

BEFORE THE BOARD OF COMMISSIONERS OF LANE COUNTY, OREGON

ORDER NO: 15-10-27-06

IN THE MATTER OF AWARDING A
CONTRACT TO CORVEL ENTERPRISE
COMP, INC. FOR THIRD PARTY CLAIMS
ADMINISTRATION SERVICES FOR THE
COUNTY'S WORKERS' COMPENSATION
PROGRAM

WHEREAS, the County received proposals for Third Party Claims Administration Services for the County's workers' compensation program on July 16, 2015 and

WHEREAS, the proposals were evaluated by a committee drawn from County Counsel, Human Resources, Health and Human Services, Public Works, County Administration and the Sheriff's Office, and CorVel's proposal was the unanimous selection for award based on cost and services offered; and

WHEREAS, the County and the Contractor have agreed to enter into a contract in substantially the form attached as Exhibit A; and

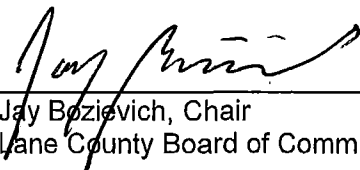
WHEREAS, sufficient funds are included in the County's 2015/16 budget for the services described in the contract;

WHEREAS, the contract amount over the three-year term exceeds \$100,000;

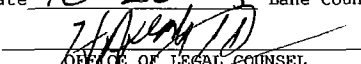
NOW, THEREFORE, the Board of County Commissioners of Lane County **ORDERS** as follows:

1. That the contract for Third Party Claims Administration services for the County's workers' compensation program be awarded to CorVel Enterprise Comp, Inc.; and
2. That the County Administrator is authorized to execute a contract with CorVel in substantially the form attached as Exhibit A.

ADOPTED this 27th day of October, 2015.



Jay Bozievich, Chair
Lane County Board of Commissioners

APPROVED AS TO FORM
Date 10-20-15 Lane County

OFFICE OF LEGAL COUNSEL



LANE COUNTY CONTRACT FOR GOODS AND/OR SERVICES

Contract Title: Worker' Comp Third Party Administrator 2015 - 2018

This Contract is entered into by and between Lane County, Oregon, a political subdivision of the State of Oregon ("County"), and CorVel Enterprise Comp, Inc. ("Contractor"), referred to collectively in this Contract as "the parties".

The County and Contractor agree as follows:

1. STATEMENT OF WORK

- 1.1 Contractor will furnish or perform the professional Workers' Compensation Third Party Claims Administration services for the County in accordance with the requirements of this Contract.
- 1.2 Contractor's Work is further described in Exhibit C – Scope of Services and Service Conditions. Contractor will perform implementation and services in a manner consistent with Contractor's RFP Response included as Exhibit D.

2. CONTRACT DOCUMENTS

- 2.1 The Contract. The Contract consists of this document and all exhibits listed below, which are incorporated into this Contract.
- 2.2 Exhibits. With this document, the following exhibits are incorporated into the Contract:
 - Exhibit A, Lane Manual Ch. 21, Sec. 130 Standard Contract Provisions
 - Exhibit B, Insurance Coverages Required
 - Exhibit C, Scope of Services and Service Conditions
 - Exhibit D, Contractor's RFP Response dated July 16, 2015, which is included by this reference as if attached hereto
 - Exhibit E, Fees
 - Exhibit F, Claim Funding/Trust Account
 - Exhibit G, Performance Guarantee
- 2.3 Contract Conditions. Contractor must comply with all terms and conditions of the Contract. In the event of a conflict between the requirements of this document and any Exhibit, the requirements in this document prevail.
- 2.4 Compliance with County Policies. In addition to the terms stated in this Contract, Contractor must, in the course of carrying out Contractor's Work, comply at all times with the then-current "Mandatory County Policies for Vendors" published on the County's County-Wide Bid Page at:

<http://www.lanecounty.org/Departments/CAO/Operations/Purchasing/Pages/MandatoryVendorPolicies.aspx>.

3. CONSIDERATION AND PAYMENT

- 3.1 Consideration. In consideration for Contractor's performance, the County agrees to pay the fees listed in Exhibit D. The County is not obligated to pay any amount greater than that stated here. The rates or amounts stated in Exhibit D may be increased only by Amendment.
- 3.2 Payment. Any payments will customarily be made within thirty (30) days of receipt of a properly submitted and approved invoice from Contractor.

