, after final payment under the contract, all books, records and documentation necessary to demonstrate performance under the Agreement.

#### **ARTICLE XI**

##### **Default, Termination, and Cancellation:**

- A. **Default:** Upon the occurrence of any default of the provisions of this Agreement, a party shall give written notice of said default to the party in default (notice). If the party in default does not cure the default within ten (10) days of the date of notice (time to cure), then such party shall be in default. The time to cure may be extended at the discretion of the party giving notice. Any extension of time to cure must be in writing, prepared by the party in default for signature by the party giving notice and must specify the reason(s) for the extension and the date on which the extension of time to cure expires.

Notice given under this section shall specify the alleged default and the applicable Agreement provision and shall demand that the party in default perform the provisions of this Agreement within the applicable period of time. No such notice shall be deemed a termination of this Agreement unless the party giving notice so elects in this notice, or the party giving notice so elects in a subsequent written notice after the time to cure has



expired. In the event of termination for default, County reserves the right to take over and complete the work by contract or by any other means.

- B. **Bankruptcy:** This Agreement, at the option of the County, shall be terminable in the case of bankruptcy, voluntary or involuntary, or insolvency of Consultant.
- C. **Ceasing Performance:** County may terminate this Agreement in the event Consultant ceases to operate as a business, or otherwise becomes unable to substantially perform any term or condition of this Agreement.
- D. **Termination or Cancellation without Cause:** County may terminate this Agreement in whole or in part upon seven (7) calendar days written notice by County without cause. If such prior termination is effected, County will pay for satisfactory services rendered prior to the effective dates as set forth in the Notice of Termination provided to Consultant, and for such other services, which County may agree to in writing as necessary for contract resolution. In no event, however, shall County be obligated to pay more than the total amount of the contract. Upon receipt of a Notice of Termination, Consultant shall promptly discontinue all services affected, as of the effective date of termination set forth in such Notice of Termination, unless the notice directs otherwise.

## **ARTICLE XII**

**Notice to Parties:** All notices to be given by the parties hereto shall be in writing and served by depositing same in the United States Post Office, postage prepaid and return receipt requested. Notices to County shall be addressed as follows:

COUNTY OF EL DORADO  
Risk Management  
330 Fair Lane  
Placerville, CA 95667  
ATTN: Kimberly A. Kerr, Assistant CAO

or to such other location as the County directs.

with a carbon copy to

COUNTY OF EL DORADO  
Chief Administrative Office  
Procurement and Contracts Division  
360 Fair Lane  
Placerville, CA 95667  
ATTN: Terri Daly, Purchasing Agent

Notices to Consultant shall be addressed as follows:

YORK RISK SERVICES GROUP, INC.  
P.O. Box 619079  
Roseville, CA 95661  
ATTN: Jody A. Gray, ~~President, Public Entity~~ *Sr. Vice President*

or to such other location as the Consultant directs.

### **ARTICLE XIII**

**Change of Address:** In the event of a change in address for Consultant's principal place of business, Consultant's Agent for Service of Process, or Notices to Consultant, Consultant shall notify County in writing pursuant to the provisions contained in this Agreement under the Article titled "Notice to Parties". Said notice shall become part of this Agreement upon acknowledgment in writing by the County Contract Administrator, and no further amendment of the Agreement shall be necessary provided that such change of address does not conflict with any other provisions of this Agreement.

### **ARTICLE XIV**

**Indemnity:** The Consultant shall defend, indemnify, and hold the County harmless against and from any and all claims, suits, losses, damages and liability for damages of every name, kind and description, including attorneys fees and costs incurred, brought for, or on account of, injuries to or death of any person, including but not limited to workers, County employees, and the public, or damage to property, or any economic or consequential losses, which are claimed to or in any way arise out of or are connected with the Consultant's services, operations, or performance hereunder, regardless of the existence or degree of fault or negligence on the part of the County, the Consultant, subConsultant(s) and employee(s) of any of these, except for the sole, or active negligence of the County, its officers and employees, or as expressly prescribed by statute. This duty of Consultant to indemnify and save County harmless includes the duties to defend set forth in California Civil Code Section 2778.

### **ARTICLE XV**

**Insurance:** Consultant shall provide proof of a policy of insurance satisfactory to the County of El Dorado Risk Manager and documentation evidencing that Consultant maintains insurance that meets the following requirements:

- A. Full Worker's Compensation and Employer's Liability Insurance covering all employees of Consultant as required by law in the State of California.
- B. Commercial General Liability Insurance of not less than \$1,000,000.00 combined single limit per occurrence for bodily injury and property damage and a \$2,000,000.00 aggregate limit.



