

**A G R E E M E N T
FOR
WORKERS' COMPENSATION AND EMPLOYER'S LIABILITY CLAIMS
ADMINISTRATION SERVICES**

THIS AGREEMENT is made and entered into as of the date of execution by both parties, by and between The School Board of Sarasota County, Florida otherwise known as "SCHOOL BOARD" and Comp Options Insurance Company Inc. dba OptaComp, a corporation licensed in the State of Florida, hereinafter referred to as "ADMINISTRATOR".

WITNESSETH

WHEREAS the SCHOOL BOARD has determined that it is necessary, expedient, and in the best interest of the SCHOOL BOARD, to retain a firm to provide various workers' compensation and employer's liability services; and

WHEREAS, the SCHOOL BOARD investigated the utilization of qualified firms for these services by other public entities; and

WHEREAS, the SCHOOL BOARD determined that the ADMINISTRATOR offered the required services and had the necessary capabilities and resources; and

WHEREAS, the SCHOOL BOARD desires to employ the ADMINISTRATOR in connection with said services upon the terms and conditions herein, and the ADMINISTRATOR is desirous of obtaining such employment, has reviewed the professional services required pursuant to this Agreement and is qualified, willing and able to provide and perform all such services in accordance with its terms;

NOW, THEREFORE, SCHOOL BOARD and the ADMINISTRATOR, in consideration of the mutual covenants contained herein, do agree as follows:

I. ADMINISTRATOR'S SERVICES

- A. The ADMINISTRATOR agrees to diligently provide all services related to workers' compensation and employer's liability claims administration services and to perform the required services in accordance with the scope, attached as Exhibit A, and incorporated herein.

II. TERM

- A. This Agreement shall commence July 1, 2013 and shall continue through June 30, 2016 unless otherwise terminated per Section X herein.

III. COMPENSATION AND PAYMENT OF ADMINISTRATOR'S SERVICE

- A. Compensation for the ADMINISTRATOR'S services shall be per Exhibit B, Fee Schedule, attached hereto and incorporated herein. Said fees shall include all profit, direct and indirect labor costs, personnel related costs, overhead and administrative costs, travel and other costs which are necessary to provide the services as outlined in this Agreement.
- B. ADMINISTRATOR represents and warrants that wage rates and other factual unit costs supporting the compensation for the services provide per this Agreement are accurate, complete and current, at the time of entering into this Agreement. The amounts set forth in Exhibit B, Fee Schedule, will be adjusted to exclude any significant sums by which the SCHOOL BOARD determines were increased due to inaccurate, incomplete or non-current wage rates and other factual unit costs. All such adjustments must be made within one year following the end of this Agreement.
- C. SCHOOL BOARD's performance and obligation to pay under this contract are contingent upon an appropriation by the School Board of Sarasota County.

D. METHOD OF PAYMENT

- 1. The SCHOOL BOARD shall pay the ADMINISTRATOR, upon receipt of the ADMINISTRATOR'S invoice and written approval of same by the SCHOOL BOARD'S Administrative Agent indicating that services have been rendered in conformity with this Agreement. The ADMINISTRATOR shall submit an invoice for payment to the SCHOOL BOARD on a monthly basis.
- 2. The ADMINISTRATOR's invoices shall be in a form satisfactory to the Administrative Agent for the SCHOOL BOARD, who shall initiate disbursements.

IV. LIABILITY OF ADMINISTRATOR

- A. The ADMINISTRATOR shall pay on behalf of or indemnify and hold harmless SCHOOL BOARD from and against any and all claims, actions, damages, fees, fines, penalties, defense costs, suits or liabilities which may arise out of any act, neglect, error, omission or default of the ADMINISTRATOR arising out of or in any way connected with the ADMINISTRATOR'S or sub-contractors' performance or failure to perform under the terms of this Agreement.

- B. This section of the Agreement will survive the expiration or termination of the Agreement

V. ADMINISTRATOR'S INSURANCE

- A. Before performing any work pursuant to this Agreement, Administrator shall procure and maintain, during the life of this Agreement unless otherwise specified, insurance as specified in Exhibit C, Insurance Requirements, attached hereto and made a part of this Agreement.

VI. RESPONSIBILITIES OF THE ADMINISTRATOR

- A. The ADMINISTRATOR shall be responsible for the professional quality, technical accuracy, and the coordination of all reports, designs, specifications, other documents and data used or produced by or at the behest of the ADMINISTRATOR under this Agreement. The ADMINISTRATOR shall, without additional compensation, correct or revise any errors or deficiencies in its reports, designs, specifications, other documents and data.
- B. If the ADMINISTRATOR is comprised of more than one legal entity, each entity shall be jointly and severally liable hereunder.
- C. The ADMINISTRATOR warrants that it has not employed or retained any company or person (other than a bona fide employee working solely for the ADMINISTRATOR), to solicit or secure this Agreement and that he has not paid or agreed to pay any person, company, corporation, individual, or firm other than a bona fide employee working solely for the ADMINISTRATOR; any fee, commission, percentage, gift, or any other consideration, contingent upon or resulting from the award of this Agreement.
- D. Prior to entering into this Agreement, the ADMINISTRATOR shall file a sworn statement with the SCHOOL BOARD as described for Public Entity Crimes of the Florida Statutes, Chapter 287.133, and the ADMINISTRATOR shall thereafter comply with Florida Statutes concerning such activities.
- E. The ADMINISTRATOR shall comply with all federal, state, and local laws, regulations and ordinances applicable to the work or payment for work thereof, and shall not discriminate on the grounds of race, color, religion, sex, or national origin in the performance of work under this Agreement.
- F. The ADMINISTRATOR shall maintain books, records, documents, and other evidence directly pertaining to or connected with the services under this

Agreement which shall be available and accessible at the ADMINISTRATOR'S offices for the purpose of inspection, audit, and copying during normal business hours by the SCHOOL BOARD, or any of its authorized representatives. Such records shall be retained for a minimum of three (3) years after completion of the services.