4. ADMINISTRATION OF CONTRACT

- 4.1 The County's Workers' Compensation Administrator is the Contract Administrator.
- 4.2 The Contract Administrator is authorized to interpret the Contract Documents and to request, oversee, and approved services. The Contract Administrator cannot execute Amendments to the Contract.
- 4.3 Contractor shall comply with the Service/Claims Handling Instructions agreed to by the Contractor and the County.
- 4.4 Contractor shall give the County notice of persons who are authorized to act on behalf of Contractor on all matters concerning administration of this Contract.

5. EFFECTIVE DATE AND DURATION

- 5.1 Effective Date. Upon the signature of all parties, this Contract is effective 11/1/15.
- 5.2 Duration. Unless extended or terminated earlier in accordance with its terms, this Contract will terminate 10/31/18. However, such expiration shall not extinguish or prejudice either party's right to enforce this agreement with respect to any breach or default in performance which has not been cured.

6. CONTRACTOR'S STATUS

- 6.1 Independent Contractor Status. The performance of this Contract is at Contractor's sole risk. The service or services to be rendered under this Contract are those of an independent Contractor that is not an officer, employee or agent of the County as those terms are used in ORS 30.265.
- 6.2 Contractor's Responsibilities. Notwithstanding the Oregon Tort Claims Act or the provisions of any other contract, Contractor is acting as and assumes liability of an independent contractor as to any claims between the County and Contractor. Contractor is solely liable for any workers' compensation coverage; social security, unemployment insurance or retirement payments; and federal or state taxes due as a result of payments under this Contract, whether due on account of Contractor or Contractor's subcontractor, if any.
- 6.3 Contractor Not Employee. Contractor is not currently employed by the County, and will not be under the direct control of the County. Contractor will not be eligible for any Federal Social Security, State Workers' Compensation, unemployment insurance or Public Employees Retirement System benefits from this contract payment.
- 6.4 Reporting of Payments. Contractor acknowledges that the County will report the total amount of all payments to Contractor, including any expenses, in accordance with Federal Internal Revenue and State of Oregon Department of Revenue regulations.

7. INSURANCE AND INDEMNIFICATION

- 7.1 Contractor's Required Insurance. Contractor must provide and maintain all insurance called for on the page entitled "Insurance Coverages Required," including the required Additional Insured policy endorsements, and must notify Lane County Risk Management of any material reduction or exhaustion of aggregate limits.
- 7.2 Workers Compensation. Contractor, its subcontractors, and all employers working under this Contract are subject employers under the Oregon Workers' Compensation Law, and must comply with ORS 656.017 and provide Worker's Compensation coverage for all their subject workers unless exempt under ORS 656.126.
- 7.3 Contractor to Maintain Insurance. Contractor may not cancel, materially change, or not renew insurance coverages. If any policy is canceled before final payment by the County to Contractor, Contractor must immediately procure other insurance meeting the requirements. Any insurance bearing on adequacy of performance must be maintained after completion of the Contract for the full guarantee period. If Contractor fails to maintain any required insurance, the County reserves the right to procure such insurance and to charge the cost to Contractor.
- 7.4 No Limitation. Nothing contained in these insurance requirements limits the extent of Contractor's responsibility for payment of damages resulting from Contractor's operation under this Contract.
- 7.5 Indemnification. To the extent permitted by the Oregon Constitution, and to the extent permitted by the Oregon Tort Claims Act, and to the extent otherwise provided for in private contracts of insurance, the parties agree to indemnify, defend, and hold each other, their agents, officers and employees, harmless from all damages, losses and expenses, including but not limited to attorney fees, and to defend all claims, proceedings, lawsuits, and judgments arising out of or resulting from the other party's negligence in the performance of or failure to perform under this Contract. No party to this Contract will be required to indemnify or defend the other party for any liability arising solely out of wrongful acts of its own officers, employees or agents.