- C. Automobile Liability Insurance of not less than \$1,000,000.00 is required in the event motor vehicles are used by the Consultant in the performance of the Agreement.
- D. In the event Consultant is a licensed professional or professional consultant, and is performing professional services under this Agreement, professional liability is required with a limit of liability of not less than \$1,000,000.00 per occurrence.
- E. Consultant shall furnish a certificate of insurance satisfactory to the County of El Dorado Risk Manager as evidence that the insurance required above is being maintained.
- F. The insurance will be issued by an insurance company acceptable to Risk Management, or be provided through partial or total self-insurance likewise acceptable to Risk Management.
- G. Consultant agrees that the insurance required above shall be in effect at all times during the term of this Agreement. In the event said insurance coverage expires at any time or times during the term of this Agreement, Consultant agrees to provide at least thirty (30) days prior to said expiration date, a new certificate of insurance evidencing insurance coverage as provided for herein for not less than the remainder of term of the Agreement, or for a period of not less than one (1) year. New certificates of insurance are subject to the approval of Risk Management and Consultant agrees that no work or services shall be performed prior to the giving of such approval. In the event the Consultant fails to keep in effect at all times insurance coverage as herein provided, County may, in addition to any other remedies it may have, terminate this Agreement upon the occurrence of such event.
- H. The certificate of insurance must include the following provisions stating that:
  - 1. The insurer will not cancel the insured's coverage without prior written notice to County, and;
  - 2. The County of El Dorado, its officers, officials, employees and volunteers are included as additional insured on an additional insured endorsement, but only insofar as the operations under this Agreement are concerned. This provision shall apply to the general liability policy.
- I. The Consultant's insurance coverage shall be primary insurance as respects the County, its officers, officials, employees and volunteers. Any insurance or self-insurance maintained by the County, its officers, officials, employees or volunteers shall be in excess of the Consultant's insurance and shall not contribute with it.
- J. Any deductibles or self-insured retentions must be declared to and approved by the County, either: the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the County, its officers, officials, employees and volunteers; or the Consultant shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.

- K. Any failure to comply with the reporting provisions of the policies shall not affect coverage provided to the County, its officers, officials, employees or volunteers.
- L. The insurance companies shall have no recourse against the County of El Dorado, its officers and employees or any of them for payment of any premiums or assessments under any policy issued by any insurance company.
- M. Consultant's obligations shall not be limited by the foregoing insurance requirements and shall survive expiration of this Agreement.
- N. In the event Consultant cannot provide an occurrence policy, Consultant shall provide insurance covering claims made as a result of performance of this Agreement for not less than three (3) years following completion of performance of this Agreement.
- O. Certificate of insurance shall meet such additional standards as may be determined by the contracting County Department either independently or in consultation with Risk Management, as essential for protection of the County.

#### **ARTICLE XVI**

**Interest of Public Official:** No official or employee of County who exercises any functions or responsibilities in review or approval of services to be provided by Consultant under this Agreement shall participate in or attempt to influence any decision relating to this Agreement which affects personal interest or interest of any corporation, partnership, or association in which he/she is directly or indirectly interested; nor shall any such official or employee of County have any interest, direct or indirect, in this Agreement or the proceeds thereof.

#### **ARTICLE XVII**

**Interest of Consultant:** Consultant covenants that Consultant presently has no personal interest or financial interest, and shall not acquire same in any manner or degree in either: 1) any other contract connected with or directly affected by the services to be performed by this Agreement; or, 2) any other entities connected with or directly affected by the services to be performed by this Agreement. Consultant further covenants that in the performance of this Agreement no person having any such interest shall be employed by Consultant.

#### **ARTICLE XVIII**

**Conflict of Interest:** The parties to this Agreement have read and are aware of the provisions of Government Code Section 1090 et seq. and Section 87100 relating to conflict of interest of public officers and employees. Consultant attests that it has no current business or financial relationship with any County employee(s) that would constitute a conflict of interest with provision of services under this contract and will not enter into any such business or financial relationship with any such employee(s) during the term of this Agreement. County represents that it is unaware of any financial or economic interest of any public officer or employee of Consultant relating to this Agreement. It is further understood and agreed that if such a financial interest does exist at the inception of this Agreement either party may immediately terminate this



Agreement by giving written notice as detailed in the Article in the Agreement titled, "Default, Termination and Cancellation".

#### **ARTICLE XIX**

**California Residency (Form 590):** If Consultant is a California resident, Consultant must file a State of California Form 590, certifying its California residency or, in the case of a corporation, certifying that it has a permanent place of business in California. The Consultant will be required to submit a Form 590 prior to execution of an Agreement or County shall withhold seven (7) percent of each payment made to the Consultant during term of the Agreement. This requirement applies to any agreement/contract exceeding \$1,500.00.

#### **ARTICLE XX**

**Nonresident Withholding:** If Consultant is not a California resident, Consultant shall provide documentation that the State of California has granted a withholding exemption or authorized reduced withholding prior to execution of this Agreement or County shall withhold seven (7%) percent of each payment made to the Consultant during term of the Agreement as required by law. This requirement applies to any agreement/contract exceeding \$1,500.00. Consultant shall indemnify and hold the County harmless for any action taken by the California Franchise Tax Board.

#### **ARTICLE XXI**

**Taxpayer Identification Number (Form W-9):** All independent Consultants or corporations providing services to the County must file a Department of the Treasury Internal Revenue Service Form W-9, certifying their Taxpayer Identification Number.

