

AGREEMENT
between
INDIAN RIVER COUNTY BOARD OF COUNTY COMMISSIONERS
and
DAVIES CLAIMS NORTH AMERICA, INC.

for
THIRD PARTY ADMINISTRATION (TPA) SERVICES FOR THE SELF FUNDED
WORKERS' COMPENSATION AND LIABILITY PROGRAM

THIS AGREEMENT, made and entered into by and between INDIAN RIVER COUNTY BOARD OF COUNTY COMMISSIONERS, a political subdivision of the State of Florida (hereinafter, "IRC"), and DAVIES CLAIMS NORTH AMERICA, INC. (hereinafter, "TPA").

WHEREAS, IRC has undertaken to self-insure its Workers' Compensation and Third Party Liability program in accordance with applicable Florida statutes and regulations; and

WHEREAS, TPA is engaged in the administration and supervision of Workers' Compensation and Third Party Liability programs for self-insured entities; and

WHEREAS, TPA desires to provide and IRC desires to receive Workers' Compensation and Third Party Liability Claims Administration Services as described under the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of mutual covenants and conditions set forth herein, the parties agree as follows:

ARTICLE 1 – RECITALS

1.1 **Recitals**. The Parties agree that the foregoing recitals are true and correct and that such recitals are incorporated herein by reference.

ARTICLE 2 – TERM OF AGREEMENT

2.1 **Term of Agreement**. This Agreement is effective as of 12:01 a.m., October 1, 2024 and will continue until 12:01 a.m., October 1, 2027. The term of the Agreement may, by mutual agreement by IRC and TPA, be extended for up to two additional one-year periods.

ARTICLE 3 – COMPENSATION OF TPA

| | |
|-----------------------------------|-----------|
| October 1, 2024 – October 1, 2025 | \$260,907 |
| October 1, 2025 – October 1, 2026 | \$260,907 |
| October 1, 2026 – October 1, 2027 | \$260,907 |
| Two Additional One-Year Periods | |

| | |
|-----------------------------------|-----------|
| October 1, 2027 – October 1, 2028 | \$270,039 |
| October 1, 2028 – October 1, 2029 | \$279,491 |

The above noted TPA compensation will be the only compensation for services. Attachment D lists acceptable Allocated Claims Expenses.

IRC agrees to pay compensation to the TPA in quarterly installments.

ARTICLE 4 – GENERAL CONDITIONS

4.1 **Claims and Organizations Included.** In addition to IRC, and as agreed to by the Parties, services are to be provided for any affiliated or subsidiary board, authority, committee, independent agency or other organization (including newly constituted) provided that such affiliated or subsidiary board, authority, committee, independent agency or other organization is either a body politic created by IRC or one in which controlling interest or membership therein is vested in IRC.

4.2 **No Other TPA Compensation For Services Related to Agreement.**

4.2.1 TPA agrees that, except to the extent, if any, specifically authorized under this Agreement, neither TPA, nor any parent, subsidiary, or affiliate of TPA, shall accept any rebates, overrides, administrative fees, or any other compensation of any nature from anyone, including from any subcontractors used by TPA to provide such services, other than the compensation received by TPA from IRC related to the services provided by, or on behalf of, TPA under this Agreement.

4.2.2 In the event TPA, or any parent, subsidiary, or affiliate of TPA, does receive any such compensation related to the services provided by, or on behalf of, TPA under this Agreement from anyone other than IRC, TPA shall promptly disclose the receipt of any such compensation to IRC and shall refund any such amounts received to IRC within thirty (30) days of the receipt by TPA.

4.2.3 In the event TPA, or any parent, subsidiary, or affiliate of TPA, is entitled to any such compensation related to the services provided by, or on behalf of, TPA under this Agreement from anyone other than IRC, TPA shall promptly disclose the entitlement to any such compensation to IRC and shall promptly assign the entitlement to any such compensation to IRC.

4.3 **Notice of Termination or Adverse Change.**

4.3.1 **Notice by TPA.** TPA shall at give valid written notice to IRC at least one hundred and twenty (120) days prior to cancellation, non-renewal, or restriction of TPA’s obligations under this Agreement. The written notice of cancellation, non-renewal, or restriction of TPA’s obligations under this Agreement shall be delivered by certified mail to:

Risk Manager
Indian River County BOCC
1800 27th Street
Vero Beach, FL 32960

4.3.2 **Notice by IRC.** This Agreement may be canceled at any time at the request of IRC by giving prior written notice of 90 days to TPA.

4.3.3 **Basis of Termination.** In the event of termination of this Agreement for whatever reason, the earned fees shall be computed on a pro rata basis without penalty and TPA shall refund to IRC the excess of paid fees or other consideration that were received by TPA within thirty (30) days from the date of termination.

4.4 **Agreement – Document Priority.** In the event of a conflict among the following documents, the order of priority shall be as follows:

- (1) This Agreement
- (2) Documentation regarding negotiations for this Agreement

4.5 **Hold Harmless/Indemnification.** TPA shall indemnify, hold harmless and defend IRC, its members, commissioners, officials, officers or employees from any and all claims, judgments, costs, and expenses including, but not limited to, reasonable attorney's fees, reasonable investigative and discovery costs, court costs and all other sums which IRC, its members, commissioners, officials, officers or employees may pay or become obligated to pay on account of any, all and every claim or demand, or assertion of liability, or any claim or action founded thereon, arising or alleged to have arisen out of the products, goods or services furnished by TPA, its agents, servants or employees; the equipment of TPA, its agents, servants or employees while such equipment is on premises owned or controlled by IRC; or the negligence or other culpability of TPA or the negligence or other culpability of TPA's agents when acting within the scope of their employment, whether such claims, judgments, costs and expenses be for damages, damage to property including IRC's property, and injury or death of any person whether employed by TPA, IRC or otherwise.

TPA's obligation to hold harmless and defend an indemnitee with respect a claim, judgment, cost, or expense resulting from bodily injury, personal injury, or damage to tangible property, caused in whole or in part by TPA, its agents, servants or employees, shall apply whether or not the claim, judgment, cost, or expense is due to or caused in part by the negligence or other culpability of the indemnitee, excluding only the sole negligence or other sole culpability of the indemnitee.

Any remedy provided to an indemnitee by this Section shall be in addition to and not in lieu of any other remedy available to the indemnitee under this Agreement or otherwise.

This section will survive the termination of this Agreement regardless of the cause giving rise to such termination.

IRC agrees to indemnify, defend and hold TPA harmless to the extent allowed by and only to the extent set forth in Section 768.28 of Florida Statutes for any action resulting from TPA.

