

Addendum II to Exhibit B



Renewal Fee Proposal

El Dorado County

caring counts.

August 2020

Renewal Fee Proposal for El Dorado County

Contract Term: 11/01/2020 through 10/31/2021

August 28, 2020

Claims Services

We will provide claims handling at the following rates:

Annual Fee

| Line of Business | Annual Fee |
|------------------------------|--------------|
| Workers' Compensation | \$140,264.04 |

Annual Fee: Our Annual Fee quotation is a guaranteed flat annual fee and applies to claims administration services provided during the 12-month contract term. Any additional administration beyond the initial 12-month contract term will be subject to an additional negotiated flat annual fee or other mutually agreed upon rate structure. If there is a significant increase in claims volume, we may propose additional charges. If client agrees to such additional charges, the fees will be adjusted accordingly. If client does not agree to such charges, we will have the right to terminate services on 60 days' notice.

Services of the Account Executive, along with phone claim reviews, are provided at no additional charge.

Managed Care Fees:

Medical Bill Review

Workers' Compensation, and Auto Liability PIP Claims

| Detail | Unit | Fee |
|-------------------------------------------------|--------------|--------|
| Fee Per Bill – All States | Per Bill | \$8.50 |
| PPO Network & Out of Network Savings | % of Savings | 23% |

Case Management

| Detail | Unit | Fee |
|-----------------------------------|----------|--------------------------------------------------------------------------------------|
| Telephonic Case Management | Per Hour | \$99.00 |
| Field Case Management | Per Hour | \$99.00 (Plus Mileage: IRS Reimbursement Rate & Expenses and Wait at Hourly Rate) |

Utilization Review/Certification

| Detail | Unit | Fee |
|--------------------------------------------------------------------|------------|----------|
| Clinical Procedure Rate | Per Event | \$145.00 |
| Physician/Specialty Review (additional fee when applicable) | Per Review | \$250.00 |
| Appeal Reviews | Per Review | \$250.00 |

Peer Review

| Detail | Unit | Fee |
|----------------------------------------------------------------------------------|------------|----------|
| Peer Review | Per Review | \$250.00 |
| Physician Intervention Review (Pharmacy Review with Peer to Peer Contact) | Per Review | \$250.00 |

Ancillary and Other Managed Care Services

| Detail | Unit | Fee |
|---------------------------------------------------|------|-----------------------------|
| All States | | |
| Diagnostic Network Services | N/A | Varies by State & Procedure |
| Durable Medical Equipment Network Services | N/A | Varies by State & Equipment |

| | | |
|----------------------------------------------------------|-----------|-----------------------------|
| Home Health Network Services | N/A | Varies by State & Services |
| All States | | |
| Translation & Transportation Network Services | N/A | Varies by State & Services |
| Physical Therapy Network Services | N/A | Varies by State & Procedure |
| IME Network Services | N/A | Varies by State & Specialty |
| PPO Network Panels (Required States) | N/A | No Charge |
| PPO Network Panels (Non-Required States) | Per Panel | \$9.00 |

Our medical management services include a complete suite of all ancillary medical services, using multiple networks that address our clients' needs – including, but not limited to, pharmacy benefit management, diagnostics, durable medical equipment, transportation and translation, home health, physical therapy and independent medical exams. These services are subject to the bill review rates as quoted above, plus the applicable percentage of network savings achieved below the fee schedule or usual and customary charges.

General Fees, Services, Terms and Conditions

- Outside Activity/Field Investigations will be billed at time and expense.
- MMSEA Reporting: Included
- During the term of a multi-year contract, except for items for which pricing for each year is explicitly listed above, pricing for each year after the first full year will increase by the greater of 3% or the percentage increase as reported by the U.S. Department of Labor - Bureau of Labor Statistics (<http://www.bls.gov/cpi/home.htm>) for the Consumer Price Index for All Urban Consumers (CPI-U) for the U.S. City Average, All Items, covering the prior twelve-month period, valued as of the month ending two months prior (to allow time for reports to be published) to the anniversary date of the contract. For all contracts, pricing at the end of the contract term and each year thereafter will increase by such amount, provided that (i) both parties agree and enter into a renewal contract, or (ii) the parties continue with the existing contract on a month-to-month basis.
- Billing: we will issue an electronic invoice annually, via email. Payments shall be due and payable no later than thirty days from the invoice date.
- Pricing has been developed based on provided loss data. In the event that the loss data is erroneous or otherwise incorrect both parties agree to discuss an equitable adjustment of service fees.
- El Dorado County may request that the services we perform be rendered in a particular or different way or additional services be provided, and we will make all reasonable efforts to comply. If such request increases our cost of providing the services, we shall be entitled to an equitable adjustment in its compensation.

