

Sedgwick Claims Management Services, Inc.

FOURTH AMENDMENT TO AGREEMENT FOR SERVICES #3360

THIS FOURTH AMENDMENT, ("Fourth Amendment"), effective November 1, 2022, to that Agreement for Services #3360 made and entered into by and between the County of El Dorado, a political subdivision of the State of California (hereinafter referred to as "County"), and Sedgwick Claims Management Services, Inc., an Illinois corporation duly qualified to conduct business in the State of California, whose principal place of business is 8125 Sedgwick Way, Memphis, Tennessee 38125 (hereinafter referred to as "Consultant");

RECITALS

WHEREAS, Consultant has been engaged by County to provide workers' compensation claims third-party administration (TPA) services including administration, investigation, adjustment, utilization review, bill review, and case management for tail claims for the County's Human Resources Department, Risk Management Division, pursuant to Agreement for Services #3360, dated November 1, 2018, First Amendment to Agreement for Services #3360, dated February 11, 2020, Second Amendment to Agreement for Services #3360, dated October 20, 2020, and Third Amendment to Agreement for Services #3360, dated October 26, 2021, incorporated herein and made by reference a part hereof (hereinafter referred to as "Agreement");

WHEREAS, the parties hereto desire to amend the Agreement to update the period for the services provided, amending **ARTICLE II, TERM, ARTICLE III, Compensation for Services**, and adding the renewal fee proposal for the extended period as **Addendum IV to Exhibit B**;

NOW, THEREFORE, in consideration of the foregoing and the mutual promises and covenants hereinafter contained, County and Consultant mutually agree to amend the terms of the Agreement in this Fourth Amendment to Agreement for Services #3360 on the following terms and conditions:

- I. **ARTICLE II, TERM**, of the Agreement is replaced with the following language:

ARTICLE II

Term: This Agreement, as amended, shall become effective when fully executed by both parties hereto and shall begin on November 1, 2018 and end on October 31, 2023."

- II. **ARTICLE III, Compensation for Services**, the first and fourth paragraphs of the Article are amended to add the following language:

For the period of November 1, 2022 through October 31, 2023, for the services provided herein, County agrees to pay Consultant \$10,169.42 for 11 months and \$10,169.38 for 1 month, in advance.

Total amount of this Agreement, as amended, for each one (1) year term, inclusive of optional services, shall not exceed \$122,033.

III. Exhibit B to the Agreement is amended, adding Addendum IV to Exhibit B, which is attached to this Fourth Amendment, which provides the summary of fees and terms for the extended service period defined in this Fourth Amendment.

Except as herein amended, all other parts and sections of Agreement for Services #3360, as amended, shall remain unchanged and in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Fourth Amendment to Agreement for Services #3360 on the dates indicated below.

--COUNTY OF EL DORADO--

By: 

Dated: 10/25/22

Board of Supervisors
"County"

Attest:
Kim Dawson
Clerk of the Board of Supervisors

By: 
Deputy Clerk

Dated: 10/25/22

--SEDGWICK CLAIMS MANAGEMENT SERVICES, INC.--

By: 
J. Edward Peel
Senior Vice President

Dated: September 26, 2022

Addendum IV to Exhibit B

Contract Term: 11/01/2022 – 10/31/2023

Summary of fees

Annual flat fee pricing

Sedgwick's annual flat fee pricing is based on the annual estimated claim volumes and the estimated required staffing to service those claims. If acquisitions, divestitures, changes in program requirements, or an increase in claim volume impacts the staffing requirements of the unit, Sedgwick reserves the right to modify the annual flat fee.

Coverage Line	Year 22/23
WC Annual Flat Fee	\$122,033.00

Items included in the quoted fees include:

- Services of Client Services Manager
- Telephonic/Virtual claim reviews (semi-annual)
- Claim Reporting
- viaOne access: for up to four users. This web-based tool provides a platform-independent solution for viewing and analyzing claims data. Access provides secure, near real-time information from Sedgwick's proprietary claims information system.

Sedgwick managed care

All claim administration fees and services contemplate the deployment of Sedgwick's managed care services for all medical bill review and clinical case management services.

