

**24243 Third Party Administration for Workers Compensation and Liability Claims
AGREEMENT FOR PROFESSIONAL SERVICES
For LAKE COUNTY**

This Agreement for Professional Services (“**Agreement**”) is between the County of Lake (“**County**”) and Insurance Program Managers Group (“**Consultant**”), whose principal business address is 225 Smith Road, St. Charles, IL 60174.

RECITALS

1. Lake County issued an RFP seeking a qualified firm to provide Third Party Administration of workers compensation claims for Lake County (“**Services**”).
2. Consultant responded timely with a proposal dated March 28, 2024 (“**Proposal**”).
3. Based on Consultant’s Proposal, the County and Consultant have negotiated terms under which Consultant will perform the Services.
4. To memorialize the terms and conditions under which Consultant will perform the Services, the parties have drafted this Agreement.

In light of the foregoing, Lake County and Consultant agree as follows:

SECTION 1. AGREEMENT DOCUMENTS

The documents that encompass the parties’ understanding are listed below and shall be considered in the following order of precedence, with the Consultant’s proposal or the RFP supplying terms or specifications only where not superseded by the terms or specifications contained in this Agreement.

- A. This Agreement and its exhibits A–Z.
 - a. Exhibit A - Scope of Work
 - b. Exhibit B- Fee Schedule
- B. Consultant’s proposal dated March 28, 2024.

- C. The County’s RFP (including any addenda to it).

SECTION 2. SCOPE OF WORK

The scope of work that Consultant agrees to perform is set forth in Exhibit A to this Agreement.

SECTION 3. EFFECTIVE DATE; TERM

This Agreement shall be effective upon execution and shall be in effect for a one-year period with the option to renew for four additional one-year periods. At the end of any contract term, Lake County reserves the right to extend this contract for a period of 60 days for the purpose of negotiating a new or extended agreement. In the event Lake County exercises its right to institute the 60-day extension, prorated rebate calculations shall be applied. For any year beyond the initial contract term, this contract is contingent upon the appropriation of sufficient funds.

Effective Date. Unless a different effective date is provided above, this Agreement will become effective when all of the parties have signed it, and the date this Agreement is signed by the last party to sign it (as indicated by the date associated with that party's signature) will be deemed the "Effective Date" of this Agreement. If a party signs but fails to date a signature, the date that the other party receives the signing party's signature will be deemed to be the date that the signing party signed this agreement, and the other party may inscribe that date as the date associated with the signing party's signature.

SECTION 4. AGREEMENT PRICE

The County will pay Consultant an annual fee of \$96,100.00 for administrative fee and claims handling fees. An audit will be performed within 60 days of the expiration date of each annual period of the agreement to determine whether any additional claim handling fees are owed to the Consultant. Prefunding for actual claim expenses will be invoiced to the County on a weekly basis. The agreed upon fee schedule and supplemental cost determination are found in Exhibit B of this Agreement. The fee schedule mentioned in Consultant's proposal dated March 28, 2024, is guaranteed for 5 years.

SECTION 5. INVOICES & PAYMENT

- A. At the start of this Agreement, the County will issue a purchase order for the work and Consultant shall submit invoices detailing the products and services provided and identify the purchase order number on all invoices.
- B. Consultant shall maintain records showing the actual time its employees and agents devoted to the project, and the costs incurred. Consultant shall permit a representative from Lake County to inspect and audit all of Consultant's data and records for the work and services provided under this Agreement. Consultant shall make these records available at reasonable times during the Agreement period and for one year after the end of the Agreement.

- C. All payments shall be made in accordance with the Illinois Local Government Prompt Payment Act, which generally requires approval of a vendor's bill within 30 days of receiving the invoice for the services contained in it, and payment within an additional 30 days (50 ILCS 505/1 *et seq.*).
- D. Lake County's fiscal year ends on November 30. Invoices for services the Consultant has rendered up until November 30 of each year must be received by Lake County on or before January 15 of the subsequent calendar year.

Other than the timeframe for payments related to the end of Lake County's fiscal year, as stated above, Lake County shall not be held financially liable for payment of any services rendered if the invoice for such services is not sent to the County within 90 days from the date the services were provided.

If this Agreement is terminated prior to its expected expiration date, the Consultant must submit all invoices to Lake County no later than 30 days after the effective date of the termination.