4.6 **TPA Insurance Requirements.** Prior to commencement of services under this Agreement, TPA shall obtain and maintain without interruption until completion of all services required under this Agreement, the insurance as outlined below. TPA agrees to furnish a fully completed certificate of insurance naming IRC and its members, officers, employees, and agents as additional insured on the General Liability insurance, signed by an authorized representative of the insurer providing such insurance coverages. The insurance coverages and limits shall meet, at a minimum, the following requirements:

4.6.1 **Workers' Compensation/Employer's Liability Insurance.** Such insurance shall be no more restrictive than that provided by the Standard Workers' Compensation Policy, as filed for use in Florida by the National Board on Compensation Insurance, without restrictive endorsements. The minimum amount of coverage (inclusive of any amount provided by an umbrella or excess policy) shall be:

Part One: "Statutory"
Part Two: \$ 1,000,000 Each Accident
\$ 1,000,000 Disease - Policy Limit
\$ 1,000,000 Disease - Each Employee

4.6.2 **General Liability Insurance.** Such insurance shall be no more restrictive than that provided by the most recent version of standard Commercial General Liability Form (ISO Form CG 00 01) as filed for use in the State of Florida without any restrictive endorsements other than those required by ISO or the State of Florida those described below. The coverage may include restrictive endorsements which exclude coverage for liability arising out of:

- Mold, fungus, or bacteria
- Terrorism
- Sexual Molestation

The minimum limits (inclusive of amounts provided by an umbrella or excess policy) shall be:

\$ 2,000,000 General Aggregate
\$ 2,000,000 Products/Completed Operations Aggregate
\$ 1,000,000 Personal and Advertising Injury
\$ 1,000,000 Each Occurrence

IRC and its members, officers, employees, and agents shall be included as an additional insured on a form no more restrictive than the most recent version of ISO Form CG 20 10 (Additional Insured - Owners, Lessees, or Contractors).

4.6.3 Automobile Liability Insurance. Such insurance shall be no more restrictive than that provided by Section II (Liability Coverage) of the most recent version of standard Business Auto Policy (ISO Form CA 00 01) without any restrictive endorsements, including coverage for liability contractually assumed, and shall cover all owned, non-owned, and hired autos used in connection with the performance of the Agreement. The minimum limits (inclusive of any amounts provided by an umbrella or excess policy) shall be:

\$ 1,000,000 Each Occurrence - Bodily Injury and Property
Damage Combined

4.6.4 Professional Liability Insurance. Such insurance shall be on a form acceptable to IRC and shall cover TPA for those sources of liability arising out of the rendering or failure to render professional services in the performance of the services required in the Agreement including any hold harmless and/or indemnification agreement. Coverage must either be on an occurrence basis; or, if on a claims-made basis, the coverage must respond to all claims reported within three years following the period for which coverage is required and which would have been covered had the coverage been on an occurrence basis. The minimum limits (inclusive of any amounts provided by an umbrella or excess policy) shall be:

\$ 3,000,000 Each Claim/Annual Aggregate

4.6.5 Employee Dishonesty (Fidelity). Such insurance shall be no more restrictive than that provided by the most recent version of standard Commercial Crime Coverage Form (ISO CR 00 21) without restrictive endorsements or on a form acceptable to IRC and shall cover TPA and IRC against loss caused by the dishonesty of employees of TPA in connection with the Agreement. Coverage will include Employee Theft, Forgery and Alteration, Computer Fraud, and Funds Transfer Fraud. The minimum limits shall be:

\$2,000,000 Each Occurrence

4.6.6 Cyber Liability and Data Storage. Such insurance shall be on a form acceptable to IRC and shall cover, at a minimum, the following:

- Data Loss and System Damage Liability
- Security Liability
- Privacy Liability
- Privacy/Security Breach Response Coverage, including Notification Expenses

Such Cyber Liability coverage must be provided on an Occurrence Form or, if on a Claims Made Form, the retroactive date must be no later than the first date of this Agreement and such claims-made coverage must respond to all claims reported within three years following the period for which coverage is required and which would have been covered had the coverage been on an occurrence basis.

The Cyber Liability coverage may be included as part of the Professional Liability coverage required above. The minimum limits shall be:

\$1,000,000 Per Claim and Aggregate

4.6.7 TPA's Insurance Primary and Non-Contributory. The insurance provided by TPA shall apply on a primary basis to, and shall not require contribution from, any other insurance or self-insurance maintained by IRC or its members, officers, employees, and agents. Any insurance, or self-insurance, maintained by IRC shall be excess of, and shall not contribute with, the insurance provided by TPA.

4.6.8 TPA's Insurance as Additional Remedy. Compliance with these insurance requirements shall not limit the liability of TPA. Any remedy provided to IRC by the insurance provided by TPA shall be in addition to and not in lieu of any other remedy (including, but not limited to, as an indemnitee of TPA) available to IRC under this Agreement or otherwise.

4.6.9 No Waiver by IRC Approval/Disapproval. Neither approval nor failure to disapprove insurance furnished by TPA shall relieve TPA from responsibility to provide insurance as required by this Agreement.

4.7 Compliance with Laws, Rules and Regulations. TPA is responsible for full and complete compliance with all laws, rules, and regulations, including those of the Florida Department of Financial Services, which may be applicable to it. Failure or inability on the part of TPA to comply with such laws, rules, and regulations (including failure to obtain Department of Financial Services approval) shall not relieve TPA from its obligation to perform completely in accordance with this Agreement.

4.8 Default. In the event of default, which may include, but is not limited to non-performance and/or poor performance of this Agreement, TPA shall lose eligibility to transact new business with IRC for a period of 14 months from date of termination of this Agreement by IRC.

4.9 Public Records Compliance. A. Indian River County is a public agency subject to Chapter 119, Florida Statutes. The Contractor shall comply with Florida's Public Records Law. Specifically, the Contractor shall:

- (1) Keep and maintain public records required by the County to perform the service.
- (2) Upon request from the County's Custodian of Public Records, provide the County with a copy of the requested records or allow the records to be inspected or copied within a reasonable time at a cost that does not exceed the cost provided in Chapter 119 or as otherwise provided by law.

(3) Ensure that public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law for the duration of the contract term and following completion of the contract if the contractor does not transfer the records to the County.

(4) Upon completion of the contract, transfer, at no cost, to the County all public records in possession of the Contractor or keep and maintain public records required by the County to perform the service. If the Contractor transfers all public records to the County upon completion of the contract, the Contractor shall destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. If the contractor keeps and maintains public records upon completion of the contract, the Contractor shall meet all applicable requirements for retaining public records. All records stored electronically must be provided to the County, upon request from the Custodian of Public Records, in a format that is compatible with the information technology systems of the County.

B. IF THE CONTRACTOR HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO THE CONTRACTOR'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS CONTRACT, CONTACT THE CUSTODIAN OF PUBLIC RECORDS AT:

(772) 226-1424

publicrecords@indianriver.gov

Indian River County Office of the County Attorney

1801 27th Street

Vero Beach, FL 32960

- Failure of the Contractor to comply with these requirements shall be a material breach of this Agreement.

4.10 Access to Claim Files. TPA shall provide IRC real-time, electronic, internet-based access to all claim files, including all adjuster notes, supervisory notes, field case management notes, diary items, payment records, medical bills and expense bills. The TPA will provide IRC with all needed access to internet based information system, except that if access is desired for other than IRC employees or defense counsel, it will be granted based upon mutual agreement of TPA and IRC.

4.11 Ownership of Claim Files. IRC shall have all right, title, interest, and ownership to all loss statistics and claim files created as a result of the services provided, or to be provided, by TPA under this Agreement. Further, at the sole option of the IRC, and upon ten (10) days written notice, TPA, at TPA's sole expense, shall return such files to the IRC. At the termination of this Agreement, at the sole expense of TPA, TPA shall provide IRC with computer tapes or other computer media containing all of the claim data. Such data shall be made available in a format generally importable into a commonly recognized database for claims administration services.