8. MODIFICATION AND TERMINATION

- 8.1 Modification. No modification or amendment to this Contract will bind either party unless in writing and signed by both parties.
- 8.2 Termination. The parties may jointly agree to terminate this Contract at any time by written agreement. The County may terminate this Contract for its convenience at any time with no liability on its part, except to pay for services previously provided, by giving Contractor not less than 30 days' advance written notice.
- 8.3 Force Majeure. Neither the County nor Contractor will be held responsible for delay or default due to Force Majeure acts, events or occurrences unless they could have been avoided by the exercise of reasonable care, prudence, foresight, and diligence by that party. If delays or nonperformance are caused by a subcontractor of Contractor, Contractor will be liable for such supplies or services if they were obtainable from other sources in sufficient time to permit Contractor to meet the required schedule. The County may terminate this Contract upon written notice after determining that delay or default caused by Force Majeure acts, events, or occurrences will reasonably prevent successful performance of the Contract.

9. DISPUTES

- 9.1 Dispute Resolution. The parties are required to exert every effort to cooperatively resolve any disagreements that may arise under this Contract. This may be done at any management level, including at a level higher than the persons directly responsible for administration of the Contract. In the event that the parties alone are unable to resolve any conflict under this Contract, they are encouraged to resolve their differences through mediation or arbitration, using such process as they may choose at the time.
- 9.2 Governing Law. All matters in dispute between the parties to this contract arising from or relating to the Contract, including without limitation alleged tort or violation, are governed by, construed, and enforced in accordance with the laws of the State of Oregon without regard to principles of conflict of laws. This section does not constitute a waiver by the County of any form of defense or immunity, whether governmental immunity or otherwise, from any claim or from the jurisdiction of any court.
- 9.3 Forum and Venue. All disputes and litigation arising out of this Contract will be decided by the state or federal courts of Oregon. Venue for all disputes and litigation will be in Lane County, Oregon.

10. MISCELLANEOUS PROVISIONS

- 10.1 Merger. This Contract contains the entire agreement of the County and Contractor with respect to the subject matter of this Contract, and supersedes all prior negotiations, agreements and understandings.
- 10.2 Waiver. Failure of the County to enforce any provision of the Contract does not constitute a waiver or relinquishment by the County of the right to such performance in the future nor of the right to enforce that or any other provision of this Contract.
- 10.3 Severability. If any provision of this Contract is declared by a court to be illegal or in conflict with any law, the validity of the remaining terms and provisions are not affected; and the rights and obligations of the parties are to be construed and enforced as if the Contract did not contain the particular provision held to be invalid.
- 10.4 Survival. The provisions of this Contract with respect to governing law, indemnity, insurance for completed products and operations, warranties, guarantees and, if included in the Contract, attorney fee provisions and limitations, will survive termination or completion of the Contract.
- 10.5 Time is of the Essence. The parties agree that time is of the essence with respect to all provisions of this Contract.
- 10.6 Protection of Consumer Personal Information. Contractor must have and maintain appropriate administrative, technical, and physical safeguards to protect the security, confidentiality, and integrity of consumer personal information pursuant to ORS 646A.622(2), and agrees to comply with all other provisions of the Oregon Consumer Identity Theft Protection Act (ORS 646.600 et seq.) throughout the term of this Contract.
- 10.7 Non-Assignment. Contractor may not assign or transfer its interest in this Contract without prior written approval of the County.

10.8 Binding on Successors and Assigns. The provisions of this Contract are binding upon and inure to the benefit of the parties to this Contract, their respective successors, and permitted assigns.

10.9 No Third-Party Beneficiaries. The County and Contractor are the only parties to this Contract and are the only parties entitled to enforce its terms. Nothing in this Contract gives or may be construed to give or provide any benefit or right to third persons, either directly or indirectly, that is greater than the rights and benefits enjoyed by the general public, unless that party is identified by name in this Contract.

10.10 Headings. The headings and captions in this Contract are for reference and identification purposes only and may not be used to construe the meaning or to interpret the Contract.

10.11 Multiple Counterparts. This Contract and any subsequent amendments may be executed in several counterparts, facsimile or otherwise, all of which when taken together will constitute one agreement binding on all parties, notwithstanding that all parties are not signatories to the same counterpart. Each copy of this Contract and any amendments so executed will constitute an original.

11. **CONTRACTOR'S CERTIFICATION.** By execution of this Contract, Contractor certifies under penalty of perjury that Contractor is in compliance with the requirements of Lane Manual Ch. 21, Sections 130(12) and (18) regarding tax law compliance, non-discrimination, and licensing.

EACH PARTY, BY EXECUTION OF THIS AGREEMENT, HEREBY ACKNOWLEDGES THAT IT HAS READ THIS AGREEMENT, UNDERSTANDS IT, AND AGREES TO BE BOUND BY ITS TERMS AND CONDITIONS.