#### **ARTICLE XXII**

**County Business License:** It is unlawful for any person to furnish supplies or services, or transact any kind of business in the unincorporated territory of El Dorado County without possessing a County business license unless exempt under County Code Section 5.08.070.

#### **ARTICLE XXIII**

**Administrator:** The County Officer or employee with responsibility for administering this Agreement is Kimberly A. Kerr, Assistant CAO, or successor.

#### **ARTICLE XXIV**

**Authorized Signatures:** The parties to this Agreement represent that the undersigned individuals executing this Agreement on their respective behalf are fully authorized to do so by law or other appropriate instrument and to bind upon said parties to the obligations set forth herein.

**ARTICLE XXV**

**Partial Invalidity:** If any provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions will continue in full force and effect without being impaired or invalidated in any way.

**ARTICLE XXVI**

**Venue:** Any dispute resolution action arising out of this Agreement, including, but not limited to, litigation, mediation, or arbitration, shall be brought in El Dorado County, California, and shall be resolved in accordance with the laws of the State of California.

**ARTICLE XXVII**

**No Third Party Beneficiaries:** Nothing in this Agreement is intended, nor will be deemed, to confer rights or remedies upon any person or legal entity not a party to this agreement.

**ARTICLE XXVIII**

**Entire Agreement:** This document and the documents referred to herein or exhibits hereto are the entire Agreement between the parties and they incorporate or supersede all prior written or oral Agreements or understandings.

**Requesting Contract Administrator and Department Head Concurrence:**

By: Kimberly A Kerr  
Kimberly A. Kerr  
Assistant CAO  
Risk Management

Dated: 11/4/13

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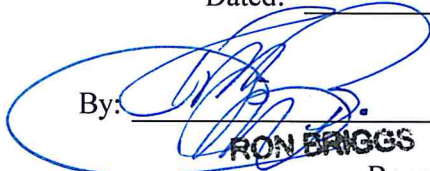
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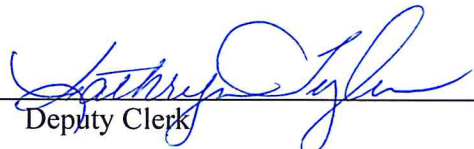


IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the dates indicated below.

-- COUNTY OF EL DORADO --


Dated: 11/5/13  
By:  \_\_\_\_\_  
RON BRIGGS Chair  
Board of Supervisors  
"County"

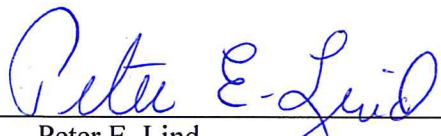
ATTEST:  
James S. Mitrising  
Clerk of the Board of Supervisors

By:  \_\_\_\_\_ Dated: 11/5/13  
Deputy Clerk

-- CONSULTANT --

YORK RISK SERVICES GROUP, INC.  
A NEW YORK CORPORATION

By:  \_\_\_\_\_ Dated: 10/30/13  
Jody A. Gray  
President, Public Entity Sr. Vice President *etc*  
"Consultant"

By:  \_\_\_\_\_ Dated: 10/31/13  
Peter E. Lind  
Corporate Secretary

# Exhibit "A"



Adopted: December 6, 1985  
Amended: March 4, 1988  
Amended: October 7, 1988  
Amended: October 6, 1995  
Amended: October 1, 1999  
Amended: June 6, 2003  
Amended: March 2, 2007  
Amended: July 1, 2009  
Amended: July 1, 2011  
Amended: March 2, 2012

## WORKERS' COMPENSATION CLAIMS ADMINISTRATION GUIDELINES

The following Guidelines have been adopted by the CSAC Excess Insurance Authority (hereinafter The Authority or the EIA) in accordance with Article 18(b) of the CSAC Excess Insurance Authority Joint Powers Agreement. It is the intent of these Guidelines to comply with all applicable Labor Code and California Code of Regulations Sections. In the event that there exists a conflict between the Guidelines, the Labor Code or the Code of Regulations, the most stringent requirement shall apply.

### I. CLAIM HANDLING - ADMINISTRATIVE

#### A. Case Load

1. The claims examiner assigned to the Member shall handle a targeted caseload of 150 but not to exceed 175 indemnity claims. This caseload shall include future medical cases with every 2 future medical cases counted as 1 indemnity case.
2. Supervisory personnel should not handle a caseload, although they may handle specific issues.

#### B. Case Review and Documentation

1. Documentation should reflect any significant developments in the file and include a plan of action. The examiner should review the file at intervals not to exceed 45 calendar days. Future medical files should be reviewed at intervals not to exceed 90 calendar days. The supervisor shall monitor activity on indemnity files at intervals not to exceed 120 calendar days. Future medical files shall be reviewed by the supervisor at intervals not to exceed 180 calendar days. An accomplishment level of 95% shall be considered acceptable.



2. File contents shall comply with Code of Regulations Sections 10101, 10101.1 and 15400, and be kept in a neat and orderly fashion. An accomplishment level of 95% shall be considered acceptable.
3. All medical-only cases shall be reviewed for potential closure or transfer to an indemnity examiner within 90 calendar days following claim file creation. An accomplishment level of 95% shall be considered acceptable.