Service	Rate
Medical bill review	
State fee scheduling/usual, customary and reasonable; state reporting	\$9.00 per bill
Provider networks	
Enhanced savings	25% of savings
Preferred provider organization (PPO) networks/out of network services	25% of savings

Service	Rate
Telephonic Clinical Services	
Telephonic case management: · Telephonic Nurse Case Manager · Surgery Nurse Case Manager · Behavioral Health Specialist	\$99 per hour
Customized Nurse Services	\$105 per hour ⁽¹⁾
Utilization Review & Peer Review	
Utilization review	\$145 per review
Physician advisor/peer review	\$250 per review
Physician review of records	\$275 per hour
Physician advisor appeal	\$350 per review
Complex pharmacy management	Pharmacy nurse management/pain coaching: \$115 per hour Physician and PharmD management (as needed): \$275 per hour
Field Case Management	
Medical field case management: Full field	\$99 per hour, plus direct expenses ⁽¹⁾ Urgent/Catastrophic case management: \$165 per hour ⁽¹⁾
Crisis Care RN	\$165 per hour ⁽¹⁾
<i>Field Case Management Tasks:</i>	
One visit clinical assessment	\$720 flat fee
Limited Assignment Task	\$105 per hour ⁽¹⁾
Specialty task services: Life Care Plan, Expert testimony, customized services	\$165 per hour

Service	Rate
Clinical Consultation Services	
Clinical consultation	\$110 per incident
Sedgwick managed care administrative services	
Lien resolution	28% of the below fee schedule savings subject to minimum fee of \$125 and cap of \$7,500 per lien Expert witness testimony or hearing representation charged at \$125 per hour plus direct expenses
Sedgwick standard medical card	No charge; customization starts at \$3,500
Standard provider panel postings	Included in Sedgwick bill review program fees
PPO Network Panels (Non-Required States)	\$9.00 per panel
(1) CAT @ \$185 per hour	

Definitions, terms, and conditions

Definitions

Life of contract: Sedgwick will administer all claims received during the contract for the quoted fee. Claims open at contract termination will either be transferred to the new administrator or handled by Sedgwick for an additional annual fee.

Allocated expenses: The claim fees agreed to shall include all costs incurred by Sedgwick in handling claims submitted, except those costs normally referred to as "allocated expenses." These expenses will be billed to the individual claim file when incurred.

In some cases, Sedgwick engages subcontractors to assist us in providing services. In order to hold down the cost to our clients, Sedgwick may have arrangements with these subcontractors to cover expense for certain activities, including but not limited to, development of integrated data systems, account management, quality oversight and ongoing projects that improve penetration and efficiency for our examiners. These cooperative service agreements are not transactional-based and are not dependent on any activity generated by the City. In fact, the flat cooperative service fees remain the same regardless of whether the City uses these vendors on their program or not.

Allocated expenses include but are not limited to:

- Attorney fees and costs
- Hearing representation in lieu of attorney fees including preparation, travel expenses, attendance, and system notations
- Court costs and appeal bonds
- Cost of providing rehabilitation services
- Cost of surveillance activities and other outside investigations
- Cost of expert witnesses, accident reconstruction specialists, or any other specialist necessary for the investigation and/or defense of a claim
- Cost incurred to obtain statements, photographs, records, transcripts, depositions, digital call recording, etc.
- Cost of inspections, appraisals, repair management, rental/replacement, etc.
- Cost of independent medical exam
- Cost of medical bill review, PPO, managed care, and other similar programs
- Cost of medical experts, peer review, utilization review, case management, pre-certifications, and medical necessity evaluations
- Cost of translation services
- Medicare reporting and compliance services fees and costs
- Index filings
- Cost of vocational evaluations, vocational services, training, or other vocational activities
- Cost of outside assistance necessary to prepare or protect a client's subrogation right or Special Disability Trust Fund claim
- Expenses for travel to depositions, mediations, arbitrations, hearings, or other legal proceedings at the client's request or as required by law or rule of a federal, state, or local agency

Terms and conditions

Payment terms: All recurring fees such as claims service, program management and information technology fees are billed on actuals on a monthly basis in arrears. If a flat fee pricing option is selected, all recurring fees are billed on a quarterly basis in advance based on annual estimates. The estimates are subject to audit 30 days after the conclusion of each contract year. All invoices are payable upon receipt.