CONTRACTOR:

COUNTY:

(Contractor's legal name)

LANE COUNTY, OREGON

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

Address:

Lane County, Public Service Building
125 E. 8th Avenue
Eugene, Oregon 97401

Tax ID No.: _____

EXHIBIT A – LANE MANUAL CH. 21, SEC. 130 STANDARD CONTRACT PROVISIONS

21.130 Standard Contract Provisions. The following standard public contract clauses must be included expressly or by reference in every contract of the County.

- (1) Contractor shall make payment promptly, as due, to all persons supplying to such Contractor labor or material for the prosecution of the work provided for in the contract, and shall be responsible for payment to such persons supplying labor or material to any subcontractor.
- (2) Contractor shall pay promptly all contributions or amounts due to the State Industrial Accident Fund and the State Unemployment Compensation Fund from Contractor or any subcontractor in connection with the performance of the contract.
- (3) Contractor shall not permit any lien or claim to be filed or prosecuted against the County on account of any labor or material furnished, shall assume responsibility for satisfaction of any lien so filed or prosecuted and shall defend against, indemnify and hold the County harmless from any such lien or claim.
- (4) Contractor and any subcontractor shall pay to the Department of Revenue all sums withheld from employees pursuant to ORS 316.167.
- (5) Contractor shall make payment promptly, as due, to any person, co-partnership, association or corporation furnishing medical, surgical, hospital or other needed care and attention, incident to sickness or injury, to the employees of Contractor, of all sums which Contractor agreed to pay or collected or deducted from the wages of employees pursuant to any law, contract or agreement for the purpose of providing payment for such service.
- (6) With certain exceptions listed below, Contractor shall not require or permit any person to work more than 10 hours in any one day, or 40 hours in any one week except in case of necessity, emergency, or where public policy absolutely requires it, and in such cases Contractor shall pay the person at least time and a half for:
 - (a) All overtime in excess of eight hours a day or 40 hours in any one week when the work week is five consecutive days, Monday through Friday, or
 - (b) All overtime in excess of 10 hours a day or 40 hours in any one week when the work week is four consecutive days, Monday through Friday, and
 - (c) All work performed on the days specified in ORS 279B.020(1) for non-public improvement contracts or ORS 279C.540(1) for public improvement contracts.

For personal/professional service contracts as designated under ORS 279A.055, instead of (a) and (b) above, Contractor shall pay a laborer at least time and a half for all overtime worked in excess of 40 hours in any one week, except for individuals under these contracts who are excluded under ORS 653.010 to 653.261 or under 29 U.S.C. Sections 201 to 209, from receiving overtime.

Contractor shall follow all other exceptions, pursuant to ORS 279B.235 (for non-public improvement contracts) and ORS 279C.540 (for public improvement contracts), including contracts involving a collective bargaining agreement, contracts for services, and contracts for fire prevention or suppression. For contracts other than construction or public improvements, this subsection (6) does not apply to contracts for purchase of goods or personal property.

Contractor shall give written notice to employees who work on a public contract of the number of hours per day and days per week that the employees may be required to work.

This notice must be given in writing either at the time of hire or before commencement of work on the contract, or must be posted as a notice in a location frequented by employees.