**C. Communication**

**1. Telephone Inquiries**

Return calls shall be made within 1 working day of the original telephone inquiry. All documentation shall reflect these efforts. An accomplishment level of 95% shall be considered acceptable.

**2. Incoming Correspondence**

All correspondence received shall be clearly stamped with the date of receipt. An accomplishment level of 95% shall be considered acceptable.

**3. Return Correspondence**

All correspondence requiring a written response shall have such response completed and transmitted within 5 working days of receipt. An accomplishment level of 95% shall be considered acceptable.

**D. Fiscal Handling**

1. Fiscal handling for indemnity benefits on active cases shall be balanced with appropriate file documentation on a semi-annual basis to verify that statutory benefits are paid appropriately. Balancing is defined as, "an accounting of the periods and amounts due in comparison with what was actually paid". An accomplishment level of 95% shall be considered acceptable.
2. In cases of multiple losses with the same person, payments shall be made on the appropriate claim file. An accomplishment of 95% shall be considered acceptable.

**E. Medicare Reporting**

Proper verification of a claimant's status as to Medicare eligibility shall be completed and documented in the claim file. In those cases where the claimant does meet the eligibility requirements, mandatory reporting to the Center for Medicaid Services (CMS) must be completed directly or through a reporting agent in compliance with Section 111 of the Medicare Medicaid and SCHIP Extension Act of 2007 ("MMSEA"). An accomplishment of 100% shall be considered acceptable.

**II. CLAIM CREATION**

**A. Three Point Contact**

Three point contact shall be conducted with the injured worker, employer representative and treating physician within 3 working days of receipt of the claim by the third party administrator or self administered entity. If a nurse case manager is assigned to the claim, initial physician contact may be conducted by either the claims examiner or the nurse case manager. In the event a party is non-responsive, there should be evidence of at least three documented attempts to reach the individual. Medical-only claims shall have this three point contact requirement as well. An accomplishment level of 95% shall be considered acceptable.

**B. Compensability**

1. The initial compensability determination (accept claim, deny claim or delay acceptance pending the results of additional investigation) and the reasons for such a determination shall be made and documented in the file within 14 calendar days of the filing of the claim with the employer. In the event the claim is not received by the third party administrator or self administered entity within 14 calendar days of the filing of the claim with the employer, the third party administrator or self administered entity shall make the initial compensability determination within 7 calendar days of receipt of the claim. An accomplishment level of 100% shall be considered acceptable.
2. Delay of benefit letters shall be mailed in compliance with the Division of Workers' Compensation (DWC) guidelines. In the event the employer does not provide notice of lost time to the third party administrator or self administered entity timely to comply with DWC guidelines, the third party administrator or self administered entity shall mail the benefit letters within 7 calendar days of notification. An accomplishment level of 100% shall be considered acceptable.



3. The final compensability determination shall be made by the claims examiner or supervisor within 90 calendar days of employer receipt of the claim form. An accomplishment level of 100% shall be considered acceptable.

**C. AOE/COE Investigation**

If a decision is made to delay benefits on a claim, an AOE/COE investigation shall be initiated within 3 working days of the decision to delay. This may include, but is not limited to, assigning out for witness/injured worker statements, initiating the QME/AME process, requesting medical records, etc. An accomplishment level of 95% shall be considered acceptable.

**D. Reserves**

1. Using the information available at claim file set up, an initial reserve shall be established for the most probable case value. An accomplishment level of 95% shall be considered acceptable.
2. The initial reserve shall be electronically posted to the claim within 14 calendar days of receipt of the claim. An accomplishment level of 95% shall be considered acceptable.

**E. Indexing**

All claims shall be reported to the Index Bureau at time of initial set up and re-indexed on an as needed basis thereafter. An accomplishment level of 95% shall be considered acceptable.

The EIA maintains membership with the Index Bureau that members can access.

**III. CLAIM HANDLING – TECHNICAL**

**A. Payments**

1. Initial Temporary and Permanent Disability Indemnity Payment
  - a. The initial indemnity payment shall be issued to the injured worker within 14 calendar days of knowledge of the injury and disability. In the event the third party administrator or self administered entity is not notified of the injury and disability within 14 calendar days of the employer's knowledge, the third party administrator or self administered entity shall make payment within 7 calendar days of

notification. Initial permanent disability payments shall be issued within 14 calendar days after the date of last payment of temporary disability. This shall not apply with salary continuation. An accomplishment level of 100% shall be considered acceptable.

- b. The properly completed DWC Benefit Notice shall be mailed to the employee within 14 calendar days of the first day of disability. In the event the third party administrator or self administered entity is not notified of the first day of disability until after 14 calendar days, the DWC Benefit Notice shall be mailed within 7 calendar days of notification. An accomplishment level of 100% shall be considered acceptable.
- c. Self imposed penalty shall be paid on late payments in accordance with Section III. A.7 of this document. An accomplishment level of 100% shall be considered acceptable.
- d. Overpayments shall be identified and reimbursed timely where appropriate. The third party administrator or self administered entity shall request reimbursement of overpaid funds from the party that received the funds. If necessary, a credit shall be sought as part of any resolution of the claim. An accomplishment level of 95% shall be considered acceptable.