Payment for invoices received beyond the time periods in this subsection will be denied, absent an agreement to the contrary. Failure of the Consultant to invoice the County in the timeframes noted in this section shall constitute the Consultant's waiver of the Consultant's right to payment.

SECTION 6. CONTRACT MODIFICATIONS

In the event changes to the scope of the project or additional work become necessary or desired (a "Modification"), the parties shall follow the procedures set forth in this Section to memorialize the modification (a "Contract Modification"). A Contract Modification shall be effective only if documented in writing, dated and signed by both parties, and expressly referencing this Agreement. The Contract Modification shall set forth in detail: (i) the Modification requested, (ii) the reason for the proposed Modification; (iii) the cost of the Modification; and (iv) the Modification's impact on the time for completing the project.

In the event either party desires a Modification, the Project Manager for such party shall submit to the other party's Project Manager a proposed Contract Modification. If the receiving party does not accept the Contract Modification in writing within 10 business days, the receiving party shall be deemed to have rejected the Contract Modification. If the parties cannot reach agreement on a proposed Modification, Contractor shall nevertheless continue to render performance under this Agreement in accordance with its (unmodified) terms and conditions.

Modifications that involve or increase in the amounts payable by the County may require execution by the County Purchasing Agent. Some increases may also require approval by the County Board. In cases where the Purchasing Agent's signature is required, or where County Board approval is needed, the Contract Modification shall not be deemed rejected by County

after 10 days if the County's Project Manager has indicated in writing within the 10-day period an intent to present the Contract Modification for appropriate signature or approval.

SECTION 7. INDEMNIFICATION

Consultant agrees to indemnify and defend Lake County (its employees, elected officials, executives, and agents) from all claims, actions, demands, judgments or liabilities, fines, penalties, and expenses, including without limitation reasonable legal fees and expert costs, arising out of this Agreement and arising from the Consultant's (its employees', executives', and agents') actions, whether negligent, reckless, or intentional. Lake County shall provide notice to Consultant promptly of any such claim, suit, or proceeding, and will assist Consultant, at Consultant's expense, in defending any such claim, suit, or proceeding.

SECTION 8. INSURANCE

The Consultant must obtain, for the Contract term and any extension of it, insurance issued by a company or companies qualified to do business in the State of Illinois with an A.M. Best Rating of at least A and provide the County with a Certificate of Insurance 15 days before the start of the project, and thereafter annually upon each renewal date for contracts/projects that will last more than one year. Insurance in the following types and amounts is necessary:

Commercial General Liability Insurance

In a broad form on an occurrence basis shall be maintained, to include, but not be limited to, coverage for property damage, bodily injury (including death), personal injury and advertising injury in the following coverage forms where exposure exists:

- Premises and Operations
- Independent Contractors
- Products/Completed Operations
- Liability assumed under an Insured Contract/ Contractual Liability
- Personal Injury and Advertising Injury

With limits of liability not less than:

\$ 1,000,000 Each Occurrence

\$ 1,000,000 Products-Completed Operations

\$ 1,000,000 Personal and Advertising injury limit

\$ 2,000,000 General aggregate; the CGL policy shall be endorsed to provide that the General Aggregate limit applies separately to each of the contractor's projects away from premises owned or rented to contractor.

Excess/ Umbrella Liability

The Contractor's Excess/ Umbrella liability insurance shall be written with the umbrella follow form and outline the underlying coverage, limits of insurance will be based on size of project:

\$ 2,000,000 per occurrence limit (*minimum*)

Automobile Liability Insurance

Automobile liability insurance shall be maintained to respond to claims for damages because of bodily injury, death of a person, or property damage arising out of ownership, maintenance, or use of a motor vehicle. This policy shall be written to cover any auto whether owned, leased, hired, or borrowed.

The Contractor's auto liability insurance, as required above, shall be written with limits of insurance not less than the following:

\$ 1,000,000 Combined single Limit (Each Accident)

Workers Compensation (Coverage A) and Employers Liability (Coverage B)

Workers Compensation Insurance covering all liability of the Contractor arising under the Worker's Compensation Act and Worker's Occupational Disease Act at limits in accordance with the laws of the State of Illinois. Employers' Liability Insurance shall be maintained to respond to claims for damages because of bodily injury, occupational sickness, or disease or death of the Contractor's employees, with limits listed below:

Employers Liability

- a) Each Accident \$1,000,000
- b) Disease-Policy Limit \$1,000,000
- c) Disease-Each Employee \$1,000,000

Such Insurance shall contain a waiver of subrogation in favor of Lake County.