- Subrogation: Our fee per feature pricing includes placing parties that it deems responsible on notice. Pursuit of subrogation beyond this point can be performed at 25% of recovery (exclusive of attorney fees and expenses related to litigation as well as expenses, such as locate searches, skip traces, cost and origin reports, copy service, etc. or any agreed upon contingency fees).
- Claims and Allocated Loss Adjustment Expenses (ALAE) may be handled in two ways:
 - El Dorado County may elect to fund an account established and maintained by us. In this case, El Dorado County will maintain and provide timely replenishment of funds to pay all Claims and ALAE and to avoid penalties and late payments. We will electronically provide a monthly recap of all deposits as well as Claims and ALAE payments. El Dorado County will be responsible for bank fees with respect to the account.
 - El Dorado County may elect to maintain and fund a client-owned account from which we will issue all Claim and ALAE payments. In this case, El Dorado County will provide us with the facsimile signature of an officer, director, partner or employee of El Dorado County to print digitally on the checks. El Dorado County will be responsible for bank fees with respect to the account.
- These proposed fees will remain in effect for 90 days from the date of this proposal.
- This proposal contemplates that we will be entering into a direct contract with El Dorado County. Should we be required to contract with any other party, different terms may apply.

Allocated Loss Adjustment Expenses

We will arrange for various services and other costs as agent for our client. These costs are referred to as Allocated Loss Adjustment Expenses (ALAE). A list of these expenses follows. Payment of ALAE is the responsibility of El Dorado County. Our fees do not cover ALAE, and we are under no obligation to pay ALAE with our own funds.

- Fees of outside counsel for claims in suit, coverage opinions and litigation and for representation at hearings or pretrial conferences
- Fees of court reporters
- All court costs, court fees and court expenses
- Fees for service of process
- Costs of undercover operatives and detectives
- Costs for employing experts for the preparation of maps, professional photographs, accounting, chemical or physical analysis, diagrams
- Costs for employing experts for the advice, opinions or testimony concerning claims under investigation or in litigation or for which a declaratory judgment is sought
- Costs for independent medical examination or evaluation for rehabilitation
- Costs of legal transcripts of testimony taken at coroner's inquests, criminal or civil proceeding
- Costs for copies of any public records or medical records
- Costs of depositions and court reported or recorded statements
- Costs and expenses of subrogation

- Costs of engineers, handwriting experts or any other type of expert used in the preparation of litigation or used on a one-time basis to resolve disputes
- Witness fees and travel expenses
- Costs of photographers and photocopy services
- Costs of appraisal fees and expenses (not included in flat fee or performed by others)
- Costs of indexing claimants
- FROI/SROI Submission
- Services performed outside of our normal geographical regions
- Costs of outside investigation, signed or recorded statements
- Out of the ordinary expenses incurred in connection with an individual claim or requiring meeting with Customer
- Any other extraordinary services performed by us at Customer's request
- Investigation of possible fraud including SIU services and related expenses
- Any other similar cost, fee or expense reasonably chargeable to the investigation, negotiation, settlement or defense of a claim or loss or to the protection or perfection of the subrogation rights of Customer.

We may, but need not, elect to utilize its own staff or affiliated entities to perform any of these services. Associated fees and costs will be charged as ALAE.

IT/RMIS Fees:

(Services outlined below are only billed if utilized)

| Service | Description | Fee |
|---------------------|---------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------|
| RMIS | RMIS Licensing (Includes loading of 10 years of closed claims history, if requested, and all open claims, regardless of age) | Four (4) Licenses Included Additional Licenses @ \$725 per License per Year |
| Mobile App Licenses | Licenses for Workers' Compensation Mobile App Usage | Included |