## **2. Subsequent Temporary and Permanent Disability Payments**

- a. Eligibility for indemnity payments subsequent to the first payment shall be verified, except for established long-term disability. An accomplishment level of 100% shall be considered acceptable.
- b. Self imposed penalty shall be paid on late payments in accordance with Section III. A.7 of this document. An accomplishment level of 100% shall be considered acceptable.

## **3. Final Temporary and Permanent Disability Payments**

- a. All final indemnity payments shall be issued timely and the appropriate DWC benefit notices sent. An accomplishment level of 100% shall be considered acceptable.



- b. Self imposed penalty shall be paid on late payments in accordance with Section III. A.7. of this document. An accomplishment level of 100% shall be considered acceptable.

#### **4. Award Payments**

- a. Payments on undisputed Awards, Commutations, or Compromise and Releases shall be issued within 10 calendar days following receipt of the appropriate document. An accomplishment level of 95% shall be considered acceptable.
- b. For all excess reportable claims, copies of all Awards shall be provided to the Authority at time of payment. An accomplishment level of 95% shall be considered acceptable.

#### **5. Medical Payments**

- a. Medical treatment billings (physician, pharmacy, hospital, physiotherapist, etc.) shall be reviewed for correctness, approved for payment and paid within 60 working days of receipt. An accomplishment level of 100% shall be considered acceptable.
- b. The medical provider must be notified in writing within 30 working days of receipt of an itemized bill if a medical bill is contested, denied or incomplete. An accomplishment level of 100% shall be considered acceptable.
- c. A bill review process should be utilized whenever possible. There should be participation in a PPO and/or MPN whenever possible.

#### **6. Injured Worker Reimbursement Expense**

- a. Reimbursements to injured workers shall be issued within 15 working days of the receipt of the claim for reimbursement. An accomplishment level of 95% shall be considered acceptable.
- b. Advance travel expense payments shall be issued to the injured worker 10 working days prior to the anticipated date

of travel. An accomplishment level of 95% shall be considered acceptable.

**7. Penalties**

- a. Penalties shall be coded so as to be identified as a penalty payment. An accomplishment level of 100% shall be considered acceptable
- b. If the Member utilizes a third party administrator, the Member shall be advised of the assessment of any penalty for delayed payment and the reason thereof, and the administrator's plans for payment of such penalty, on a monthly basis. An accomplishment level of 95% shall be considered acceptable.
- c. If the Member utilizes a third party administrator, the Member, in their contract with the administrator, shall specify who is responsible for specific penalties.

**B. Medical Treatment**

1. Each Member shall have in place a Utilization Review process. An accomplishment level of 100% shall be considered acceptable.
2. Disputes regarding spine surgery shall be resolved using the process set forth in Labor Code Section 4062(b). An accomplishment level of 100% shall be considered acceptable.
3. Nurse case managers shall be utilized where appropriate. An accomplishment level of 95% shall be considered acceptable.
4. If enrolled in a Medical Provider Network, the network shall be utilized whenever appropriate.

**C. Apportionment**

1. Investigation into the existence of apportionment shall be documented. An accomplishment level of 100% shall be considered acceptable.
2. If potential apportionment is identified, all efforts to reduce exposure shall be pursued. An accomplishment level of 100% shall be considered acceptable.



**D. Disability Management**

- 1. The third party administrator or self administered entity shall work proactively to obtain work restrictions and/or a release to full duty on all cases. The TPA or self-administered entity shall notify a designated Member representative immediately upon receipt of temporary work restrictions or a release to full duty, and work closely with the Member to establish a return to work as soon as possible. An accomplishment level of 95% shall be considered acceptable.**
- 2. The third party administrator or self administered entity shall notify a designated Member representative immediately upon receipt of an employee's permanent work restrictions so that the Member can determine the availability of alternative, modified or regular work. An accomplishment level of 100% shall be considered acceptable.**
- 3. If there is no response within 20 calendar days, the third party administrator or self administered entity shall follow up with the designated Member representative. An accomplishment level of 100% shall be considered acceptable.**
- 4. Members shall have in place a process for complying with laws preventing disability discrimination, including Government Code Section 12926.1 which requires an interactive process with the injured worker when addressing a return to work particularly with permanent work restrictions.**
- 5. Third party administrators or self administered claims professional shall cooperate with members to the fullest extent, in providing medical and other information the member deems necessary for the member to meet its obligations under federal and state disability laws.**

**E. Supplemental Job Displacement Benefits**

- 1. Supplemental Job Displacement Benefits – Dates of injury 1/1/04 and after: Benefits pursuant to Labor Code Section 4658.5 shall be timely provided. An accomplishment level of 100% shall be considered acceptable.**
- 2. The third party administrator or self administered entity shall secure the prompt conclusion of vocational rehabilitation/SJDB and settle where appropriate. An accomplishment level of 95% shall be considered acceptable.**

**F. Reserving**

1. Reserves shall be reviewed at regular diary and at time of any significant event, e.g., surgery, P&S/MMI, return to work, etc., and adjusted accordingly. This review shall be documented in the file regardless of whether a reserve change was made. An accomplishment level of 95% shall be considered acceptable.
2. Indemnity reserves shall reflect actual temporary disability indemnity exposure with 4850 differential listed separately. An accomplishment level of 100% shall be considered acceptable.
3. Permanent disability indemnity exposure shall include life pension reserve if appropriate. An accomplishment level of 100% shall be considered acceptable.
4. Future medical claims shall be reserved in compliance with SIP regulation 15300 allowing adjustment for reductions in the approved medical fee schedule, undisputed utilization review, medically documented non-recurring treatment costs and medically documented reductions in life expectancy. An accomplishment level of 100% shall be considered acceptable.