VII. OWNERSHIP AND USE OF WORK PRODUCTS

- A.** It is understood and agreed that the documents, or reproducible copies, including reports, designs, specifications, other documents and data developed by the ADMINISTRATOR in connection with its services shall be delivered to, and shall become the property of the SCHOOL BOARD as they are received by the SCHOOL BOARD. The ADMINISTRATOR hereby assigns all its copyright and other proprietary interests in the products of this Agreement to the SCHOOL BOARD. Specific written authority is required from the SCHOOL BOARD'S Administrative Agent for the ADMINISTRATOR to use any of the work products of this Agreement on any non-SCHOOL BOARD project.
- B.** Notwithstanding the above, any reuse of the work products by the SCHOOL BOARD for other non-related projects will be at the risk of the SCHOOL BOARD.

VIII. TIMELY PERFORMANCE OF ADMINISTRATOR'S PERSONNEL

- A.** The timely performance and completion of the required services is vitally important to the interest of the SCHOOL BOARD. The ADMINISTRATOR shall assign a Program Manager, together with such other personnel as are necessary to assure faithful prosecution and timely delivery of services pursuant to the requirements of this Agreement. The ADMINISTRATOR shall ensure that all key personnel, support personnel, and other agents are fully qualified and capable to perform their assigned tasks. Any change or substitution to the ADMINISTRATOR'S key personnel must receive the SCHOOL BOARD'S Administrative Agent's written approval before said changes or substitution can become effective.
- B.** The ADMINISTRATOR agrees to provide to the SCHOOL BOARD'S Administrative Agent, monthly written progress reports concerning the status of the Program if requested. The SCHOOL BOARD'S Administrative Agent may determine the format for this progress report. The SCHOOL BOARD shall be entitled at all times to be advised at its request, and in writing, as to the status of work to be performed by the ADMINISTRATOR.

IX. OBLIGATIONS OF SCHOOL BOARD

- A.** The SCHOOL BOARD'S Administrative Agent is designated to serve as program coordinator and shall perform the necessary services to properly administer the terms and conditions of this Agreement. The responsibilities of the SCHOOL BOARD'S Administrative Agent shall include:
1. Examination of all reports and other data presented by the ADMINISTRATOR, and render in writing, decisions pertaining thereto within a reasonable time.
 2. Transmission of instructions, receipt of information, interpretation and definition of SCHOOL BOARD policies and other matters pertinent to the work covered by this Agreement.
 3. Review for approval or rejection all of the ADMINISTRATOR'S documents and payment requests.
- B.** The SCHOOL BOARD shall, upon request, furnish the ADMINISTRATOR with all existing data, studies and other information in the SCHOOL BOARD'S possession which may be useful in connection with the work related to this Agreement, all of which shall be and remain the property of the SCHOOL BOARD and shall be returned to the SCHOOL BOARD'S Administrative Agent upon completion of the services to be performed by the ADMINISTRATOR.
- C.** The SCHOOL BOARD'S Administrative Agent shall conduct periodic reviews of the work of the ADMINISTRATOR necessary, for the completion of the ADMINISTRATOR'S services during the period of this Agreement and may make other SCHOOL BOARD personnel available, where required and necessary to assist the ADMINISTRATOR. The availability and necessity of said personnel to assist the ADMINISTRATOR shall be determined solely within the discretion of the SCHOOL BOARD.
- D.** The SCHOOL BOARD shall not provide any services to the ADMINISTRATOR in connection with any claim brought on behalf of or against the ADMINISTRATOR.

X. TERMINATION

- A.** The SCHOOL BOARD shall have the right at any time upon sixty (60) calendar days written notice to the ADMINISTRATOR to terminate the services of the ADMINISTRATOR without cause and in that event, the ADMINISTRATOR shall cease work and shall deliver to the SCHOOL BOARD all documents and all other data prepared or obtained by the ADMINISTRATOR in connection with its services. The SCHOOL BOARD shall, upon receipt of the aforesaid, pay to the

ADMINISTRATOR all applicable fees for the current month.

- B.** The ADMINISTRATOR shall have the right at any time upon one hundred eighty (180) calendar days written notice to the SCHOOL BOARD of ADMINISTRATOR'S intention to terminate for convenience. In that event, the ADMINISTRATOR shall cease work on or before the end of the one hundred eighty (180) day period and shall deliver to the SCHOOL BOARD all documents and all other data prepared or obtained by the ADMINISTRATOR in connection with its services. The SCHOOL BOARD shall, upon receipt of the aforesaid documents, pay to the ADMINISTRATOR all applicable fees for the current month.
- C.** In the event that the ADMINISTRATOR has abandoned performance under this Agreement, then the SCHOOL BOARD may terminate this Agreement upon three (3) calendar days written notice to the ADMINISTRATOR indicating its intention to do so. The written notice shall state the evidence indicating the ADMINISTRATOR'S abandonment. Payment for work performed prior to the ADMINISTRATOR'S abandonment shall be as stated above.
- D.** The ADMINISTRATOR shall have the right to terminate services in the event of the SCHOOL BOARD failing to pay the ADMINISTRATOR'S properly documented and submitted invoice within ninety (90) calendar days of the approval by the SCHOOL BOARD'S Administrative Agent, or if the Project is suspended by the SCHOOL BOARD for a period greater than ninety (90) calendar days.
- E.** The SCHOOL BOARD reserves the right to terminate and cancel this Agreement in the event the ADMINISTRATOR shall be placed in either voluntary or involuntary bankruptcy or an assignment is made for the benefit of creditors.
- F.** After written notice to the ADMINISTRATOR and a reasonable opportunity to cure, and after consultation with the ADMINISTRATOR, the SCHOOL BOARD shall have the right to refuse to make payment, to the ADMINISTRATOR due to:

 - 1. The quality of a portion, or all, of the ADMINISTRATOR'S work not being in accordance with the requirements of this Agreement;
 - 2. The quantity of the ADMINISTRATOR'S work not being as represented in the ADMINISTRATOR'S Payment Request, or otherwise;
 - 3. The ADMINISTRATOR'S failure to use Agreement funds previously paid the ADMINISTRATOR by the SCHOOL BOARD, to pay ADMINISTRATOR'S task-related obligations including, but not limited to, subcontractors;

4. Claims made, or likely to be made, against the SCHOOL BOARD or its property;
 5. Loss caused by the ADMINISTRATOR;
 6. The ADMINISTRATOR'S failure or refusal to perform any of the obligations to the SCHOOL BOARD, after written notice and a reasonable opportunity to cure as set forth above.
- G.** In the event that the SCHOOL BOARD makes written demand upon the ADMINISTRATOR for amounts previously paid by the SCHOOL BOARD as contemplated in the clause, the ADMINISTRATOR shall promptly comply with such demand. The SCHOOL BOARD'S rights hereunder survive the term of this Agreement, are not waived by final payment and/or acceptance, and are in addition to ADMINISTRATOR'S obligations set forth in this Agreement.

XI. DISPUTE RESOLUTION

- A. In the event of a dispute or claim arising out of this Agreement, the parties agree first to try in good faith to settle the dispute by direct discussion. If this is unsuccessful, either party may request mediation. In such event, the parties will proceed to mediation which shall be conducted in Sarasota County, Florida, using a mutually acceptable mediator and share equally in the cost.
- B. In the event a dispute is not resolved as set forth above, the parties may proceed to litigation as set forth below.
- C. The venue for any legal or judicial proceedings in connection with the enforcement or interpretation of this Agreement shall be in the Twelfth Judicial Circuit in and for Sarasota County, Florida, which shall have subject matter jurisdiction and personal jurisdiction over each of the parties to the Agreement.
- D. This Agreement and the rights and obligations of the Parties shall be governed by the laws of the State of Florida without regard to its conflict of laws principles.
- E. Unless otherwise agreed in writing, the ADMINISTRATOR shall be required to continue its services and all other obligations under this Agreement during the pendency of claim or dispute including, but not limited to, actual period of mediation or judicial proceedings.

XII. MISCELLANEOUS

- A. This Agreement constitutes the sole and complete understanding between the parties and supersedes all agreements between them, whether oral or written with respect to the subject matter. No Amendment, change or addendum to this Agreement is enforceable unless agreed to in writing by both parties and incorporated into this Agreement.
- B. Any reference to a specific chapter of the Florida Statutes in this Agreement shall mean that the Florida Statutes shall by reference be made a part of this Agreement as though set forth in full.
- C. The ADMINISTRATOR shall not assign any interest in this Agreement and shall not transfer any interest in same (whether by assignment or novation) without the prior written consent of the SCHOOL BOARD, except that claims for the money due or to become due the ADMINISTRATOR from the SCHOOL BOARD under this Agreement may be assigned to a financial institution or to a trustee in bankruptcy without such approval from the SCHOOL BOARD. Notice of any such transfer or assignment due to bankruptcy shall be promptly given to the SCHOOL BOARD.
- D. The exercise by either party of any rights or remedies provided herein shall not constitute a waiver of any other rights or remedies available under this Agreement or any applicable law. The rights and obligations of the parties under this Agreement shall be governed by the laws of the State of Florida and the venue for any legal or judicial proceedings in connection with the enforcement or interpretation of this Agreement shall be in Sarasota County, Florida. If any term, condition, or covenant of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions of this Agreement shall be valid and binding on each party.
- E. The parties covenant and agree that each is duly authorized to enter into and perform this Agreement and those executing this Agreement have all requisite power and authority to bind the parties.
- F. **School Board of Sarasota County** hereby expressly acknowledges its understanding this agreement constitutes a contract solely between **School Board of Sarasota County** and **OptaComp**, which is an independent corporation operating under a license from the Blue Cross and Blue Shield Association, an association of independent Blue Cross and Blue Shield Plans, (the “Association”) permitting **OptaComp** to use the Blue Cross and Blue Shield Service Marks in the State of Florida, and that **OptaComp** is not contracting as the agent of the Association. **School Board of Sarasota County** further acknowledges and agrees that it has not entered into this agreement based upon representations by any person other than **OptaComp** and that no person, entity, or organization other than **OptaComp** shall be held accountable or liable to **School Board of Sarasota County** for any of **OptaComp’s** obligations to **School Board of**

Sarasota County created under this agreement. This paragraph shall not create any additional obligations whatsoever on the part of **OptaComp** other than those obligations created under other provisions of this agreement.

- G.** Any notices, invoices, reports, or any other type of documentation required by this Agreement shall be sufficient if sent by the parties via United States certified mail, postage paid, to the addresses listed below:

ADMINISTRATOR'S Representative:	SCHOOL BOARD'S Administrative Agent:
Name: _____	Name: <u>Lynn Peterson</u>
Title: _____	Title: <u>Risk Manager</u>
Address: _____	Address: <u>1960 Landings Blvd.</u> <u>Sarasota, Florida</u> <u>34231</u>
Telephone: _____	Telephone: <u>(941) 927-9000</u>
Facsimile: _____	Facsimile: <u>(941) 927-4046</u>
E-mail: _____	E-Mail: <u>Lynn.Peterson@sarasot</u> <u>acountyschools.net</u>

- A. Any change in administrative agents will require prompt notification by the party making the change.
- B. Paragraph headings are for the convenience of the parties and for reference purposes only and shall be given no legal effect.

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IN WITNESS WHEREOF, the parties have executed the Agreement as of the date last below written.

WITNESS:

**Comp Options Insurance Company Inc. dba
OptaComp**

Print Name: _____

Print Name: _____

Signed By: _____

Signed By: _____

Date: _____

Title: _____

Date: _____

**SCHOOL BOARD OF SARASOTA COUNTY,
FLORIDA**

BY: _____
CHAIR

DATE: _____

WITNESS: _____

EXHIBIT “A”
SCOPE OF SERVICES

1. ADMINISTRATOR’S Services

- A. ADMINISTRATOR shall provide workers’ compensation and employer’s liability claims administration and related services as outlined in this Scope of Services in support of the SCHOOL BOARD self-funded workers’ compensation program.