Professional Liability – Cyber Liability (*if applicable*)

Cyber Liability Insurance for property damage to electronic information and/or data; first and third party risks associated with e-business, internet, etc., with limits of insurance not less than the following:

\$ 1,000,000 per occurrence limit

Technology Errors and Omissions (*if applicable*)

The Contractor's Software Developer and/or IT Consultant for the plans, including developing and implementing technology for Lake County, or of the project, shall be written with limits of insurance not less than the following:

\$ 1,000,000 per occurrence limit

County, acting at its sole option, may waive any of the foregoing insurance requirements upon a request to do so, but no waiver shall be effective unless made in writing. Such waiver may include or be limited to a reduction in the amount of coverage required above. The extent of waiver shall be determined solely by County's risk manager taking into account the nature of the work and other factors relevant to County's exposure, if any, under this agreement.

Liability Insurance Conditions

Contractor agrees that with respect to the above required insurance:

- a) The CGL policy shall be endorsed for the general aggregate to apply on a “per Project” basis;
- b) The Contractor’s insurance shall be primary & non-contributory over Lake County’s insurance in the event of a claim.
- c) Contractor agrees that with respect to the above required insurance, Lake County shall be named as additional insured, including its agents, officers, and employees and volunteers and be provided with thirty (30) days’ notice, in writing by endorsement, of cancellation or material change. A blanket additional insured ISO endorsement is preferred for Contractors who have multiple projects with the County.
- d) Lake County shall be provided with Certificates of Insurance and should include the appropriate corresponding ISO form endorsements evidencing the above required insurance, prior to commencement of this Contract and thereafter with certificates evidencing renewals or replacements of said policies of insurance at least thirty (30) days prior to the expiration of cancellation of any such policies. No manuscript endorsements will be accepted. Any hard copies of said Notices and Certificates of Insurance and Endorsements shall be provided to:

**Lake County
Purchasing Division
18 N. County 9th Floor
Waukegan, Illinois 60085
Attn: Lake County Purchasing Agent**

- e) **Electronic copies of Notices, Certificates of Insurance and Endorsements can be emailed to Purchasing@lakecountyil.gov in place of hard copies.**

Failure to Comply: In the event the Contractor fails to obtain or maintain any insurance coverage required under this agreement, Lake County may purchase such insurance coverage and charge the expense to the Contractor.

SECTION 9. INDEPENDENT CONTRACTOR; LICENSURE OR CERTIFICATIONS; KEY PERSONNEL

- A. **Independent Contractor Status.** The parties intend that the Consultant will be an independent contractor.
- B. **Licensure or Certifications.** If required by law, the Consultant must at all times be and remain licensed or certified as a qualified provider of the services provided in this Agreement. Consultant shall submit copies of the required licenses or certifications upon

the County's request. Consultant shall promptly notify County in writing of any citation Consultant receives from any licensing or certification authority, including all responses and correction plans.

- C. Where the parties have identified particular individuals as being critical to a project ("Key Employees"), then Consultant shall not replace Key Employees without the County's prior written consent, which shall not be unreasonably withheld. Should Key Employees be reassigned, become incapacitated, separate from the Consultant, or be otherwise unable to perform the functions assigned to them, Consultant shall (i) within 10 business days, temporarily replace the person with another properly qualified employee and (ii) within 30 calendar days, permanently replace the person.

Lake County shall have the right to request that Consultant replace Key Employees from the project by setting forth in writing the grounds for the request. Consultant shall have a reasonable time period in which to address the grounds or make a substitution.

Mike Castro
Insurance Program Managers Group
Senior Vice President
225 Smith Road
St. Charles, IL 600174
Via email: mike.castro@ipmg.com
Phone: 630-485-5895

- D. Consultant shall complete its obligations under this Agreement in a sound, economical and efficient manner and in accordance with this Agreement and all applicable laws. Consultant agrees to notify Lake County immediately whenever it is unable to comply with applicable State, Federal, or local laws, rules and regulations. Where non-compliance materially impairs the Consultant from performing the services under this Agreement, the County may terminate the Agreement for cause.