- (7) Contractor, any subcontractors, and all employers working under the contract are subject employers under the Oregon Workers' Compensation Law and must comply with ORS 656.017, unless exempt under ORS 656.027.
- (8) Unless otherwise provided by the contract or law, the County has a right to exercise the following remedies for Contractor's failure to perform the scope of work or failure to meet established performance standards:
 - (a) Reduce or withhold payment;
 - (b) Require Contractor to perform, at Contractor's expense, additional work necessary to perform the identified scope of work or meet the established performance standards; or
 - (c) Declare a default, terminating the public contract and seeking damages and other relief available under the terms of the public contract or other applicable law.
- (9) The contract may be canceled at the election of the County for any substantial breach, willful failure or refusal on the part of Contractor to faithfully perform the contract according to its terms. The County may terminate the contract by written order or upon request of Contractor, if the work cannot be completed for reasons beyond the control of either Contractor or the County, or for any reason considered to be in the public interest other than a labor dispute, or by reason of any third party judicial proceeding relating to the work other than one filed in regards to a labor dispute, and when circumstances or conditions are such that it is impracticable within a reasonable time to proceed with a substantial portion of the work.
- (10) If the County does not appropriate funds for the next succeeding fiscal year to continue payments otherwise required by the contract, the contract will terminate at the end of the last fiscal year for which payments have been appropriated. The County will notify Contractor of such non-appropriation not later than 30 days before the beginning of the year within which funds are not appropriated. Upon termination pursuant to this clause, the County will have no further obligation to Contractor for payments beyond the termination date. This provision does not permit the County to terminate the contract in order to provide similar services or goods from a different contractor.
- (11) Unless otherwise provided by the contract or law, Contractor agrees that the County and its duly authorized representatives may have access to the books, documents, papers, and records of Contractor which are directly pertinent to this Agreement for the purpose of making audits, examinations, excerpts, copies and transcripts. Contractor shall retain and keep accessible such books, documents, papers, and records for a minimum period of (6) six years after the County makes final payment on this Agreement. Copies of applicable records must be made available upon request, and payment of copy costs is reimbursable by the County.
- (12) By execution of this contract, Contractor certifies, under penalty of perjury that:
 - (a) To the best of Contractor's knowledge, Contractor is not in violation of any tax laws described in ORS 305.380(4), and
 - (b) Contractor has not discriminated against minority, women or small business enterprises or one that is owned or controlled by or that employs a disabled veteran as defined in ORS 408.225.
- (13) Contractor shall meet the highest standards prevalent in the industry or business most closely involved in providing the goods or services or personal services covered by this Agreement, except if the County has good cause and the contract provides otherwise.

- (14) Contractor shall not assign this contract or any payments due hereunder without the proposed assignee being first approved and accepted in writing by County.
- (15) Contractor shall make all provisions of the contract with the County applicable to any subcontractor performing work under the contract.
- (16) The County will not be responsible for any losses or unanticipated costs suffered by Contractor as a result of the contractor's failure to obtain full information in advance in regard to all conditions pertaining to the work.
- (17) All modifications and amendments to the contract will only be effective only if in writing and executed by both parties.
- (18) Contractor certifies that Contractor has all necessary licenses, permits, or certificates of registration necessary to perform the contract and further certifies that all subcontractors will likewise have all necessary licenses, permits or certificates before performing any work. The failure of Contractor to have or maintain such licenses, permits, or certificates is grounds for rejection of a bid or immediate termination of the contract.
- (19) Unless otherwise provided, data which originates from this contract constitutes "works for hire" as defined by the U.S. Copyright Act of 1976 and is owned by the County. Data includes, but is not limited to, reports, documents, pamphlets, advertisements, books, magazines, surveys, studies, computer programs, films, tapes, and/or sound reproductions. Ownership includes the right to copyright, patent, register and the ability to transfer these rights. Data which does not originate from this contract, but which is delivered under the contract, is transferred to the County with a nonexclusive, royalty-free, irrevocable license to publish, translate, reproduce, deliver, perform, dispose of, and to authorize others to do so; provided that such license will be limited to the extent which Contractor has a right to grant such a license. Contractor shall exert all reasonable effort to advise the County, at the time of delivery of data furnished under this contract, of all known or potential invasions of privacy contained therein and of any portion of such document which was not produced in the performance of this contract. Contractor shall give the County prompt written notice of any notice or claim of copyright infringement received by Contractor with respect to any data delivered under this contract. The County will have the right to modify or remove any restrictive markings placed upon the data by Contractor.
- (20) If as a result of this contract, Contractor produces a report, paper, publication, brochure, pamphlet or other document on paper which uses more than a total 500 pages of 8 1/2" by 11" paper, Contractor shall conform to the Lane County Recycled Paper Procurement and Use policy, LM 2.440 through 2.448, by using recycled paper with at least 25% post-consumer content which meets printing specifications and availability requirements.
- (21) The Oregon Standard Specifications for Construction adopted by the State of Oregon, and the Manual on Uniform Traffic Control Devices, each as is currently in effect, are applicable to all road construction projects except as modified by the bid documents.
- (22) As to contracts for lawn and landscape maintenance, Contractor shall salvage, recycle, compost or mulch yard waste material in an approved site, if feasible and cost-effective.
- (23) When a public contract is awarded to a nonresident bidder and the contract price exceeds \$10,000, Contractor shall promptly report to the Department of Revenue on forms to be provided by the department the total contract price, terms of payment, length of contract and such other information as the department may require before the County will make final payment on the contract.