**G. Resolution of Claim**

1. Within 10 working days of receiving medical information indicating that a claim can be finalized, the claims examiner shall take appropriate action to finalize the claim. An accomplishment level of 95% shall be considered acceptable.
2. Settlement value shall be documented appropriately utilizing all relevant information. An accomplishment level of 95% shall be considered acceptable.

**H. Settlement Authority**

1. No agreement shall be authorized involving liability, or potential liability, of the Authority without the advance written consent of the Authority. An accomplishment level of 100% shall be considered acceptable.
2. The third party administrator shall obtain the Member's authorization on all settlements or stipulations in excess of the settlement authority provided in any provision of the individual



contract between the Member and the claims administrator. An accomplishment level of 100% shall be considered acceptable.

#### **IV. LITIGATED CASES**

The third party administrator or self administered entity shall establish written guidelines for the handling of litigated cases. The guidelines should, at a minimum, include the points below, which may be adopted and incorporated by reference as "the guidelines".

##### **A. Defense of Litigated Claims**

1. The third party administrator or self administered entity shall promptly initiate investigation of issues identified as material to potential litigation. The Member shall be alerted to the need for in-house investigation, or the need for a contract investigator who is acceptable to the Member. The Member shall be kept informed on the scope and results of investigations. An accomplishment level of 95% shall be considered acceptable.
2. The third party administrator or self administered entity shall, in consultation with the Member, assign defense counsel from a list approved by the Member. An accomplishment level of 95% shall be considered acceptable.
3. Settlement proposals directed to the Member shall be forwarded by the third party administrator, self administered entity or defense counsel in a concise and clear written form with a reasoned recommendation. Settlement proposals shall be presented to the Member as directed so as to insure receipt in sufficient time to process the proposal. An accomplishment level of 95% shall be considered acceptable.
4. Knowledgeable Member personnel shall be involved in the preparation for medical examinations and trial, when appropriate or deemed necessary by the Member so that all material evidence and witnesses are utilized to obtain a favorable result for the defense. An accomplishment level of 95% shall be considered acceptable.
5. The third party administrator or self administered entity shall comply with any reporting requirement of the Member. An accomplishment level of 95% shall be considered acceptable.

## **B. Subrogation**

1. In all cases where a third party (other than a Member employee or agent) is responsible for the injury to the employee, attempts to obtain information regarding the identity of the responsible party shall be made within 14 calendar days of recognition of subrogation potential. Once identified, the third party shall be contacted within 14 calendar days with notification of the Member's right to subrogation and the recovery of certain claim expenses. If the third party is a governmental entity, a claim shall be filed with the governing board (or State Board of Control as to State entities) within 6 months of the injury or notice of the injury. An accomplishment level of 95% shall be considered acceptable.
2. Periodic contact shall be made with the responsible party and/or insurer to provide notification of the amount of the estimated recovery to which the Member shall be entitled. An accomplishment level of 95% shall be considered acceptable.
3. The file shall be monitored to determine the need to file a complaint in civil court in order to preserve the statute of limitations. An accomplishment level of 95% shall be considered acceptable.
4. If the injured worker brings a civil action against the party responsible for the injury, the claims administrator shall consult with the Member about the value of the subrogation claim and other considerations. Upon Member authorization, subrogation counsel shall be assigned to file a Lien or a Complaint in Intervention in the civil action. An accomplishment level of 95% shall be considered acceptable.
5. Whenever practical, the claims administrator shall aggressively pursue recovery in any subrogation claim. They should attempt to maximize the recovery for benefits paid, and assert a credit against the injured worker's net recovery for future benefit payments. An accomplishment level of 95% shall be considered acceptable.

## **V. EXCESS COVERAGE**

- A. Claims meeting the definition of reportable excess workers' compensation claims as defined by the Memorandum of Coverage Conditions Section shall be reported to the Authority within 5 working days of the day on which it is known the criterion is met. Utilize the Excess Workers' Compensation First Report Form available through the EIA website. An accomplishment level of 100% shall be considered acceptable.