4.12 **Audit of Files and Procedures.** At the sole option of IRC, TPA shall agree at no additional cost to IRC to any audits conducted by or on behalf of IRC of TPA's files and procedures as they relate to IRC. IRC shall have the right to audit during the contract period and for five years following the termination of the agreement.

4.13 **TPA Is Independent Contractor.** The Parties agree that TPA is engaged to perform services under this Agreement as an independent contractor, and not as an agent, of IRC.

4.14 **Entire Agreement.** This Agreement incorporates and includes all prior negotiations, correspondence, conversations, agreements and understandings applicable to the matters contained herein and the Parties agree that there are no commitments, agreements or understandings concerning the subject matter of this Agreement that are not contained in, or incorporated by reference in, this document. Accordingly, the Parties agree that no deviation from the terms hereof shall be predicated upon any prior representations or agreements, whether oral or written.

4.15 **Amendments.** No modification, amendment, or alteration in the terms or conditions contained herein shall be effective unless contained in a written document prepared with the same or similar formality as this Agreement and executed by each Party hereto.

4.16 **Waiver.** The Parties agree that each requirement, duty and obligation set forth herein is substantial and important to the formation of this Agreement and, therefore, is a material term hereof. Any Party's failure to enforce any provision of this Agreement shall not be deemed a waiver of such provision or modification of this Agreement. A waiver of any breach of a provision of this Agreement shall not be deemed a waiver of any subsequent breach and shall not be construed to be a modification of the terms of this Agreement.

4.17 **Governing Law.** This Agreement shall be interpreted and construed in accordance with and governed by the laws of the State of Florida. Any controversies or legal problems arising out of this Agreement and any action involving the enforcement or interpretation of any rights hereunder shall be submitted to the jurisdiction of the State courts of Indian River County, Florida. This section will survive the termination of this Agreement regardless of the cause giving rise to such termination.

4.18 **No Waiver of Sovereign Immunity.** Nothing contained in this Agreement is intended to serve as a waiver of sovereign immunity by IRC or any person to which sovereign immunity may be applicable. This section will survive the termination of this Agreement regardless of the cause giving rise to such termination.

4.19 **Non-Discrimination.** TPA shall not discriminate against any person in the performance of the duties, responsibilities and obligations under this Agreement because of race, age, religion, color, gender, national origin, marital status, disability or sexual orientation.

4.20 **Successors.** This Agreement shall be binding upon and shall inure to the benefit of all assigns, transferees and successors in interest of the Parties.

4.21 **Assignment**. Neither this Agreement nor any interest herein may be assigned, transferred or encumbered by any party without the prior written consent of the other Party.

4.22 **Medicare, Medicaid, and SCHIP (State Children's Health Insurance Program) Extension Act of 2007 ("MMSEA")**. TPA acknowledges and agrees that IRC has an obligation to perform Mandatory Insurer Reporting ("MIR") as set forth in Section 111 of the MMSEA. MMSEA provided for mandatory reporting requirements for group health plan arrangements and for liability insurance (including self-insurance), no-fault insurance, and workers' compensation (see 42 U.S.C. 1395y(b)(7) & (8)). IRC agrees to properly register with the Centers for Medicare and Medicaid Services ("CMS") as the Responsible Reporting Entity ("RRE"), to provide to TPA all relevant information including the RRE, Identification Number(s) assigned, and to properly designate a MIR reporting agent acceptable to TPA. IRC agrees that for each and every claim reported to TPA in which IRC possesses the information, TPA shall provide the following information as soon as required to comply with applicable law and avoid fines and penalties: claimant's first and last name, social security number, date of birth and gender. IRC consents to the disclosure of any required information to TPA's designated third party for processing IRC's MIR.

4.23 **Funds for Payment of Claims**. IRC has the sole obligation and responsibility for funding the payment of claims made by its employees in accordance with the Workers' Compensation Law as adopted and amended by the State of Florida and the applicable rules and regulations as promulgated by the applicable agencies of the State of Florida relating to the Workers' Compensation Law. TPA assumes no duty to fund any such claims at any time and shall have no obligation to advance funds for any such payment. IRC agrees to inform TPA of all relevant details with respect to any such accounts in order to TPA to perform its duties under this Agreement.

TPA will analyze the account from time to time and will submit advisory reports, including any deficiencies to the account. As a result of the advisories, the IRC agrees to fund any increase within thirty (30) days of notification.

In the event of cancellation or nonrenewal of this Agreement, IRC agrees to fund an amount sufficient to fund all of IRC's outstanding obligations as they become due.

If, at any time, IRC or its carrier fails to provide adequate funding, TPA may issue "stop payment" orders on outstanding payments. Any bank charges resulting from inadequate funding including, but not limited to, interest, stop payment charges and overdraft fees shall be the obligations of IRC and shall be paid by IRC upon demand by TPA.

If IRC on more than one occasion fails to provide adequate funding, TPA shall have the right to convert IRC's program to either daily clearance or voucher upon 48 hours notice to IRC. This right shall be without prejudice to other rights of TPA under this Agreement.

4.24 **TERMINATION IN REGARDS TO F.S. 287.135**: TPA certifies that it and those related entities of TPA as defined by Florida law are not on the Scrutinized

Companies that Boycott Israel List, created pursuant to s. 215.4725 of the Florida Statutes, and are not engaged in a boycott of Israel. In addition, if this agreement is for goods or services of one million dollars or more, TPA certifies that it and those related entities of TPA as defined by Florida law are not on the Scrutinized Companies with Activities in Sudan List or the Scrutinized Companies with Activities in the Iran Petroleum Energy Sector List, created pursuant to Section 215.473 of the Florida Statutes and are not engaged in business operations in Cuba or Syria.

IRC may terminate this Contract if TPA is found to have submitted a false certification as provided under section 287.135(5), Florida Statutes, been placed on the Scrutinized Companies with Activities in Sudan List or the Scrutinized Companies with Activities in the Iran Petroleum Energy Sector List, or been engaged in business operations in Cuba or Syria, as defined by section 287.135, Florida Statutes.

IRC may terminate this Contract if TPA, including all wholly owned subsidiaries, majority-owned subsidiaries, and parent companies that exist for the purpose of making profit, is found to have been placed on the Scrutinized Companies that Boycott Israel List or is engaged in a boycott of Israel as set forth in section 215.4725, Florida Statutes.

4.25 **Notice.** When any of the Parties desire to give notice to the other, such notice must be in writing, sent by U S Mail, postage prepaid, addressed to the Party for whom it is intended at the place last specified. The place for giving notice shall remain such until it is changed by written notice in compliance with the provisions of this paragraph. For the present, the Parties designate the following as the respective places for giving notice:

As to IRC
Risk Manager
Indian River County BOCC
1800 27th Street
Vero Beach, FL 32960

As to TPA
Beverly Adkins, President
Davies Claims North America, Inc.
Post Office Box 110259
Lakewood Ranch, FL 34211-0004

ARTICLE 5 – SPECIAL CONDITIONS
FOR WORKERS’ COMPENSATION CLAIMS ADMINISTRATION SERVICES

5.1 **Compliance with Rules of Division of Workers' Compensation.** TPA shall be responsible for compliance with all rules and regulations promulgated by the various state agencies prescribing the practices and procedures of self-insurer service companies. TPA shall also be responsible for all

required EDI DWC reporting. TPA shall reimburse IRC for payment of any fines, penalties or assessments assigned by the State of Florida, or other regulatory agency, for failure to comply with such rules and regulations, including EDI reporting, associated with the performance or responsibility of TPA.