EXHIBIT B

INSURANCE COVERAGES REQUIRED

Contractor shall not commence any work until Contractor obtains, at Contractor's own expense, all required insurance as specified below. Such insurance must have the approval of Lane County as to limits, form and amount. The types of insurance Contractor is required to obtain or maintain for the full period of the contract will be:

COMMERCIAL GENERAL LIABILITY The insurance shall include:

Policy must include:

- Commercial General Liability
- Damage to Rented Property (\$50,000)
- Medical Expenses (\$5,000)
- Personal and Advertising (Same as per occurrence)
- Products/Completed Operations (Same as per occurrence)

POLICY LIMITS

- \$2 million per occurrence*/\$3 million aggregate
- \$2 million per occurrence*/\$4 million aggregate
- \$ Amount approved by risk and required by contract

***Umbrella coverage that is equal to or greater than \$1m (for a total of \$2m combined coverage) is acceptable**

Aggregate limits:

- Per Policy (most contracts)
- Per Project (construction contracts)

All policies must be of the occurrence form with combined single limit for bodily injury and property damage. Any deviation from this must be reviewed by the Risk Manager. All claims-made forms must be approved by Risk Management in advance and provide tail/continuous coverage for 24 months from the end of the project.

AUTOMOBILE LIABILITY insurance with limits as specified below. The coverage shall include owned, hired and non-owned automobiles and include Lane County and its divisions, its commissioners, officers, agent, and employees as additional designated insureds (CA 20 48 02 99 or equivalent).

LIMITS

\$2 million combined single limit per accident for bodily injury and property damage*

***Umbrella coverage that is equal to or greater than \$1m (for a total of \$2m combined coverage) is acceptable**

\$ Amount approved by risk and required by contract

PROFESSIONAL LIABILITY insurance – with limits not less than \$ (\$1,000,000 per occurrence minimum when required). Policy must provide tail/continuous coverage for 24 months from the end of the project.

POLLUTION LIABILITY INSURANCE – with limits not less than \$ 1 million per occurrence. Coverage must be continuous for 24 months from the end of the project.

ADDITIONAL INSURED ENDORSEMENT The general liability insurance coverage required for performance of this contract shall be by specific (not blanket or by written contract requirement) **endorsement** to name **“Lane County and its divisions, its commissioners, officers, agents and employees as additional insureds”** on any insurance policies required herein with respect to Provider's activities being performed under the Contract. The **additional insureds must be named as an additional insured by separate endorsement**, and the policy must be endorsed to show cancellation notices to the Lane County department who originated the contract. Coverage shall be primary and non-contributory with any other insurance and self-insurance.

WORKERS' COMPENSATION AND EMPLOYER'S LIABILITY as statutorily required for persons performing work under this contract. Any subcontractor hired by Contractor shall also carry Workers' Compensation and Employers' Liability coverage.

EMPLOYER'S LIABILITY Limits of \$500,000 Limits of \$1 million

FIDELITY BOND covering the activities of any person, named or unnamed, responsible for collection and expenditures of funds. Limit per employee. (\$10,000 minimum when required)

Any questions concerning insurance and indemnity should be directed to Lane County Risk Management at 541-682-3971.

EXHIBIT C – SCOPE OF SERVICES AND SERVICE CONDITIONS

During the period of the Contract the Contractor will, at the direction of Lane County's Workers' Compensation Administrator, represent and act for the County in matters pertaining to the liability of Lane County for claims filed or occurring under the Workers' Compensation Act of the State of Oregon during the term or terms of the Contract. The Contractor shall devote its best efforts to the performance of its duties hereunder and shall adhere to all relevant statutes and administrative rules.

(1) The scope of services includes, but is not limited to:

- a. Performing all services required to supervise and administer the self-insured workers' compensation program for Lane County, and to act as Lane County's representative in matters relating to Lane County's obligations under the workers' compensation laws, rules and regulations of Oregon.
- b. Receiving, examining and investigating all claims reported to Lane County. Maintaining a file on each claim that includes claim notes and pertinent data on all payments in a manner agreeable to the County. This includes converting to the Contractor's system all claims previously filed and contained within the current Third Party Administrator's claim system, as well as the processing of those claims.
- c. Establishing, reviewing and updating a reserve for each claim for which there is an injury and/or anticipated liability.
- d. Preparing all data related to the claim files in the form necessary to provide information and reports to the County, independent auditors and the State of Oregon.
- e. Providing other information as necessary to maintain compliance with any applicable laws, including but not limited to, annual filing of Internal Revenue Service Form 1099.