2. Administrative Services

ADMINISTRATOR shall perform the following services:

- A. Prepare and file with the appropriate state agencies all applications, bonds, documentation and data required, on behalf of the SCHOOL BOARD and in accordance with state mandated time frames, for implementation and continuance of the program.
- B. Prepare, maintain and file all records and reports on behalf of the SCHOOL BOARD as may be required by any local, state and federal legal authorities within the mandated time frames.
- C. Prepare, maintain and file statistical or other records and reports as required by the SCHOOL BOARD excess insurer(s). Report claims to the SCHOOL BOARD’S excess insurer(s) in accordance with the applicable policy requirements and provide the SCHOOL BOARD with a copy of all reports submitted. All applicable notification, investigative and reporting procedures shall be followed.
- D. In accordance with state mandated time frames, prepare, maintain and file statistical information required by the State, workers’ compensation rating bureaus and, as applicable, CMS or other appropriate agencies. Information shall include, but not be limited to, EDI and data necessary for the promulgation of experience modifications and self-insurance assessments.
- E. Comply fully with all rules, regulations, guidelines or procedures established by the SCHOOL BOARD, the State of Florida, and CMS Medicare Secondary Payor requirements to maintain the legal operation of the SCHOOL BOARD’S self-insurance program.
- F. Regularly keep the SCHOOL BOARD informed of any significant regulatory or industry changes that may impact the SCHOOL BOARD or the SCHOOL BOARD’S workers’ compensation program.

EXHIBIT “A”
SCOPE OF SERVICES

- G. Prepare and distribute all required 1099 forms.
- H. Reimburse SCHOOL BOARD for payment of any fines, penalties or assessments assigned by the State of Florida for failure to comply with rules and regulations, including but not limited to EDI reporting, associated with the performance or responsibility of the Proposer.
- I. Cooperate with any audits of the ADMINISTRATOR’S files and procedures conducted by or on behalf of the SCHOOL BOARD. The SCHOOL BOARD shall have the right to audit during the contract period and for five (5) years following the termination of the agreement. No additional fees shall be due the Proposer for cooperation with such audits.
- J. Annually provide the SCHOOL BOARD with a SAS 70 audit as required by the financial auditors.
- K. Provide the SCHOOL BOARD a copy of the ADMINISTRATOR’S written Continuity of Operations Plan which outlines the proposer’s post disaster operational procedures, including but not limited to, how advance indemnity payments will be made and how medical care direction will be provided.
- L. Assist the SCHOOL BOARD with its ongoing efforts to maintain a Stay at Work program.
- M. Establish procedures acceptable to the SCHOOL BOARD for the payment of compensable claims. Procedures will include periodic funding requests submitted to the SCHOOL BOARD with detailed backup information. Funds will be provided by the SCHOOL BOARD following review and approval of the funding requests.
- N. Conduct and report results from employee satisfaction surveys to measure items such as customer service, clinician access and overall claim handling.
- O. Upon request, provide formal classroom-style training and education to SCHOOL BOARD staff regarding topics of interest to the SCHOOL BOARD such as case law updates, regulatory or rule changes, claims management best practices and medical consumerism.
- P. Work with SCHOOL BOARD staff to integrate functions of the SCHOOL BOARD’S employee health and wellness programs with the workers’ compensation

**EXHIBIT “A”
SCOPE OF SERVICES**

program, where appropriate, to facilitate a holistic approach to employee health management.

3. Banking/Reconciliation Services

- A. The SCHOOL BOARD claim funding account will be maintained at the SCHOOL BOARD commercial banking institution. All interest earned or service credits generated will accrue to the benefit of the SCHOOL BOARD. The SCHOOL BOARD may establish an escrow amount to facilitate the payment of claims. The Administrator shall comply with Florida laws concerning public deposits.
- B. All claims or expense payments shall be made by the ADMINISTRATOR on checks drawn on the SCHOOL BOARD claim funding account. It is understood and agreed upon that all funds in this account are the SCHOOL BOARD’S funds and shall be returned to the SCHOOL BOARD upon request or termination of this agreement. No payments due to the ADMINISTRATOR for administrative fees or reimbursable expenses shall be deducted from these funds.
- C. The ADMINISTRATOR shall be responsible for monthly reconciliation of the SCHOOL BOARD’S claim funding account and shall provide bank statements to the SCHOOL BOARD monthly. The ADMINISTRATOR shall provide the SCHOOL BOARD with a monthly list of all checks issued for the prior month and checks outstanding. All bank charges, if any, shall be incurred by and paid by the ADMINISTRATOR.
- D. The ADMINISTRATOR shall cooperate fully with any audit of the SCHOOL BOARD’S claim funding account by either the SCHOOL BOARD OR SCHOOL BOARD authorized independent auditor.

4. Claims Handling Services

ADMINISTRATOR shall perform the following services:

- A. In conjunction with the SCHOOL BOARD, maintain a criteria-based model of workers’ compensation program administration.
- B. Prepare and follow service instructions that have been approved by the SCHOOL BOARD in the handling of the SCHOOL BOARD claims and catastrophic claims.
- C. Receive, examine and adjust on behalf of the SCHOOL BOARD all reports of employee injury.