5.2 **Scope of Services.** Except as otherwise provided in this Agreement, TPA shall, for the duration of this Agreement, provide all of the services described in Attachment A to this Agreement, Worker's Compensation Claims Administration Scope of Services.

5.3 **Obligations Not Terminated By Term of Agreement.** TPA will provide service on all claims occurring during, or before, the term of this Agreement and until thirty (30) days after the termination of this Agreement (including renewals, extensions or replacements thereof), all legally required reports for the contract period rendered, and all required reports to appropriate agencies. The compensation of TPA paid for services during the term of this Agreement includes the full compensation for such continuing obligations and, except as noted herein, no additional consideration shall be due for such obligations which extend beyond the term of this Agreement.

5.4 **Performance Reviews.** Except as otherwise provided in this Agreement, TPA and IRC agree that periodic Performance Reviews will be conducted in accordance with the processes and guidelines described in Attachment C, Claims Administration Services Performance Reviews.

ARTICLE 6 – SPECIAL CONDITIONS **FOR THIRD PARTY LIABILITY CLAIMS ADMINISTRATION SERVICES**

6.1 **Scope of Services.** Except as otherwise provided in this Agreement, TPA shall, for the duration of this Agreement, provide all of the services described in, Attachment B to this Agreement, Third Party Claims Administration Scope of Services.

6.2 **Obligations Not Terminated By Term of Agreement.** TPA will provide service on all claims occurring during, or before, the term of this Agreement and until thirty (30) days after the termination of this Agreement (including renewals, extensions or replacements thereof), all legally required reports for the contract period rendered, and all required reports to appropriate agencies. The compensation of TPA paid for services during the term of this Agreement includes the full compensation for such continuing obligations and, except as noted herein, no additional consideration shall be due for such obligations which extend beyond the term of this Agreement.

Upon exiting, client data will be provided to the new TPA either by a series of attachments to one or more email messages containing zip files which can be password-protected or via CD ROM or the most current means of providing data. The cost for this will be no greater than \$3,500. IRC will be billed for any additional programming to help in data transfer.

6.3 **Performance Reviews.** Except as otherwise provided in this Agreement, TPA and IRC agree that periodic Performance Reviews will be conducted in accordance with the processes and guidelines described in Attachment C, Claims Administration Services Performance Reviews.

IN WITNESS WHEREOF, the parties have made and executed this Agreement on the respective dates under each signature.

INDIAN RIVER COUNTY BOARD OF COUNTY COMMISSIONERS, FLORIDA by and through its Chairman, and DAVIES CLAIMS NORTH AMERICA, INC., by and through its duly authorized representative.

WNER:

INDIAN RIVER COUNTY

By: _____

Susan Adams, Chairman

By: _____

John A. Titkanich, Jr., County Administrator

APPROVED AS TO FORM AND LEGAL SUFFICIENCY:

By: _____

County Attorney

Ryan L. Butler, Clerk of Court and Comptroller

Attest: _____

Deputy Clerk

(SEAL)

DAVIES NORTH AMERICA:

Attest: _____

Name: _____

Title: _____

Designated Representative:

Name: _____

Title: _____

Address: _____

Phone: _____

ATTACHMENT A
WORKERS' COMPENSATION CLAIMS ADMINISTRATION
SCOPE OF SERVICES

ADMINISTRATIVE SERVICES

TPA will provide the following administrative services:

1. In accordance with state mandated time frames, prepare (with IRC's assistance) and file with the appropriate state agencies all applications, bonds, documentation, and data required (if any) for implementation and continuance of the program.
2. In accordance with state mandated time frames, prepare, maintain, and file all records and reports as may be required by legal authorities (state, local, and federal).
3. Prepare, maintain, and file statistical or other records and reports as required by IRC's excess insurers. Report claims to IRC's excess insurer(s) in accordance with the requirements of the excess insurer(s). Provide a copy of the reports to IRC. Follow specific written investigation procedures for any case for which excess Workers' Compensation insurers require specific notification or investigation. It is the responsibility of IRC to provide accurate coverage information regarding any insurance policies insuring claims covered by this Agreement. New insurance information on renewal years will be made within 90 days of renewal date. Excess information will include name and claims reporting address and phone number of all carriers, policy number, effective dates, limits of liability, deductibles, specific retentions and loss funds. Actual policies will be provided. This information is required for each claim year that TPA is handling for IRC. If this information is not made available as outlined in this paragraph, TPA will not be responsible for any penalties, interest, or reductions in excess recoveries because of late reporting.
4. In accordance with state mandated time frames, prepare, maintain, and file statistical information required by Workers' Compensation Rating Bureaus or appropriate state agencies, including electronic data interface (EDI) and data necessary for the promulgation of experience modifications.
5. Comply fully with all rules, regulations, guidelines or procedures established by IRC and the State of Florida, including EDI.
6. Provide IRC, annually, with the latest paylag report from the State of Florida.
7. Annually, provide IRC with a SSAE-18 audit as required by the financial auditors.
8. Prepare and follow provisions specific to IRC, for approval by IRC, for ensuring services in the event of an emergency; e.g., hurricane preparedness, including how TPA services will continue, how IRC's employees will be paid indemnity in advance, and how they will be instructed on

obtaining medical care.

9. Provide advance notice and coordinate in advance with IRC any internal audits associated with the Workers' Compensation program.
10. Assist IRC with its Return to Work program, including identifying return to work opportunities and appropriate use of outside vendors.

CLAIMS SERVICES

TPA will provide the following claims services:

1. Establish reporting procedures which are compatible with the needs and organizational structure of IRC.
2. Provide necessary forms and instructions for use.
3. Provide customer service lines with a toll-free line for employees.
4. Develop specific service instructions with IRC for the handling of IRC's claims. Develop specific service instructions with IRC for the handling of IRC's catastrophic claims.
5. Conduct such investigation into the specifics of each individual report of employee injury as in the exercise of professional judgment would seem necessary. Enhanced efforts shall be taken to identify possible fraudulent claims including recorded statements from claimants and discussions with the claimant's supervisors.
6. Subject to the exercise of professional judgment, accept and settle or deny all reported claims for employee injuries on behalf of IRC in accordance with the applicable Workers' Compensation Law or law of damages. When it appears the final value of any claim will exceed a discretionary limit of \$10,000, IRC shall be notified and the final decision for settlement shall rest with IRC. Any settlement is to include preparation and actuation of all necessary stipulations, compromise, and release agreements.
7. IRC may select and employ outside professionals such as surveillance personnel, expert witnesses, and attorneys to assist in the investigation, adjustment, and defense of claims.
 - (a) IRC may select specific vendors and pricing schedules for the following services: Legal services, Translation services, Transportation services, Surveillance and Investigation services, Medicare Set-Aside services and Court Reporting services.
 - (b) TPA will review all bills for such services for reasonableness and conformity to any preestablished rates or fees and will adhere to any set pricing schedules.
 - (c) TPA will work collaboratively with these outside professionals, including data

portals and other methods for sharing information. If there are any programming fees associated with sharing this data, IRC or the outside professionals will cover these costs.