(2) The service conditions include, but are not limited to:

- a. Determining the benefits and services payable under Oregon law for each claim, and issuing payments in a timely manner in accordance with applicable laws, rules and regulations.
- b. Claims adjusters must investigate adjudicate and close claims in a timely manner and aggressively pursue subrogation opportunities. Claims that require outside investigators, independent medical examinations, nurse case managers and other third party services shall only be conducted upon consultation with, and consent of, Lane County. The County will have the right to approve each claims adjuster, and such claims adjusters assigned to the County may not be changed without the County's written consent. Claims adjusters may not be assigned caseloads in excess of 125 files.
- c. A claims account manager whose role includes responsibility for: service agreement administration, troubleshooting and providing effective solutions to resolve issues or problems with the service agreement and/or services, identifying key outcome based measurements that are tracked and deliver program improvements and cost reduction results, and monitoring claim trends and audit claim handling procedures to ensure a high level of customer service and best-in-class claim service deliverables.
- d. Contacting the County for approval before acceptance, denial or settlement of any claim. The County and Contractor will agree on a mutually-acceptable method for such contacts, and each contact must be made not less than 48 hours in advance of any approval or denial deadlines.

- e. Promptly providing the legal counsel selected by the County with copies of the complete claim file and assisting in the defense of cases to be litigated. Representing the County at the Workers' Compensation Board and at conferences with legal counsel, as necessary.
- f. Providing adequate advance notice of hearings, mediations, arbitrations, or settlement conferences to the County, and obtain the County's approval of any settlements.
- g. Responding to any questions or inquiries from Lane County or claimants within one business day.
- h. Communicating and discussing all reserve increases of \$5,000 or more on any one claim with Lane County.
- i. Conducting in-person claims reviews with County staff on a quarterly basis, or when requested by the County.
- j. Developing written Service/Special Handling instructions and updating these instructions upon request by Lane County.
- k. Notifying the County, the County's primary insurer, and/or the County's broker of all claims, with respect to which potential losses may exceed the County's self-insured retention. Providing excess insurers with required reports.
- l. Providing reports, including, but not limited to: monthly loss runs providing detailed and summary claims information, check registers, service performance metrics, an annual benchmarking report with other public entities and clients to the County, and special reports as requested by County staff.
- m. Providing copies of all correspondence to Lane County that is sent to employees on the same day the original is sent to the employee.
- n. Notifying Lane County within three (3) business days when any previously closed claim is reopened and providing the rationale for reopening.
- o. Providing other information as necessary to maintain compliance with any applicable laws, including but not limited to, annual filing of Internal Revenue Service Form 1099.
- p. Providing online access rights, client portal and claims query to claims information system.
- q. The County's registration as a Responsible Reporting Entity (RRE) pursuant to Section 111 of the Medicare, Medicaid and SCHIP Extension Act of 2007 (hereinafter "MMSEA") will designate the claims administrator as the "Reporting Agent," who will then assign an "Account Designee" for the self-insured Workers' Compensation portion only. Once the registrations required under the MMSEA are successfully completed, the claims administrator will report the appropriate Workers' Compensation claim information to the Centers for Medicare & Medicaid Services (CMS) pursuant to the MMSEA on behalf of the County.

EXHIBIT E – FEES

(1) During Initial Term. Fees during the Initial Term of this Agreement shall be as follows:

<u>Claims Administration</u>	
<u>Description</u>	<u>Pricing</u>
<u>Data Conversion</u>	Included in Annual Administration Fee
<u>First Notice of Loss Intake</u> If submitted via Care ^{MC} or app If reported by phone or fax	Fee Waived (\$30.00 per claim) \$30.00 per claim
<u>Incident Only Reporting</u> If submitted via Care ^{MC} If reported by phone or fax	Fee Waived (\$30.00 per claim) \$30.00 per claim
<u>24/7 Nurse Triage</u> Additional Triage (first call from nurse after claim filing)	Included in Annual Administration Fee
<u>Life of Contract Flat Annual Fee</u> <u>(Includes Annual Administration and Tail Claim fees)</u> Up to 61 new MO and 36 new IND claims annually	\$63,000.00
<u>Per Claim Fee after maximum number of claims:</u> Medical Only Indemnity	\$150.00 \$1,125.00
<u>Subrogation</u>	25% of Recoveries
<u>Indexing and OFAC Compliance</u>	\$15.00 per index
<p>Annual Administration Fee includes:</p> <ul style="list-style-type: none"> • Designated Account Manager • Preparation and participation in claim reviews • Quarterly client scorecard evaluations • Annual stewardship meeting • Maintenance of the loss fund account and all Wells Fargo bank charges • Filing of all required State forms • Reporting to excess/fronting carrier • File Storage • Includes all RMIS Fees • 24/7 Advocacy Nurse Triage • Nurse Triage (one time call from nurse after claim filing) • MMSEA Section 111 Reporting • Standard Reporting 	
<p><i>The above pricing per claim is based on handling of all claims that occur and are reported during the agreement period. They will be handled until closed or until the end of the agreement period, whichever comes first. Rates on claims that occur outside of the United States are subject to alternative pricing to be discussed prior to start of the contract. Pricing is valid for first year of the contract. At the end of the first year and each year thereafter, all fees outlined on the claims and managed care pricing sheet will be subject to an automatic increase of the greater CPI or three percent (3.0%).</i></p>	

Medical Bill Review Services	
<u>Description</u>	<u>Pricing</u>
Bill Review	\$9.50 per bill
Fee Schedule PPO Network	25% of incremental savings
Enhanced Bill Review	25% of incremental savings
Professional Review	25% of incremental savings

Patient Management	
<u>Type of Case Management</u>	<u>Pricing</u>
Telephonic Case Management	\$100.00 per hour
Field Case Management	\$100.00 per hour
Vocational Rehabilitation	\$150.00 per hour
Utilization Review	\$135.00 per hour
Specialty Services (MSA, LCP, catastrophic)	\$200.00 per hour
<i>*Prevailing IRS mileage rate</i>	

Pharmacy Services	
<u>Description</u>	<u>Pricing</u>
<u>Retail Pharmacies</u>	
Brand	AC +\$3.00 handling fee
Generic	AWP -18% +\$3.00 handling fee
<u>Mail Order</u>	
Brand	AC +\$3.00 handling fee
Generic	AWP -18% +\$3.00 handling fee

Additional Managed Care Services	
<u>Description</u>	<u>Pricing</u>
Dedicated local account management staff	Included
EDI in Contractor standard formats	Included
Training – onsite and online	Included
Technical support	Included

EXHIBIT F – CLAIM FUNDING/TRUST ACCOUNT

- (1) Contractor will establish a Wells Fargo checking account on behalf of County. The account will be in the County's name and tax identification number.
 - a. County will incur no banking charges nor earn interest.
 - b. The County account will be exclusive to County and funds will not be commingled with funds of any other client.
 - c. Contractor's accounting department will perform monthly bank reconciliations and supply same to County on a timely basis.
 - d. Not later than the 10th day of each month, Contractor will invoice County for funds expended the previous month, so that the account can be replenished. Along with the invoice, County will be provided with documentation, such as check registers, concerning funds expended in the previous month.

- (2) Contractor will be responsible for issuing payments, performing monthly bank reconciliations, and for banking fees.

- (3) Contractor will debit the County's checking account after each check run for the exact amount of the check run based on the Contractor's reporting.

EXHIBIT G – PERFORMANCE GUARANTEE

Contractor will reduce the percentage of lost time claims as a component of the overall claims mix by at least 5 percent. The reduction will be measured by calculating lost time claims as a percentage of total claims in each calendar year, and comparing that percentage to the percentage of lost time claims in the last year of claims prior to calendar year 2016.

The calculation and measurement will be performed at eighteen months for claims occurring with a date of loss in the first year of the contract compared to and comparing that to the same time intervals of development for the previous year. If the total reduction is not at least 5 percent of the total claims percentage, then the amount Contractor is due under this agreement for the current year will be reduced by \$6,000 dollars.

The parties agree that this Performance Guarantee is conditioned upon mandatory use of CorVel's 24/7 Nurse Advocacy program, with a compliance rate of 75% or greater.

Should Contractor fail to reduce claims by 5% in accordance with the performance guarantee state above, County and Contractor may agree to extend the performance guarantee for an additional year.