- B. Subsequent reports shall be transmitted to the Authority on a quarterly basis on indemnity claims and on a semi-annual basis on future medical claims sooner if claim activity warrants, or at such other intervals as requested by the Authority, in accordance with Underwriting and Claims Administration Standards. Utilize the Excess Workers' Compensation Status Report Form available through the EIA website, or a comparable form to be approved by the Authority. An accomplishment level of 95% shall be considered acceptable.**
- C. Reimbursement requests should be submitted in accordance with the Authority's reporting and reimbursement procedures on a quarterly or semi-annual basis depending on claims payment activity. Utilize the Excess Workers' Compensation Claim Reporting and Reimbursement Procedures available through the EIA website. An accomplishment level of 95% shall be considered acceptable.**
- D. A closing report with a copy of any settlement documents not previously sent shall be sent to the Authority. An accomplishment level of 95% shall be considered acceptable.**

Exhibit "B"

El Dorado County - Strategic Planning Development

Task	Comments	Owner	Milestone	Due Date(s)	Action Items	Progress	Measurement of Success
On-Site Office Hours	The meetings will start off monthly. Sherri will confirm date internally and get back to York (Wednesdays). The meetings will be open to Departments and/or Employees. The Risk Mgt team and York will develop a joint announcement/invite. Ariel will block one hour where she will meet with Kim and Sherri to go over settlement requests.	Tricia/Sherri	01/25/2013	02/20/2013	Select Date/Complete Invite/Determine Best Circulation Method	1/17/13- Reached out to Michelle to develop a preliminary announcement. Confirm date with Sherri. 1/18/13 - Sherri to verify which Wednesday each month York will be on-site. **Need to ensure we have an air card for visits** 1/28/13- Michelle finished first draft of the invite. Sent it to Sherri for review. Also need to finalize date.	# of scheduled visits; # of settlements; reduced lit rate; reduction in life of claim; survey monkey
Quarterly Claim Reviews	York and El Dorado agreed to March, June, Mid-October, and early January. Tricia Kelley to provide reports to Sherri in Feb, May, Mid-September, and early December (sort by dept). Based on reports supplied Sherri will invite depts - Sheriff, Health and Human Services Agency, and/or Community Development Agency.	Suzanne/Sherri	01/15/2013	01/15/2013	Completed/Monitoring Progress	First Claim Review scheduled for 3/19/13. Looking to invite Sheriff and Probation. This task is complete. 1/25/13- Suzanne will reach out to Sherri to ID parameters for review, ie. # of files per dept, etc.	Dept. attendance; case strategy development and execution; EIA feedback; enhanced customer service
Investigations	El Dorado expressed concerns regarding outcome from York's internal investigations. York agreed that we would complete a sample review of the recent reports and Bettina would talk with Executive Mgt in our investigations dept. York needs to ensure we are securing the right investigator based on fact pattern. Consider using Cindy from APEX.	Bettina	01/14/2013	01/31/2013	Bettina to Review Investigative Reports/Talk to Mgr/Report Outcomes to County	1/14/13 - Claims team is aware of the importance of triaging all referrals to ensure the correct investigator is ID. Bettina is communicating with Tom Baber regarding prior investigations. Feedback will be provided to Sherri and Kim by 1/31/13.	Client satisfaction with outcome
Cost Containment File	York will generate a quarterly report to El Dorado capturing what has been paid off the file. It will include employee name, dept, service provided, i.e. drug screen, ergo eval, fit for duty, etc.	Tricia	02/08/2013	04/01/2013	Produce Custom Report/Review with Client/Put Report into Production	1/18/13 - Reached out to Candy Hansler to determine if they can add a column to the payment detail report to include comments outlined on the "for" line. 1/18/13 - Submitted ticket to customize report.	Quarterly reports validating expenses
Staffing	With increased customer focus, York and El Dorado County agreed there is a need to add to staff - designated Indemnity Examiner. Sherri advised she would like to be part of the selection process.	Suzanne/Sherri	01/16/2013	02/15/2013	Proposed Examiner to meet El Dorado/EI Dorado to Provide Feedback/Finalize 2nd Examiner Workflow/Assignments	1/16/13- Provided bio to Sherri. In process of scheduling interviews. Interview with Jennifer on 1/30/13.	Claims Examiner meeting scope of service/Client Expectations;
Stewardship Report	Kim would like to see the following reports: Annually - 10 year history of claims filed valued as of 6/30 of each year. Annual Stewardship Report - Sherri and Kim would like to see more analysis- rationale behind a decrease/increase as well as a comment on the value of a \$. Sherri would like to see monthly reports to include: change in claim type, open and closed during the month, total paid for current month and grand total, frequency by dept, current inventory by claim type, number of claims by dept - including both new and reported, cause and type of injury by dept	Tricia/Sherri	02/08/2013	02/28/2013	Roundtable Current Reports with El Dorado, Customize Reports/Review with El Dorado/Put into Production	Review reports and set up a time to meet with Sherri to go over report criteria. 1/18/13 - Emailed Sherri to schedule a follow-up reports meeting. 1/29/13- Requested Data Dump from IT for Kim valued as of 6/30/12.	Development and delivery of customized report