EXHIBIT "A"
SCOPE OF SERVICES

- D. Provide initial clinical triage supported by predetermined criteria, appropriate deployment of resources including telephonic case management, field case management using staff knowledgeable in the criteria, protocols and appropriate utilization of internal and external medical management resources.
- E. Contact injured worker, employer and witnesses, either in writing or orally, within 24 hours of ADMINISTRATOR's receipt of claim report.
- F. Conduct such investigation as in the exercise of professional judgment would seem necessary. Enhanced efforts shall be taken to identify possible fraudulent claims, including recorded statements and discussions from injured workers, witnesses and supervisors.
- G. Subject to applicable workers' compensation law and the exercise of professional judgment, accept and adjust, settle or deny (settlements and denials need prior approval by the SCHOOL BOARD Administrative Agent) each reported claim of employee injury. The final decision to settle or deny shall rest solely with the SCHOOL BOARD.
- H. Report claims to SCHOOL BOARD excess insurer(s) in accordance with the requirements of the excess insurer(s) policies.
- I. Up to a discretionary limit of \$10,000 and subject to the foregoing provisions, review and, if appropriate, pay in a timely fashion; and in conformity with legally imposed medical and surgical fee schedules, network discounts and/or contracted fees, all on-going claims and expenses pertaining thereto. ADMINISTRATOR shall request approval from SCHOOL BOARD Administrative Agent prior to issuance of medical or expense payments in excess of \$10,000. The final decision to accept, deny or settle any claims shall rest with the SCHOOL BOARD.
- J. Consult with SCHOOL BOARD on the selection and referral to outside professionals such as surveillance personnel, expert witnesses and field adjusters/nurses to assist in the investigation, adjustment and medical management of claims. ADMINISTRATOR will review all bills for such services for reasonableness and conformity to pre-established rates or fees and have the ability to adhere to any set pricing schedules.
- K. Validate and pay in a timely manner, any and all indemnity benefits due to injured employees.

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SCOPE OF SERVICES

- L. 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.
- M. Prepare and maintain files necessary for legal defense of claims and/or other litigation or other proceedings, such as actions for subrogation, contribution or indemnity. All Legal filings must be approved by the SCHOOL BOARD Administrative Agent prior to response.
- N. Attend hearings, depositions, mediations and other proceedings as necessary.
- O. At the request of the SCHOOL BOARD, provide a complete copy of all files involving litigation, potential or actual subrogation or potential or actual recovery from special or second injury funds.
- P. 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 the SCHOOL BOARD.
- Q. Perform timely, periodic review of all open cases to establish the status of disabled employees in order to assist in the appropriate action to be taken. The ADMINISTRATOR shall meet with SCHOOL BOARD staff periodically to review any claims or overall program performance as requested.
- R. Provide assistance in implementing rehabilitation for injured employees, in consultation, retraining or reassignment of employees with limited physical performance arising from compensable injuries.
- S. Assist SCHOOL BOARD in the maintenance and development of its Stay at Work program, including identification of stay at work opportunities, communication of individual case strategies among key parties and managing the stay at work plan for each case, including appropriate use of outside vendors if appropriate.
- T. Provide access to a health care clinician network practicing criteria-based medical care.
- U. Provide full disclosure to the SCHOOL BOARD regarding clinician contracting and credentialing.

**EXHIBIT “A”
SCOPE OF SERVICES**

- V. Develop and follow appropriate written policies when the injured employee requests a one-time change or medical treatment is questioned.
- W. Assist in the scheduling of independent medical evaluations.
- X. Follow all provisions of Florida Statutes in regard to indemnity and medical benefit entitlement and administration.
- Y. Advise and consult with the SCHOOL BOARD with respect to safety program planning, implementation and analysis;

5. First Notice of Injury Reporting Services

- A. The ADMINISTRATOR shall assist SCHOOL BOARD in establishing claim reporting procedures compatible with the needs and structure of the SCHOOL BOARD.
- B. The ADMINISTRATOR shall provide 24 hour telephonic and internet based claim reporting and intake capabilities. Send First Notice of Injury to the State of Florida in a timely manner in compliance with proscribed statutory requirements. ADMINISTRATOR must accept responsibility for penalties for late notice to the State when caused by reason other than delay by the SCHOOL BOARD.
- C. The ADMINISTRATOR shall provide a toll-free phone line for claims reporting, inquiries and after-hour access.
- D. The ADMINISTRATOR shall provide medical triage at the time of claim reporting to assess the nature of injury and refer employees to the most appropriate medical services needed, including specialists, at the earliest possible opportunity.

6. Data Access/Reporting Services

- A. The ADMINISTRATOR shall provide the SCHOOL BOARD, at no additional cost, the ability to access comprehensive, real-time online electronic claim, financial and reporting data and information. In addition, the ADMINISTRATOR shall provide the SCHOOL BOARD regularly scheduled statistical and loss reports as agreed upon by the parties in an acceptable format to the SCHOOL BOARD.
- B. The ADMINISTRATOR agrees that the SCHOOL BOARD shall have real-time, online access to all claim files, including adjuster notes, supervisory notes, case

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SCOPE OF SERVICES

management notes, diary items, payment records, medical bills and expense bills in an electronic format with internet based access.

- C. The ADMINISTRATOR shall provide reporting capabilities to evaluate the success of the program and whether the ADMINISTRATOR'S staff, medical clinicians, associated services vendor(s), and contracted entities are performing services and achieving the best possible outcomes in an effective and efficient manner.
- D. The ADMINISTRATOR agrees to provide SCHOOL BOARD with data and reports to comply with its annual audit and actuarial requirements.

7. Network Access and Development Services

- A. The ADMINISTRATOR shall provide the SCHOOL BOARD access to a clinician network that contains appropriate, effective clinician partners. The SCHOOL BOARD will work with the ADMINISTRATOR to ensure high quality clinicians are encouraged to participate in the program and who contractually agree to expedited appointment scheduling, real-time communication, performance standards and guarantees and the practice of evidence-based medicine to best address the medical and rehabilitative needs of SCHOOL BOARD employees.
- B. The ADMINISTRATOR shall assist the SCHOOL BOARD in the development of a custom panel of clinicians, particularly in key specialties such as orthopedics, physiatry, psychiatry, neurosurgery, cardiology, occupational medicine and physical therapy. Provide to the SCHOOL BOARD full disclosure of contracting and credentialing services required to develop this custom panel.
- C. The ADMINISTRATOR shall provide peer review and utilization review services as appropriate.
- D. The ADMINISTRATOR shall provide reporting regarding network access, provider costs and outcomes.
- E. The ADMINISTRATOR shall develop and distribute a periodic clinician panel satisfaction survey and provide the results of said surveys to the SCHOOL BOARD.