SECTION 10. DISPUTE RESOLUTION

All issues, claims, or disputes that the Consultant raises or makes related to this Agreement shall be resolved in accordance with the Contract Disputes provision of the Lake County Purchasing Ordinance, § 33.097.

SECTION 11. NO IMPLIED WAIVERS

Waivers of a term or condition of this Agreement shall be in writing, and that writing must describe the circumstances giving rise to the waiver. The parties intend that no waiver of any term or condition shall be deemed or construed as a waiver of any other term or condition of this Agreement, and waiver of any breach shall not be deemed to be a waiver of any subsequent breach, whether of the same or a different provision of this Agreement.

SECTION 12. SEVERABILITY

If any provision of this Agreement is unenforceable to any extent, the remainder of this Agreement (or application of that provision to any persons or circumstances other than those as to which it is held unenforceable) will not be affected by that unenforceability and will be enforceable to the fullest extent permitted by law.

SECTION 13. JURISDICTION, VENUE, CHOICE OF LAW AND PROFESSIONAL STANDARDS

This Agreement shall be governed by and construed according to the laws of the State of Illinois. Jurisdiction and venue shall be exclusively found in the 19th Judicial Circuit Court of Lake County, Illinois.

SECTION 14. NOTICES AND COMMUNICATIONS

All notices and communications which may be given by Lake County to Consultant relative to this Agreement shall be addressed to the Consultant at the address shown herein below:

Mike Castro
Insurance Program Managers Group
Senior Vice President
225 Smith Road
St. Charles, IL 600174
Via email: mike.castro@ipmg.com
Phone: 630-485-5895

Copies of any notices and communications which propose to modify or terminate this Agreement shall be provided to: Lake County Purchasing Division, 18 North County Street, Waukegan, Illinois 60085-4350; Attention: Purchasing Agent.

SECTION 15. ASSIGNMENT, ALTERATIONS AND MODIFICATIONS

This Agreement shall not be assigned, delegated, or modified without the express written consent of both parties. This Agreement supersedes all other agreements, oral or written, between the parties with respect to the subject matter of this Agreement.

If Lake County agrees that the Consultant may assign, delegate, or subcontract the work under this Agreement, Consultant shall remain contractually liable to Lake County unless otherwise agreed in writing.

SECTION 16. TERMINATION

Lake County reserves the right to terminate this Agreement as set forth below.

a. Termination for Convenience:

Lake County reserves the right to terminate this Agreement, or any part of this Agreement, with or without cause, upon 30 days' written notice. In case of such termination, Consultant shall be entitled to receive payment from Lake County for work completed to the date of termination in accordance with the terms and conditions of this Agreement.

b. Termination Due to Material Breach:

In the event that this Agreement is terminated due to the Consultant's material breach, Lake County shall be entitled to purchase substitute items or services elsewhere and charge Consultant with losses the County incurs, including attorney's fees and expenses, notwithstanding any damage limitations the parties may agree to elsewhere.

c. Termination Due to Lack of Appropriations:

If sufficient funds are not appropriated by the Lake County Board to continue the services under this Agreement, then Lake County may terminate this Agreement. Lake County agrees to give written notice of termination to Consultant at least 30 days prior to the end of the last fiscal year for which appropriations were made. Lake County shall remit payment for all work completed and approved or accepted by the County, to the date of termination. Termination under this subsection shall not entitle the Consultant to contractual damages of any kind.

d. Termination Due to Force Majeure Events:

(i) If a Force Majeure Event prevents a party from complying with any one or more obligations under this agreement, that inability to comply will not constitute breach if (1) that party uses reasonable efforts to perform those obligations, (2) that party's inability to perform those obligations is not due to its failure to (A) take reasonable measures to protect itself against events or circumstances of the same type as that Force Majeure Event or (B) develop and maintain a reasonable contingency plan to respond to events or circumstances of the same type as that Force Majeure Event, and (3) that party complies with its obligations under section 16(d)(iii), below.

(ii) For purposes of this agreement, "Force Majeure Event" means, with respect to a party, any event or circumstance, whether or not foreseeable, that was not caused by that party and any consequences of that event or circumstance.