8. Review all medical bills and bills for other services for which a claim is being made for reasonableness and conformity to rules, regulations, and legally imposed medical and surgical fee schedules.
9. Prepare and maintain files necessary for legal defense of claims and/or other litigation (such as actions for subrogation, contribution, or indemnity) or other proceedings.
10. Where appropriate or desirable, attend hearings, depositions, mediations, and other proceedings. The adjuster handling the claim file will provide an updated written file note within 48 hours after the hearing, deposition, mediation or other proceeding.
11. At the request of IRC, provide a complete copy of all files involving litigation, potential or actual subrogation, or potential or actual recovery from special or second injury funds to the Risk Manager or the designee thereof.
12. Aggressively pursue all possibilities of subrogation, excess insurance reimbursement, third party liens, contribution or indemnity and/or recovery from special or second injury funds on behalf of IRC.
13. Periodically as appropriate, but at least every quarter, review all open cases and complete a strategic action plan in order to assist in the settlement of the cases. Such written reviews shall include a review and verification of outstanding reserves. A written summary of the review shall be documented in the open case file and shall be provided to IRC within ten working days after the end of the period for which the report is being made.
14. Provide access to rehabilitative services for injured employees including consultation for retraining or reassignment of employees with limited physical performance arising from covered injuries.
15. The supervising adjuster shall meet with IRC's Risk Manager, or the designee thereof, to consult with and refer all questionable or contested cases and those with an estimated value in excess of \$10,000.
16. Aid in communications/coordination with IRC's safety and loss control program staff as necessary including providing claims data needed to target safety and prevention initiatives.
17. Conduct adequate, timely and complete 24 hour contact in the investigation of lost-time claims and 48 hour contact in the investigation of medical-only claims. (24/48 hours from first notice to WC management organization, not 24/48 hours from when adjuster received).
18. Pay vendor bills (attorneys, surveillance, etc.) within 30 days.

19. Develop and follow appropriate written policies when (i) the injured employee requests a second opinion, (ii) medical evaluation is questioned, or (iii) grievance report is filed.
20. Assist, as appropriate, in the scheduling of independent medical examinations.
21. Monitor the purchase of items deemed to be medically necessary for the accommodation of an injured employee and obtain approval from the Risk Manager for those items with a cost greater than \$10,000.
22. Follow all provisions of Florida Statute in regard to medical benefit entitlement and administration.

FIRST NOTICE OF INJURY SERVICES

TPA will provide the following administrative services:

1. Provide internet based claim reporting and intake capabilities. Send First Notice of Injury to the State of Florida in a timely manner. TPA must accept responsibility for penalties for late notice to the State of Florida when caused by other than the delay of IRC.
2. Receive and examine on behalf of IRC all reports of employee injury claims. Refer injured workers to appropriate medical services, and as appropriate and based upon pre-established criteria agreed upon by IRC. Provide immediate referral to network specialty medical providers for injuries.
3. Coordinate data between first report of injury and claims administration system.
4. The on-line claim security shall permit on-line input of accident reports by IRC.

TELEPHONIC MEDICAL MANAGEMENT

TPA will provide the following services:

1. Telephonic Nurse Case Management services will be provided by TPA staff for all lost time and select medical only claims.
2. Pre-Certification of Hospital Admissions.

LOSS STATISTICS SERVICES

TPA shall provide IRC with the ability to access comprehensive on-line, real-time electronic claim information data, including reporting capabilities, at no additional cost to IRC. TPA shall provide IRC with regular monthly reports, as agreed upon by the parties, in such a format as is acceptable to IRC.

TPA agrees that IRC shall have real-time access to all claim files, including all adjuster notes, supervisory notes, field case management notes, diary items, payment records, medical bills and expense bills in an electronic manner with internet based access available to IRC.

NETWORK ACCESS & DEVELOPMENT SERVICES

TPA will provide the following network access and development services:

1. Provide IRC access to a provider network that contains appropriate providers. TPA must assure that high quality providers, particularly in key specialties, are encouraged to participate in the network. TPA will work with providers to develop contractual agreements which include preferred appointment setting criteria, reporting and standards to best address the medical and rehabilitative needs of IRC injured employees. Key specialties include internists, orthopedics, neurology, neurosurgery, occupational medicine specialties, pulmonology, infectious disease specialists, ear/nose/throat specialists, allergists, psychiatry and psychology. On an annual basis, the TPA and IRC will meet and agree upon discounts, types of specialists and key providers to be added to the network.

MEDICAL BILL REVIEW AND AUDIT SERVICES

TPA will provide the following medical bill review and audit services:

1. For Medical Bill Review:
 - (a) Promptly review medical/surgical bills (in and out of network) for accuracy including, but not limited to, as they relate to the following:
 - (i) Duplicate billings
 - (ii) Unbundling of charges
 - (iii) Upcoding of charges
 - (iv) Approval and appropriate precertification.
 - (b) Review all medical bills that:
 - (i) Are not subject to fee schedule coding
 - (ii) Are for services not specifically addressed in the fee schedule
 - (iii) Need an in-depth medical interpretation of the rules and regulations
 - (iv) In the exercise of professional judgment, specifically warrant review.
 - (c) Process, pay and mail bills within 45 days of receipt.
2. Reimburse IRC for any overpayments made in the bill review process within 30 days of identification of overpayment. Reimburse IRC for any penalties and/or interest associated with inaccurate payments.
3. For Medical Auditing Services:
 - (a) Audit in-network and out-network hospital/provider bills

- (i) Exceeding \$25,000
 - (ii) Others at TPA's discretion or specific request by IRC for accuracy and appropriateness
- (b) Develop and follow written policies on how late charges, no show charges and special payment arrangements are to be handled
4. Develop and provide communication materials to explain the policies and procedures of the Medical Bill Review and Audit Services to:
- (a) IRC
 - (b) Medical providers
5. Develop and follow written grievance procedures for provider concerns.

PHARMACEUTICAL MANAGEMENT SERVICES

TPA shall recommend a prescription benefit management (PBM) vendor which:

1. Provide IRC injured workers access to a pharmacy network of local and national pharmacies with agreed upon discounted prices for drugs. Provide IRC injured workers with communication materials, including pharmacy cards, to assure proper information is available for prompt dispensing of and proper coding and billing of pharmaceuticals.
2. Provide IRC with pharmacy specific reporting on a quarterly basis of generic/brand utilization, network penetration, narcotic usage and other detailed reports as agreed between the parties.
3. Develop appropriate utilization review procedures in real time to assure dispensed drugs are appropriate for injury, timely dispensing and concurrent review for medical interactions.