8. Medical Bill Review and Audit Services

ADMINISTRATOR shall perform the following services:

- A. For Medical Bill Review:

**EXHIBIT “A”
SCOPE OF SERVICES**

1. Promptly review medical/surgical bills (in and out of network) for accuracy including, but not limited to, as they relate to the following:
 - a. Duplicate billings
 - b. Unbundling of charges
 - c. Upcoding of charges
 - d. Approval and appropriate precertification

 2. Review of all medical bills that:
 - a. Are not subject to fee schedule coding
 - b. Are for services not specifically addressed in the fee schedule
 - c. Need an in-depth medical interpretation of the rules and regulations
 - d. In the exercise of professional judgment, specifically warrant review

 3. Process, pay and mail bills within State mandated guidelines.
- B. Reimburse SCHOOL BOARD for overpayments made in the bill review process, within 30 days of identification of overpayment.
- C. For Medical Auditing Services:
1. Audit in-network and out-of-network hospital/clinician bills
 - a. Exceeding \$5,000, and
 - b. Others at the Proposer’s discretion, based upon industry standards or specific request by the SCHOOL BOARD for accuracy and appropriateness
- D. Develop and follow written policies on how late charges, no show charges and special payment arrangements are to be handled and provide those written policies to the SCHOOL BOARD.
- E. Develop and provide communication materials to explain the policies and procedures of the Medical Bill Review and Audit Services to:
1. The SCHOOL BOARD
 2. Clinicians

EXHIBIT "A"
SCOPE OF SERVICES

9. Pharmacy Benefit Management (PBM) Services

- A. The ADMINISTRATOR shall recommend a pharmacy benefit management (PBM) vendor. It is anticipated that the ADMINISTRATOR will sub-contract these services; however alternative solutions will be considered by the SCHOOL BOARD. The SCHOOL BOARD reserves the right to select an alternate PBM provider at any time.
- B. ADMINISTRATOR shall provide SCHOOL BOARD details regarding the PBM's services, including fee arrangements, access, utilization review services, pharmacist consultation services, provider penetration guarantees and coordination of claims data and reporting.
- C. ADMINISTRATOR shall work with SCHOOL BOARD to achieve the most cost effective PBM program possible.
- D. ADMINISTRATOR shall ensure SCHOOL BOARD has access to comprehensive, real-time online electronic pharmacy claim, financial and reporting data and information through the PBM vendor website or ADMINISTRATOR'S website.

10. Staffing Requirements

- A. ADMINISTRATOR shall provide one (1) adjuster with a minimum of seven (7) years of lost time claims management experience, with significant experience in adjusting complex claims, including Presumption claims. ADMINISTRATOR shall provide one (1) nurse case manager, experienced in Florida workers' compensation case management, handling complex medical issues including Presumption claims. The SCHOOL BOARD will have final approval of all staff assigned to handle SCHOOL BOARD claims.
- B. ADMINISTRATOR shall notify SCHOOL BOARD when either adjuster's caseload exceeds 150 open active claims. ADMINISTRATOR shall provide SCHOOL BOARD with a written action plan to ensure adequate support is provide for effective claims handling until such time as the caseload can be reduced.
- C. ADMINISTRATOR shall maintain a dedicated staffing unit, with adjusting, supervisory and support staff, at a claims office located in Sarasota County.

EXHIBIT "A"
SCOPE OF SERVICES

11. Obligations Not Terminated by Contract Period

- A. ADMINISTRATOR shall be required to provide service on all claims occurring during the contract period and until three (3) months after the termination of the contract (including renewals, extensions or replacements thereof), all legally required reports for the contract period rendered, and all required reports to appropriate agencies. ADMINISTRATOR'S compensation as outlined in this Agreement shall include the full consideration for such continuing obligations and, except as noted herein, no additional compensation shall be due for such obligations which extend beyond the contract period.

12. Compliance With Rules of the Division of Workers' Compensation

- A. It shall be the responsibility of the ADMINISTRATOR to comply with all rules and regulations promulgated by the various state agencies prescribing the practices and procedures of self-insurer service companies. ADMINISTRATOR will be responsible for all required Electronic Data Interchange (EDI) Division of Workers' Compensation (DWC) reporting.

13. Ownership of Claims Files

- A. The SCHOOL BOARD shall have all right, title, interest, and ownership to all loss statistics and claim files created as a result of the services to be provided by the ADMINISTRATOR. Further, at the sole option of the SCHOOL BOARD and upon ten (10) days written notice, the ADMINISTRATOR shall deliver such files to SCHOOL BOARD.
- B. At the termination of the contract, at the sole expense of the ADMINISTRATOR, the ADMINISTRATOR shall provide SCHOOL BOARD with computer tapes or other electronic media acceptable to the SCHOOL BOARD 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.

14. SUBCONTRACTED SERVICES

- A. ADMINISTRATOR must identify all sub-contractors who will be used to provide the services outlined in this Agreement. The compensation proposed herein shall be the only remuneration to the ADMINISTRATOR for the services provided to the SCHOOL BOARD. ADMINISTRATOR must receive no revenue for services provided by sub-contractors.

EXHIBIT "B"
FEE SCHEDULE

ADMINISTRATOR shall be paid for each month's service during the term of this Agreement in the following manner:

1. Billing shall be for each month and shall be rendered to the SCHOOL BOARD on or before the 20th day of the month following the month in which the service is rendered.
2. Monthly invoices shall be based on one-twelfth (1/12th) of the annual fees as outlined in this Agreement.