(iii) If a Force Majeure Event occurs, the noncomplying party shall promptly notify the other party of occurrence of that Force Majeure Event and may terminate the Agreement based on it, with an obligation to pay only for services performed prior to the Force Majeure Event.

SECTION 17. CONFIDENTIALITY

Both parties acknowledge that Consultant's documents and dealings related to this Agreement are subject to the Illinois Open Meetings Act (5 ILCS 120/1 *et seq.*) and the Illinois Freedom of Information Act (5 ILCS 140/1 *et seq.*). Consultant agrees to comply with all pertinent federal and state statutes, rules and regulations and County ordinances related to confidentiality.

SECTION 18. WORK PRODUCT

All work product prepared by Consultant pursuant to this Agreement, including, but not limited to, policies, reports, analysis, plans, designs, calculations, work drawings, studies, photographs, models, and recommendations shall be the property of Lake County. Consultant shall deliver the work product to Lake County upon completion of Consultant's work, or termination of the Agreement, whichever comes first. Consultant may retain copies of such work product for its records; however, Consultant may not use, print, share, disseminate, or publish any work product related to this Agreement without the consent of Lake County.

SECTION 19. PRESS/NEWS RELEASES

Consultant may not issue any press or news releases regarding this Agreement without prior approval from Lake County. Consultant shall provide notice to Lake County's Chief Communications Officer if contacted by the media regarding the services set forth in this Agreement.

SECTION 20. DEBARMENT AND SUSPENSION

The Lake County Purchasing Ordinance § 33.125 through 33.126 defines the County's Authority and Decision to Debar.

The Consultant certifies to the best of his or her knowledge and belief that the Consultant:

- A. Is not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from covered transactions by any Federal department or agency.
- B. Has not within a 3-year period preceding this contract been convicted of or had a civil judgment rendered against it for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain or performing a public (Federal, State, or local) transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statement, or receiving stolen property;

- C. Is not presently indicted or otherwise criminally or civilly charged by a governmental entity (Federal, State, or local) with commission of any of the offenses enumerated in paragraph (b) of this certification; and
- D. Has not, within a three-year period preceding this contract, had one or more public transactions (Federal, State, or local) terminated for cause or default.

Consultant agrees that, during the term of this Agreement, Consultant shall report to the County's contract administrator, within 10 days, any allegations to or findings by the National Labor Relations Board (NLRB) or Illinois Labor Relations Board (ILRB) that Consultant has violated a statute or regulation regarding labor standards or relations. If an investigation by the County results in a final determination that the matter adversely affects Consultant's responsibilities under this Agreement, then the County may terminate this contract.

SECTION 21. NON-DISCRIMINATION

During the term of this agreement, Consultant agrees to and shall comply with (1) the Equal Opportunity Employer provisions of Section 2000e of Chapter 21, Title 42 of the United States Code and Federal Executive Order Number 11246, as amended by Executive Order 11375, and (2) Chapter 33 of Title III of the Lake County Code of Ordinances (titled "Purchasing").

Signed:

COUNTY OF LAKE

By: _____
Its Purchasing Agent

Date: _____

INSURANCE PROGRAM MANAGERS GROUP

By: _____
Its President

Date: _____

Exhibit A
[Scope of Work]

A. General Requirement and Expectations

- A claims account manager must be assigned to Lake County. This individual will play an essential role in the successful administration of this program that includes overall responsibility of the following key components of the program:
 - i. Review and update service agreement quarterly.
 - ii. Trouble shooting and providing effective solutions to resolve technological issues or problems with the service agreement and/or deliverables.
 - iii. Identify key outcome based measurements that are tracked and deliver program improvements and cost reduction results.
 - iv. Monitor claim trends and audit claim handling procedures to ensure a high level of customer service and best in class claim service deliverables.
- Consultant will host quarterly or as needed claim reviews for Lake County with participation of the claim adjuster(s) and as needed, defense attorneys and nurse case managers.
- Consultant will coordinate annual or as needed stewardship meeting to present service performance metrics, benchmarking and claim trending/loss analysis reports.
- Complete initial investigation within 5 days from day of receipt of the claim and if needed, further investigation completed within 10 days or as soon as all the facts of the case can be reasonably gathered.
- Consultant will clearly document initial plan of action in the claim file within 14 days from receipt of the claim and updated every 30-60 days.
- The Consultant will process claims from conception to conclusion, but also investigate, establish reserves, make payments, identify subrogation potential against third parties, and file reports with the excess insurance provider. This applies to all lines of claims.
- Consultant will establish initial estimate of reserves within 14 days of receipt of claim. Adjusters must document the basis for each reserve calculation.
- Consultant will communicate and discuss reserve increases of \$10,000 or more on any one claim with the Lake County Risk Team.
- Adjuster's notes should include but not limited to, compensability and exposure value, disposition plan for claim closure, financial transactions, supervisor's notes, and any other relevant claim information.
- Consultant will provide written status reports to the Lake County Risk Team in cases where the incurred value of the claim increases by \$30,000 or more, and/or any time upon the request of Lake County.
- Consultant will provide a comprehensive status report to the Lake County Risk Team