ATTACHMENT B
THIRD PARTY LIABILITY CLAIMS ADMINISTRATION
SCOPE OF SERVICES

ADMINISTRATIVE SERVICES

TPA will provide the following administrative services:

1. Prepare (with IRC's assistance) and file with the appropriate state agencies all applications, bonds, documentation, and data required (if any) for implementation and continuance of the program.
2. Prepare, maintain, and file all records and reports as may be required by legal authorities (state, local, and federal) including Form 1099 and all reporting required for Medicare Secondary Payor provisions.
3. Prepare, maintain, and file statistical or other records and reports as required by IRC's excess insurers.
4. Prepare, maintain, and file statistical information required by Rating Bureaus or appropriate state agencies.
5. Comply fully with all rules, regulations, guidelines or procedures established by IRC and the State of Florida.

CLAIMS SERVICES

TPA will provide the following claims services:

1. Establish reporting procedures which are compatible with the needs and organizational structure of IRC.
2. Provide necessary forms and instructions for use.
3. Be available on a 24 hour basis, and provide immediate response to claims investigation requests through use of email or cellular telephones.
4. Provide a toll-free customer service line for employees.
5. Prepare and follow a work plan that has been approved by IRC in the handling of IRC's claims. Prepare and follow a work plan that has been approved by IRC in the handling of IRC's catastrophe claims.
6. Receive and examine on behalf of IRC all reports of third party claims including claims by an employee of one Insured against another Insured.

7. Report claims to IRC's excess insurer(s) in accordance with the requirements of the excess insurer(s). Provide a copy of the report to IRC. Follow specific written investigation procedures for any case for which the excess insurer requires specific notification. It is the responsibility of IRC to provide accurate coverage information regarding any insurance policies insuring claims covered by this contract. New insurance information on renewal years will be made within 90 days of renewal date. Excess information will include name and claims reporting address and phone number of all carriers, policy number, effective dates, limits of liability, deductibles, specific retentions and loss funds. Actual policies will be provided. This information is required for each claim year that TPA is handling for IRC. If this information is not made available as outlined in this paragraph, TPA will not be responsible for any penalties, interest, or reductions in excess recoveries because of late reporting.
 8. Within 24 hours after notification of a serious (one requiring more than first aid) third party bodily injury claim, contact the claimant by telephone or in person. Within two working days after notification of any other third party claim, contact the claimant by telephone or in person.
 9. Subject to the exercise of professional judgment, accept and settle or deny all third party claims on behalf of IRC. When it appears that the claim is questionable or contested or the final value of any claim will exceed a discretionary limit of \$10,000, IRC shall be notified and the final decision for settlement shall rest with IRC or its designee. Any settlement is to include preparation and actuation of all necessary compromise and release agreements.
 10. Conduct such investigation, field or telephonic, as in the exercise of professional judgment would seem necessary. Follow specific written investigation procedures for any case for which the excess insurer requires specific notification.
 11. IRC may select and employ outside professionals such as surveillance personnel, expert witnesses, and attorneys to assist in the investigation, adjustment, and defense of claims.
 - (a) IRC may select specific vendors and pricing schedules for the following services: Legal, Surveillance and Investigation services, and Medicare Set-Aside (CMS) services.
 - (b) TPA will review all bills for such services for reasonableness and conformity to any pre-established rates or fees and have the ability to adhere to any set pricing schedules.
 - (c) TPA will work collaboratively with these outside professionals.
- IRC will be involved in the selection process for such outside professionals and will be involved in establishing effective utilization decision making criteria.
12. Prepare and maintain files necessary for legal defense of claims and/or other litigation (such as actions for subrogation, contribution, or indemnity) or other proceedings.

13. Where appropriate or desirable, attend hearings, depositions, mediations, and other proceedings. The attorney or other party representing IRC shall provide a written report to IRC within ten working days after the hearing, deposition, mediation or other proceeding. The adjuster handling the claim file will provide an oral report to IRC within ten working days after the hearing, deposition, mediation or other proceeding.
14. Pay in a timely fashion all claims and expenses pertaining to IRC's claims.
15. At the request of IRC, provide a complete copy of all files involving litigation, potential or actual subrogation, to the Risk Manager or the designee thereof.
16. Aggressively pursue all possibilities of subrogation, excess insurance reimbursement, third party liens, contribution or indemnity on behalf of IRC. Services for Automobile Liability shall include the pursuit of subrogation on behalf of IRC for Automobile Physical Damage losses.
17. Periodically as appropriate, but at least every six months, review all open cases in and complete a strategic action plan in order to assist in the settlement of the cases. Such written review shall include a review and verification of outstanding reserves. A written summary of the review shall be documented in the open case file and shall be provided to IRC within ten working days after the end of the period for which the report is being made.
18. The supervising adjuster shall meet with IRC's Risk Manager, or the designee thereof, to consult with and refer all questionable or contested cases and those with an estimated value in excess of \$10,000.

LOSS STATISTICS SERVICES

The TPA shall provide IRC with the ability to access comprehensive on-line, real-time claim information data, including reporting capabilities, at no additional cost to IRC. The TPA shall provide IRC with regular monthly reports, as agreed upon by the parties, in such a format as is acceptable to IRC. The on-line claim security shall permit on-line input of accident reports by IRC.

The TPA agrees that IRC shall have on-line, real-time access to all claim files, including all adjuster notes, supervisory notes, diary items, payment records, medical bills and expense bills in an electronic manner with internet based access available to IRC.

**ATTACHMENT C
CLAIMS ADMINISTRATION SERVICES
PERFORMANCE REVIEWS**

The TPA and IRC agree that Performance Reviews will be conducted after the first year of operations. Each Performance Review will involve Claim File Reviews and an overall Program Management Review. Performance Reviews will be conducted by the Risk Manager, or the designee thereof.

In the Claim File Review process, for each claim file that is reviewed, the reviewer will assign a score from 0 to 100 based upon the criteria outlined in this Attachment B. At the conclusion of reviewing all selected claim files, an average score for all claim files reviewed will be calculated. In the Program Management Review process, a separate single score between 0 and 100 will be calculated.

The average score for the Claim File Reviews will account for 90% of the overall scoring for the Performance Review. The total score for the Program Management Review will account for 10% of the overall scoring for the Performance Review. As an example, if the average WC Claim File Review score is 86 points, and the average Third Party Liability Claim File Review score is 90 points, and the Program Management Review score is 70 points, the total score will be calculated as follows:

| | | |
|---|------------------------------|-------------------|
| Third Party Liability Claim File Review | 90 points times 40% weight = | 36.0 points |
| WC Claim File Review average | 86 points times 50% weight = | 43.0 points |
| Program Management Review | 70 points times 10% weight = | <u>7.0 points</u> |
| Total Weighted Review Points | | 86.0 points |

The penalties will be based upon the Total Weighted Review Points.

IRC will perform one Performance Review for each annual period of the contract. The following chart outlines the expected review schedule. IRC retains the right, at its sole discretion, to perform such reviews at any time.

| Performance Review | Performance Period | Total Weighted Review Points | Penalty |
|--------------------|----------------------------|------------------------------|---------|
| 1 | Months 1 – 12 of Contract | 80 | 1% |
| 2 | Months 13 – 24 of Contract | 90 | 1% |
| 3 | Months 25 – 36 of Contract | 95 | 1% |
| 4 * | Months 37 – 48 of Contract | 95 | 1% |
| 5 * | Months 49 – 60 of Contract | 95 | 1% |

* If agreement extension authorized by IRC.