Claims Administration and Related Service Fee

<u>Contract Period</u>	<u>Annual Fee</u>
7/1/2013 – 6/30/2014	\$ 200,000
7/1/2014 – 6/30/2015	\$ 206,000
7/1/2015 – 6/30/2016	\$ 212,000

Unless otherwise indicated, the following services are included in the claims administration fee:

Network Access/Maintenance	Included
Bill Review, Re-pricing, Payment	Included
IT Systems: Interface and Reporting	Included
Loss/Financial/Statistical Reports	Included

Nurse Case Manager fee [one time] per claim file for managing the file from inception to conclusion. The fee will be allocated to the claim file and paid as an expense.

<u>Contract Period</u>	<u>One Time Fee Per Claim File</u>
7/1/2013– 6/30/2014	\$275.00
7/1/2014 – 6/30/2015	\$283.25
7/1/2015 – 6/30/2016	\$291.50

Reimbursable Expenses

No reimbursable expense will be borne without prior approval of the SCHOOL BOARD'S Administrative Agent.

All items purchased from reimbursable expenses become the property of the SCHOOL BOARD upon termination of this Agreement. All reimbursable expenses shall be reimbursed at cost only. Reimbursable expenses shall mean the actual cost, as authorized by

the SCHOOL BOARD, reasonably incurred by the ADMINISTRATOR directly in connection with the ADMINISTRATOR'S performance of this Agreement.

EXHIBIT "B"
FEE SCHEDULE

Claim Expenses

ADMINISTRATOR shall maintain a bank account (interest bearing at the option of the SCHOOL BOARD) for the ADMINISTRATOR in the name of School Board of Sarasota County Workers' Compensation Administration Account which account shall be established for the following authorized signatory individual members of the contracting;

Procedures

1. The SCHOOL BOARD has the sole obligation and responsibility for funding the appropriate payment of workers' compensation claims made by its employees. The ADMINISTRATOR assumes no duty to fund any such claims at any time and shall have no obligation to advance funds for such payment. The ADMINISTRATOR shall, from the above referenced bank account, write checks or warrants to pay appropriate parties under the SCHOOL BOARD'S workers' compensation payment of claims. The SCHOOL BOARD will remit to the ADMINISTRATOR an amount equal to the average of the claims costs for the prior 12-month period to be held in escrow for the payment of claims. ADMINISTRATOR shall submit to SCHOOL BOARD documentation of required escrow account amount based on the above formula. Upon receipt of necessary documentation, the SCHOOL BOARD will increase or decrease as necessary, the escrow deposit within 15 days. The SCHOOL BOARD will fund the disbursement requirements of the workers' compensation program. Check register requests with the total disbursements are to be submitted to the SCHOOL BOARD for reimbursement, via wire transfer, to the above referenced account. All interest earned, if any, shall be the property of the SCHOOL BOARD. All bank charges, if any, shall be incurred by and paid by the ADMINISTRATOR.
2. The ADMINISTRATOR shall provide detailed bank reconciliation monthly to the Finance Department of SCHOOL BOARD.
3. The ADMINISTRATOR shall have no ownership of any of the required escrow funds provided by the SCHOOL BOARD, nor shall any payments due to the ADMINISTRATOR for Administrative fees or reimbursable expenses be deducted from these funds.
4. All receipts by ADMINISTRATOR from reinsurance, subrogation payments, coordination of benefits, second injury fund or otherwise, shall be promptly sent to the SCHOOL BOARD'S Administrative Agent.

EXHIBIT "C"
INSURANCE REQUIREMENTS

- A. Before performing any work pursuant to this Agreement, ADMINISTRATOR shall procure and maintain, during the life of this Agreement unless otherwise specified, INSURANCE LISTED BELOW. The policies of insurance shall be primary and with insurance carriers approved and licensed by the Insurance Department in the State of Florida and meet a minimum financial AM Best Company rating of no less than "A - Excellent: FSC VII." No changes are to be made to these specifications without prior written specific approval by the SCHOOL BOARD Risk Management.
1. WORKERS' COMPENSATION – ADMINISTRATOR will provide Workers' Compensation insurance on behalf of all employees who are to provide a service under this contract, as required by the laws of the State of Florida.
In the event the ADMINISTRATOR has "leased" employees, the ADMINISTRATOR or the employee leasing company must provide evidence of Workers' Compensation policy for all personnel on the worksite. All documentation must be provided to the School Board of Sarasota County Risk Management, 1960 Landings Blvd., Sarasota, FL 34231.
 2. COMMERCIAL GENERAL LIABILITY: Including, but not limited to bodily injury, property damage, contractual, products and completed operations and personal injury with limits of not less than \$500,000 each occurrence, covering all work performed under this contract.
 3. BUSINESS AUTOMOBILE LIABILITY: ADMINISTRATOR agrees to maintain Business Automobile Liability at a limit of liability, not less than \$500,000 each accident, covering all work performed under this contract. ADMINISTRATOR further agrees coverage shall include liability of Owned, Non-Owned and Hired automobiles. In the event the ADMINISTRATOR not own automobiles, the ADMINISTRATOR agrees to maintain coverage for Hired and Non-Owned Auto Liability, which may be satisfied by way of endorsement to the Commercial General Liability policy or separate Business Auto Liability policy. If private passenger automobiles are used in the business, they must be commercially insured.
 4. UMBRELLA LIABILITY: With limits not less than \$1,000,000 each occurrence covering all work performed under this contract.
 5. PROFESSIONAL LIABILITY: With limits of not less than \$1,000,000 for professional services rendered in accordance with this contract. The ADMINISTRATOR shall maintain such insurance for at least two (2) years from the termination of this contract and during this two (2) year period the ADMINISTRATOR shall use his best efforts to ensure that there is no change of the retroactive date on this insurance coverage. If there is a change that reduces or restricts the coverage carried during the contract the ADMINISTRATOR shall

EXHIBIT "C"
INSURANCE REQUIREMENTS

notify SCHOOL BOARD Risk Management within thirty (30) days of the change.