at the time any claim exceeds a total incurred value of \$50,000.

- Prior to the denial of compensability of any claim, the adjuster must discuss the case with the Lake County Risk Team for mutual agreement on the denial.
- Provide copies of all correspondence to Lake County that is sent to employees on the same day the original is sent to the employee.
- Notify the Lake County Risk Team within 3 days when any previously closed claim is reopened and provide the rationale for reopening.
- Claim adjuster must notify the Lake County Risk Team anytime there are changes to the claimant's work restrictions and at the time of any permanent work restrictions.
- Transitional/modified duty must be documented in the claim file and should include the medical diagnosis, work restrictions and estimated duration of disability.
- Request for surveillance must be discussed and approved by the Lake County Risk Team.
- On all settlements, including permanent partial disability or permanent total disability as well as any future medical obligations, a settlement authorization request must first be submitted to Lake County.
- Notify the excess carrier of potential claims as provided by the carrier's service agreement terms.
- Review medical provider bills for appropriateness of fees charged utilizing the Illinois Fee Schedule for WC claims.
- Provide a description of your WC utilization review process and procedures.
- All claim records and claim files shall be the property of Lake County.
- Lake County, through the State's Attorney's Office, reserves the right to select legal counsel.
- Pre-authorization is required on all nurse case management assignments, including any IPMG Nurse Case Management referral. Lake County will have the choice of any case management firm used.
- Document nurse case manager's action plans and notes in the claim file and, as appropriate, the nurse case manager will participate in claim reviews or when consultation is requested by Lake County.
- Consultant agrees to respond to any questions or inquiries by Lake County or claimants within one business day.
- Execute a Business Associate Agreement in compliance with HIPAA
- Consultants agrees to a performance guarantee, subject to mutual agreement between your company and Lake County. Suggestions regarding the performance areas to be measured, how they would be measured and at what intervals should be included.
- Assist Lake County in returning employees on WC to transitional duty positions and identify fraudulent claims.
- Identify the process for the transfer of money from the County to your firm for covering claim expenses. Include the financial arrangement for funding that you would expect to have with the County. Please outline your ability to accept electronic payments.

B. Information System and Technology Requirements

- Lake County should have the ability to electronically view the progression of any of their claims. The TPA will provide Lake County access to its employees' claim files and related data during normal business hours. Lake County or its designated representative must be authorized to visit the TPA's processing or storage premises and have access to all data, including but not limited to paper documents, electronic documents and any other type that relates to payments or non-payments made by the TPA and charged to Lake County. Include in your response any costs associated with this access or any fees charged related to storage, copying or transferring any data to Lake County.
- The Consultants Risk Management Information System must have the following abilities:
 - i. Internet based claim system with access 24 hours a day, 7 days a week to view claim adjuster and supervisor notes, generate loss runs or other pre-scheduled or as needed loss management/claim reports.
 - ii. Ability to export claim data into various formats.
 - iii. Provide RMIS technical support for questions, problems, or development of customized reporting.
 - iv. Provide claim data is real time or uploaded every 24 hours.
 - v. Provide scheduled loss reports to be sent electronically to Lake County each month, each quarter and upon request. These reports will include, but not limited to:
 - Detailed listing of open claims & closed claims.
 - Summaries of all open and closed claims.
 - Listing of WC medical only claims.
 - Listing of WC indemnity claims.
 - Claims cost detail.
 - Claims by department.
 - Claim trending.
 - Claims by type.
 - Financial reconciliation ledger.
 - OSHA reports.
- Provide customized reports or the ability for Lake County to run reports that may include, but not be limited to, job titles, lost days, injury type, and causation type.
- Image system to scan all documents received pertaining to the case.
- Quality control program to ensure data integrity and claimant confidentiality. Any RMIS problems will be resolved within 24 hours or less.
- Fully compliant with MMSEA Section 111 reporting requirements. Disclose any fees associated with this service, including the names of any vendors used for this reporting.