Failure to perform at or above expected levels for the Performance Reviews will result in a financial penalty of 1% of the amount that was charged by the TPA for the performance period. Any financial

penalties will be credited to future amounts invoiced by the TPA to IRC.

The Performance Reviews will measure objective performance standards which are easily identified and measured. After each Performance Review is performed, the TPA will meet with the IRC Risk Manager and/or designee to discuss initial evaluation results. The TPA will be given an opportunity to factually rebut the initial findings. Thereafter, a final tally of the review results will be prepared.

A minimum Total Weighted Review Points of 80 is expected in the first annual period of the contract. The minimum Total Weighted Review Points is raised to 90 on the second annual period, and 95 for periods thereafter. Failure to meet these average compliance expectations will result in the penalty noted above.

THIRD PARTY LIABILITY CLAIM FILE REVIEWS

The Claim File Review will include 20 randomly selected claim files. The make-up of the files selected for each review will be at least 50% open files. At least 50% of the selected files will have recent (within performance period) dates of occurrence and remaining selected files will have dates of injury more than 12 months prior to the performance period.

Each claim will generate a score ranging from 1 to 100 points. All timeliness standards of performance are stated in business, not calendar, days. In any instances where a standard is not applicable to a particular claim file, the file will be awarded the appropriate point(s) for that standard. Only transactions that are paid or processed during the performance period will be subject to scoring.

1. Claim Receipt, Recording & Contact Assigned (20 Points)

The TPA will document claims intake information on all liability claims, enter the claim into the system, properly code claim, assign claim number and assign adjuster. This information will be available electronically within one business day of receipt of claim intake information.

A minimum of “three attempts” by the claims adjuster to contact the appropriate claimant(s), employees, and/or supervisor will be considered a “contact,” if followed up with appropriate correspondence and documented in the file within the measurement period.

2. Document Subrogation Recovery Potential (10 Points)

Adjusters will document subrogation, contribution, and/or coordination of benefits recovery potential in the claim file within fourteen (14) days of claim receipt.

3. Litigation Management and Communication/Documentation (10 Points) Claims

adjusters will “address” litigation within two (2) days of litigation receipt. This will

mean a referral to the appropriate legal counsel for assignment within two (2) days.

4. Direction Within Fourteen (14) Days of Claim Receipt (20 points)

For liability claims, within fourteen (14) days of receipt of the claim, the claims adjuster will document appropriate specific direction for the investigation and handling of the case.

5. Reserves – Documentation, Routine/Appropriate Updates (20 Points)

Within 72 hours of receipt of the claim, initial reserves for the file should be set; thereafter, reserves will be reviewed on an on-going basis, and, at a minimum of 30 days from 72 hour review, 30 days from 30 day review, 60 days from last 60 day review and every 6 months thereafter. Any increase or decrease of reserves by \$10,000 or more requires notice to the Risk Manager, or designee. The file should document such notice when appropriate.

6. Excess Insurer Communication, Documentation and Recovery (20 Points)

TPA will provide documentation of compliance with all reporting requirements of excess insurers. All claim files with total incurred experience projections exceeding self-insured retention for date of injury will document appropriate communication with excess insurance. All required and appropriate information will be provided to excess insurers. TPA will file for reimbursement from excess insurer for each claim file when total payments exceed self-insured retention. Initial filing for reimbursement will occur within 90 days of when total payments exceeded self-insured retention. TPA will follow-up with excess insurer every 90 days until all excess insurance reimbursements have been received by IRC.

WORKERS' COMPENSATION CLAIM FILE REVIEWS

The Claim File Review will include 50 randomly selected claim files. The make-up of the files selected for each review will be at least 50% open files. At least 50% of the selected files will have recent (within performance period) dates of injury and remaining selected files will have dates of injury prior to the beginning of the performance period.

Each claim will generate a score from 1 to 100 points. All timeliness standards of performance are stated in business, not calendar, days. In any instances where a standard is not applicable to a particular claim file, the file will be awarded the appropriate point(s) for that standard. Only transactions that are paid or processed during the performance period will be subject to scoring.

MEDICAL MANAGEMENT/CONTROL – 32 Points

1. Timely Medical Bills and Records (8 Points)

The TPA will review bills, invoices, and other claims for payment submitted by health care providers to identify proper authorization, over utilization, underutilization and billing errors and will adjudicate/pay those bills and mail (postmark) payments within 45 days. Bills will be properly coded.

2. Medical Plan of Action Documentation (8 Points)

A written plan of action must be established jointly between the adjuster and, as appropriate, supervisor or case manager within the following intervals:

- a. Within 10 days of the TPA's knowledge of a claim,
- b. Within 30 days of the TPA's knowledge of a claim,
- c. At quarterly intervals thereafter, as long as a claim remains open.

The plan of action must include, as appropriate, the medical resources required (field nurse case manager, specialist referral, transportation, attendant care, etc.), the diagnosis, prognosis, proposed treatment plan, authorized physicians and other providers, description and cost of prescribed medications, the Medicare set aside strategy and anticipated MMI, current work status and stay-at-work or return-to-work plan.

File documentation will include a clear understanding by adjuster direction, strategy and "who" is going to do "what" to ensure successful result. End result desired or expected will be clearly documented.

3. Timely Care/Treatment/Quality Referral & Authorization Process (8 Points)

Needed medical appointments with specialists, physical therapists, diagnostic tests, etc. must take place within 7 days of a request for service by an authorized party and appropriate to the diagnosis. If appointment for appropriate service is not available within 7 days of request/referral, file must document reasonable attempts to procure such appointment.

The TPA must provide a substantive and written cover letter and chronologically arranged medical records to any independent medical examiner at least 5 days prior to an independent medical examination appointment date or, as appropriate, provide the documents in a timely manner to defense counsel on the appointments that they are to schedule. The information assembled must be thorough and provided in such a manner as to be meaningful and self-explanatory.

4. Stay-at-Work/Return-to-Work Communication & Documentation (8 Points)

The IRC Workers' Compensation Coordinator must be notified in writing, no later than the next business day of the TPA's knowledge, that an employee has been given limitations/restrictions or other altered duty status. The file must always clearly document work status.

CLAIMS MANAGEMENT – 36 Points

1. Timely Reporting, Quality Contact (for new claims) (8 Points)

Adjuster will make timely (within 24 hours for lost-time and 48 hours for medical-only, but not later than the next business day excluding weekends and holidays), appropriate, and meaningful contact with the injured employee, site supervisor and physician. File will

document this contact. If contact is not made, file will document attempts at contact. Documentation will include, but not be limited to, documentation of compensability, mechanism of injury, medical necessity of medical care, orientation of the injured worker, duty status, as well as evidence of meaningful medical, educational, vocational and societal background information relevant to the ability of the injured employee to return to his or her usual occupation.

2. Recovery Activity/Subrogation (4 Points)

All possible avenues of subrogation/recovery will be thoroughly explored with appropriate follow-up diaries. Employees prior claim history will be investigated and clearly documented in file.

3. Documented Communication (4 Points)

Evidence/documentation of routine and effective communication between all interested parties involved in the claim: adjuster, nurse case manager, physicians and other health care providers, employer, employee, legal counsel, etc. Information requested from interested parties should be aggressively pursued. When the information is not provided in a reasonable amount of time, follow-ups for the requested information should be sent at regular intervals until the information is provided or the matter otherwise resolved. The file should be clearly documented with the date and description of each new request or follow-up.