B. POLICY FORM

1. All policies required by this contract, with the exception of Business Automobile Liability, Professional Liability and Workers' Compensation, or unless specific approval is given by SCHOOL BOARD Risk Management, are to be written on an occurrence basis, shall name the School Board of Sarasota County as additional insured as their interest may appear under this Contract. Insurer(s), with the exception of Business Automobile Liability Professional Liability and Workers' Compensation, shall agree to waive all rights of subrogation against the School Board of Sarasota County.
2. Insurance requirements itemized in this contract and required of the ADMINISTRATOR shall be provided on behalf of all sub-contractors to cover their operations performed under this contract. The ADMINISTRATOR shall be held responsible for any modifications, deviations, or omissions in these insurance requirements as they apply to sub-contractors.
3. Each insurance policy required by this contract shall:
 - a. Apply separately to each insured against whom claim is made and suit is brought, except with respect to limits of the insurer's liability
 - b. The ADMINISTRATOR will provide evidence of the required insurance in the form of a Certificate of Insurance providing thirty (30) days notice of policy cancellation to SCHOOL BOARD Risk Management.
4. The SCHOOL BOARD shall retain the right to review, at any time, coverage, form, and amount of insurance.
5. The procuring of required policies of insurance shall not be construed to limit ADMINISTRATOR'S liability, nor to fulfill the indemnification provisions and requirements of this contract.
6. The ADMINISTRATOR shall be solely responsible for payment of all premiums for insurance contributing to the satisfaction of this contract and shall be solely responsible for the payment of all deductibles and retentions to which such policies are subject.
7. Claims Made Policies will be accepted for Professional Liability, Workers' Compensation and Hazardous Materials, and such other risks as are authorized by SCHOOL BOARD Risk Management. All Claims Made Policies contributing to the satisfaction of the insurance requirements herein shall have an extended

EXHIBIT "C"
INSURANCE REQUIREMENTS

reporting period option or automatic coverage of not less than two years. If provided as an option, the ADMINISTRATOR agrees to purchase the extended reporting period on cancellation or termination unless a new policy is effected with a retroactive date, including at least the last policy year.

8. Certificates of Insurance evidencing Claims Made or Occurrence Form Coverage and conditions to this Contract are to be furnished to the School Board of Sarasota County Risk Management (1960 Landings Boulevard, Sarasota, FL 34231) prior to commencement of work AND a minimum of thirty (30) calendar days prior to expiration of the insurance contract, when applicable. All insurance certificates shall be received by SCHOOL BOARD Risk Management before the ADMINISTRATOR will be allowed to commence or continue work.
9. Notices of Accidents (occurrences) and Notices of Claims associated with work being performed under this Contract, shall be provided to the ADMINISTRATOR'S/ SUB-ADMINISTRATOR'S/ADMINISTRATOR'S insurance company and SCHOOL BOARD Risk Management as soon as practicable after notice to the insured.

EXHIBIT "D"
PERFORMANCE STANDARDS

ADMINISTRATOR and SCHOOL BOARD agree that Performance Standard Reviews will be conducted annually. Each annual Performance Standard Review will include:

- Claim File Review
- Program Management Review.

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. 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 60% of the overall scoring and the Program Management Review will account for 40% of the overall scoring for the Performance Review.

As an example, if the average Claim File Review score is 90 points and the Program Management Review score is 80, the total score will be 82.

Performance Review	Performance Period	Total Review Points (Compliance Benchmark)	Penalty
1	July 1, 2013 – June 30, 2014	95	0%
2	July 1, 2014 – June 30, 2015	95	6%
3	July 1, 2014 – June 30, 2016	95	6%

Failure to perform at or above expected levels (Compliance Benchmarks) for the Performance Reviews will result in a financial penalty equal to the compensation amount charged by the ADMINISTRATOR for the performance period multiplied by the penalty percentage. Any financial penalties will be credited on the invoice following the review, or as soon after as is agreed upon by the ADMINISTRATOR and SCHOOL BOARD.

The ADMINISTRATOR agrees to submit Performance Guarantee Reports detailing compliance with all agreed upon Performance Guarantees and applicable percentages on an annual basis, and must be submitted as of the end of the SCHOOL BOARD fiscal year.

The Performance Reviews will measure objective performance standards which are easily identified and measured. After each Performance Review is performed, the ADMINISTRATOR

EXHIBIT "D"
PERFORMANCE STANDARDS

will meet with the SCHOOL BOARD to discuss initial evaluation results. The ADMINISTRATOR will be given an opportunity to factually rebut the initial findings. Thereafter, a final tally of the review results will be prepared.

The initial Performance Review will be for information and educational purposes only and no penalties will be imposed.

Claim File Reviews

The Claim File Review will include 25 open files and 10 closed files. The closed files will have closed during the performance period. The SCHOOL BOARD may elect to have the Claim File Reviews performed by a third party.

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.

The following grid outlines the scoring criteria for each claim:

# of Points	Description of Standards
10	Quality and timeliness of investigation
10	File documentation, and proper coding of claim type and claim description
10	Proper reporting of excess claims
10	Supervisory reviews and diary follow up on the claim files
10	Settlement Negotiation and authority
10	Pursuit of subrogation and Second Injury Fund Claims
10	Reserve accuracy and documentation
10	Control and proper use of claim file vendors such as attorneys, appraisers, private investigators, field case management nurses, etc.
10	Accuracy of indemnity payments
10	Accuracy of medical payments

Program Management Review

EXHIBIT "D"
PERFORMANCE STANDARDS

The following grid outlines the scoring criteria for the Program Management Review:

# of Points	Description of Standards
25	Attendance at regularly scheduled meetings
25	Delivery of agreed upon reports
25	Agreed upon staffing and case load maximums
25	Prompt Reporting of Excess Claims - where the SCHOOL BOARD has paid in excess of the self-insured retention for the accident period, Administrator will within 30 days, notify excess insurer. Proposer will follow up with excess insurer every 30 days until the SCHOOL BOARD has been reimbursed.