Company Nurse	El Dorado would like the ability to validate the charges they are receiving from Company Nurse	Tricia	01/18/2013	01/31/2013	Completed/Sample Report will be Provided to Sherri for Review and Approval	1/18/13 - Submitted ticket to put validation report into production and send monthly to Sherri, Suzanne and cc Tricia. 1/22/13- Report customized and set to auto generate monthly. 1/29 - Requested copy of sample report to send to Sherri for review and approval.	El Dorado County satisfaction with validation report
Countywide WC Training	Sherri would like to hold a mandatory training for Sups/Mgrs/Lead Workers. She would like to have two sessions, one in April and May. It would run approx. 4 hours. York will develop a powerpoint as part of the training and will present.	Suzanne/Tricia/Sherri	02/08/2013	02/19/2013	Select Dates/Meet with El Dorado to go over Agenda/Finalize Power Point/Confirm Speakers	1/17/13- Suzanne began working on updating the powerpoint. Need to schedule a time with Sherri to go over presentation. Finalize dates. 1/18/13- Emailed Sherri to set up a time to go over the power point and talk expectations. Also want to firm up training dates. 1/25/13- Suzanne will finalize her updates/review of the power point by next meeting on 2/1.	Agreed upon curriculum; provide training; training evaluation; attendance; survey monkey; management feels more empowered and educated about the WC system
Claims Connect Training	El Dorado would like to participate in additional face-to-face Claims Connect training.	Tricia	02/08/2013	02/28/2013	Schedule Date/Select Mode of Training	1/18/13- Sent email to Sherri to coordinate a training date.	Completed Training; user skill self assessment;
Tracking Modified Duty	The current report is not meeting El Dorado's needs. The report needs to capture all claims where the employee is on modified duty during the two week interval.	Tricia	01/18/2013	02/28/2013	Produce Custom Report/Review with Client/Put Report into Production	1/18/2013 - Submitted request for custom report. Reopening ticket previously assigned to Brad Stevenson.	El Dorado County satisfaction with data tracking/report;
Partnering with Doctors/Fit for Duty	El Dorado is looking to partner with Marshall for pre-employment, WC, wellness program, etc. York will reach out to Clients in the same geographical area to seek their interest. Tani to also run a geo mapping.	Tani/Bettina	02/08/2013	03/07/2013	Schedule Appt with Marshall/Pull MPN List/ID Clients to Participate/Reach out to Clients/Coordinate Meeting with El Dorado (Agenda)	1/18/13 - Emailed spreadsheet to Bettina and Tani. Also emailed Kim to verify whether she would like York to call Marshall to set up a meeting or if she would prefer to coordinate. 1/24/13 - Tani obtained MPN geo map for WellComp and EIA. Meeting between Tani and Bettina set for 1/28 to discuss Client ID.	Formulate partnership with community; establish agreement with Providers
Customizing UR Program	Sherri approved the change in the UR plan to push more treatment down to the Claims Examiner level.	Tani	01/11/2013	01/14/2013	Completed and Will Monitor Progress	WellComp has updated the UR criteria and staff has been training on new workflow. Task completed.	Reduction in cost; compare quarter to quarter savings;
Develop PBM Program	Tani recommended El Dorado stay with Express Scripts for now. York is negotiating with ES and Progressive and updates will be provided.	Tani	01/22/2013	02/28/2013	Ongoing Talks between WellComp and Express Scripts	Ariel Powell to resume using Express Scripts on new losses. Tani will keep us apprised of meeting outcomes that may impact PBM program and savings.	Ease of use; evaluate savings after 6 months;
Metric for Measuring Performance	El Dorado wants a mechanism to measure how these new processes/action items will impact their program. Method for measurements outlined in column F.	Tricia/Bettina/Sherri	01/10/2013	04/15/2013	Implement Column F as Tasks are Completed	Measurements outlined in column F will be presented to Sherri and Kim by 4/15/13	Establish spreadsheet for tracking results

## Exhibit "C"

### Medical Management Services

<b>Medical Bill Re-Pricing</b>	
Bill Review, price per line	\$8.00
Minimum Number of Lines per Review	No Per Line Fee
Hospital Bill Review, % of Savings	22%
PPO Bill Review, % of Savings	22%
<b>Other Medical Management Services</b>	
Medical Case Management, Price per Hour	\$95.00
Utilization Review, Price per Review	\$65.00
Nurse Review – Telephonic, Price per Review	\$145.00
Nurse review – Field, Price per Review	\$145.00
MRI Review, Price per Review	\$65.00
Outpatient Surgery, Price per Review	\$145.00
Inpatient Surgery, Price per Review	\$145.00
Physical Therapy/Chiropractic, Price per Review	\$65.00
Durable Medical Equipment > \$1,000, Price Per Review	\$65.00
Physician Peer Review, Price per Hour	\$145.00
Pharmacy Review, Price per Review	\$145.00



## Exhibit "D"

### Optional Risk Control and Special Services

Claims investigations (AOE/COE, fraud), Price per Hour	\$95.00
Loss Control Services	\$95.00
Crime Prevention	
Pre-Employment Assistance	
Drug Screening Guidance	
Program Development	
Ergonomic Consultations	\$95.00
OSHA Compliance Consultations	\$95.00
Job Safety Site Surveys	\$95.00

Total Amount of optional services shall not exceed \$30,000.00