4. Litigation Management (4 Points)

Evidence of proactive litigation activity and plan (i.e., claim management not “abandoned” to defense counsel) and reasonable efforts should be documented and readily evident from the claim file. File will reflect timely response to all legal filings, legal correspondence and proceedings. File will include evidence of a litigation action plan from defense counsel.

5. Overall Claim Documentation (8 Points)

Claim file documentation must be meaningful and self-explanatory. A “The file must speak for itself” standard will be kept at all times. Actionable events (new information, transactions, correspondence and communication, actions, etc.) must be documented in real-time (i.e., same day).

6. Supervisor, Manager Involvement (8 Points)

Appropriate supervisory/management involvement will be documented in claim file. Supervisory/management directives will include initial assignment and subsequent directives will include involvement in evaluating reserves, involvement in strategic planning and disposition of claim. Requests by the supervisor/manager for information from interested parties, and follow-ups for that information, should be timely and clearly documented with a date and description of each request and follow-up.

FINANCIAL MANAGEMENT – 32 Points

1. Reserves (8 Points)

A comprehensive reserve analysis must be prepared and be included as part of the claim file within the following intervals:

- a. Within 10 days of the TPA's knowledge of a claim,
 - b. Within 90 days of the TPA's knowledge of a claim,
 - c. At 6 month intervals thereafter, as long as a claim remains open, and
 - d. At any time, where in the TPA's professional judgment, a claim event has occurred requiring a reserve increase or decrease.
- 2. Medical Payments (8 Points)**
Medical reimbursement made on behalf of IRC must be in accordance with contracted rates or the Florida Fee Schedule. Medical reimbursement includes reimbursements for physician office visits, surgeries, pharmaceuticals, physical therapy, and other medical treatments. A random sampling of medical reimbursements paid for each claim file will be reviewed.
- 3. Indemnity Payments (8 Points)**
Determination of the injured employee's proper average weekly wage and compensation rate must be made within 10 days of TPA's receipt of the wage statement is required by Statute/Administrative Code. Thereafter, timely indemnity payments will be documented.
- 4. Expense Payments (8 Points)**
Appropriate use/management of support resources will be reviewed. This will include the use of all vendors/resources enlisted and paid as an allocated loss adjustment expense (ALAE) or a legal expense such as defense counsel, surveillance, translators, Medicare set-aside services, transportation services, etc. To the extent a preferred panel of providers of these services has been established by IRC, use of preferred providers and contracted rates will be reviewed.

PROGRAM MANAGEMENT REVIEW

REPORTING & COMMUNICATIONS – 35 Points

- 1. Routine Meetings (15 Points)**
The TPA will establish and conduct routine meetings with the Risk Manager, or designee, to review progress of the program, review financial indicators of the program, review legislative issues relevant to the program and to discuss any open issues. Meetings will, as appropriate, include sub-contractors of the TPA involved in the program. Agendas will be developed in advance of the meetings and minutes of meetings will be kept. Attendance via teleconference meets this requirement.
- 2. Monthly & Quarterly Reporting (15 Points)**
IRC and TPA will develop a written listing of reports to be provided by the TPA to IRC. The written listing of reports will include information regarding the timing of reports and distributions of reports. This will include reports from subcontractors, as appropriate.

3. Reporting and Reimbursement of State of Florida Penalties (5 Points)

TPA will provide quarterly reporting to IRC of all penalties paid by the TPA to the State of Florida. The report will include documentation of the reason for the penalty and describe the responsibility. TPA will promptly reimburse IRC for penalties for which the TPA's actions are responsible.

STAFFING – 20 Points

1. Caseloads (10 Points)

Average assigned caseloads for adjusters will not exceed 170 open claim files. Medical only adjuster case load will not exceed 250 open claim files.

2. Communications Regarding Assigned Staff (10 Points)

TPA will provide notice to Risk Manager of all staff changes relating to the management of IRC claims.

PROVIDER NETWORK EFFECTIVENESS – 15 Points

1. Ability to Get Appointments Quickly (10 Points)

TPA agrees that it will design, establish, maintain and administer a provider network through which treatment, services and supplies will be provided in a reasonably timely manner. TPA agrees it will clearly document in the file any difficulties in obtaining timely treatment, services or supplies and any and all efforts to procure alternatives to such treatment, services or supplies.

2. Management of Non-Standard Fee Agreements (5 Points)

TPA will document all non-standard fee agreements for medical services. TPA agrees that any and all non-standard fee agreements must be reviewed and approved by IRC prior to receipt of treatment, services or supplies. TPA shall clearly document IRC's approval in the file.

EXCESS INSURANCE – 30 Points

1. Reporting (10 Points)

TPA will provide documentation of compliance with all reporting requirements of excess insurers.

2. Documentation of Appropriate Communications with Excess Insurers (10 Points)

All claim files with total incurred experience projections exceeding the self-insured retention for date of injury will document appropriate communication with excess insurance. All required and appropriate information will be provided to excess insurers.

3. Prompt Reimbursement of Excess Insurance (10 Points)

TPA will file for reimbursement from excess insurer for each claim file when total payments exceed self-insured retention. Initial filing for reimbursement will occur within 90 days of when total payments exceeded self-insured retention. The TPA will follow up with excess insurer every 90 days until all excess insurance reimbursements have been received by IRC.

ATTACHMENT D
ALLOCATED CLAIMS EXPENSES

The TPA and IRC agree that the following are acceptable Allocated Claims Expenses. The TPA Fee, as shown in Article 3 of this Agreement, does not include Allocated Claims Expenses.

Attorneys' and legal assistance' fees for claim and any lawsuits, before and at trial, on appeal, or otherwise;

Court and other litigation settlement expenses, including, without limitation:

- Medical examination to determine extent of liability,
- Expert medical and other testimony,
- Laboratory, X-ray and other diagnostic tests,
- Autopsy, surgical reviews, and other pathology services,
- Physician related fees and expenses in reading, interpreting, or performing any of the foregoing tests or services,
- Stenographer, process server, and other related trial preparation, trial, settlement, and court costs,
- Witness fees and expenses before and at trial, deposition, settlement discussions, or otherwise, and
- Fees and expenses for surveillance, private investigators, or otherwise;

Fees for any work done outside the office, including, but not limited to, field investigations necessary to determine compensability, liability, Special Disability Trust Fund or subrogation recoverability, claimant control, attendance at mediations, hearings and depositions, attendance at management meetings, attendance at medical consultations or hearings, appraisals, case management, recorded statements;

Fees for field investigation will be \$105.00, \$0.55 a mile and \$1.00 per photograph, and administrative expenses;

Handling of property claims during a catastrophe will be billed based upon the catastrophe schedule in effect at the time of the catastrophe.

Fees for over-night or special mail services for various documents;

Field Case Management Services, Peer Review Services, Medical Care Audits or Hospital Bill Audits;

Medicare Set-Aside (MSA) services to include: MSA cost projections, MSA submission, liability MSA services, comprehensive drug utilization review, lien search, conditional lien dispute and projection updates.