- Secured system that may include, but not limited to; security audits, protected by intrusion prevention and intrusion detection systems, communications of any claimant's personal information or personal health information is protected (i.e. monitoring of email and internet traffic, encrypted email, access restricted by user ID and password, or other similar security methods).
- Consultant will provide training to Lake County on RMS system functions.

D. Communication Requirements

- The Consultant will contact any employee who loses time from the job within 24 hours of receiving the First Report of Injury. The Consultant will contact employees that incur major medical treatment without lost time within 48 hours of receiving the First Report of Injury.
- Consultant will be processing all claims, the claim adjuster must work cooperatively with County staff and the Risk Manager. IME's, rehabilitation services, case management, outside vendor selection, surveillance, and settlement of claims (list may not be all inclusive) must be pre-approved by the Risk Management staff.

Exhibit B
[Fee Schedule]

Client agrees to pay IPMG CMS fees for services provided pursuant to the Third-Party Administrator Agreement as follows:

1. For each “annual period “of the Third-Party Administrator Agreement (defined as the period from July 1st through June 30th) Client agrees to pay IPMG CMS an annual minimum fee of Ninety-Six Thousand One Hundred dollars (\$96,100) on July 1st for each annual period. This agreement contemplates only those claims reported to IPMG CMS during the contract “annual period”.

a. Seven Thousand dollars (\$7,000) of the annual fee represents an administrative fee which shall include the following services:

Administrative Services

- Monthly claim reports (or as needed) provided to the client (*unlimited)
- Tailor made service agreement (communication protocols as directed by the client)
- Online claims submission (In-sight) and necessary training
- Systems/data storage/maintenance
- Access to operating system for reports and claim status (*unlimited access and users)
- Strategic Development of preferred occupational health medical providers
- Strategic Development of return-to-work program
- Medical Bill Review & Re-pricing (at cost)
- Utilization Review (at cost)
- Pharmacy prescription drug card program (at cost)
- Implementation of Best Practice Litigation Handling Guidelines and Legal Audits
- Excess Carrier Reporting
- State Reporting
- Provider 1099's
- Monthly Check Register
- Quarterly Claim Reviews and/or monthly as needed.
- Medicare data reporting to comply with Section 111 of Medicare & Medicaid act
- Loss fund management
- Access to all IPMG sponsored training programs, including on site training to county staff on claims risk management and loss control topics as needed and were identified by Lake County and IPMG.
- Access to NeoGov training module for up to 10 users at no cost. Any additional user would be at \$15 per year for each year.

*Incident Reports/Record Only Included @ \$25 for manual submissions

b. Eighty-Nine Thousand One Hundred (\$89,100) of the annual fee will be credited against the following per claim(ant) rates for new claims received by IPMG CMS:

The following are fixed rates for the 1-year term and any optional term up to 4 years thereafter.

Workers Compensation

Indemnity	\$800
Medical Only	\$160

Property & Casualty

GL – BI	\$575
GL – PD	\$375
VA – BI	\$475
VA – PD	\$375
1 st Party APD	\$275
Police Liability	\$800
Public Officials Liability	\$800
Medical Malpractice	\$800
1 st Party Property	\$100

Claim Handling Status Change Fees that may apply per claim for new claims and run in claims:

Excess Reportable Claims	\$150
Litigation	\$150
MSA Placement and/or Medicare Eligible Record Management	\$150
Subrogation Service	20% of recovery

IPMG Nurse Case Management (in house/telephonic/triage) \$110/hour will be charged to the file for case management services. Specific services and guidelines for case management assignment are outlined in the IPMG service plan. IPMG Nurse Case Management services must be authorized by Lake County for any specific claim.

- IPMG CMS will perform an audit within 60 days of the expiration date of each annual period of the Third-Party Administrator Agreement to determine claims frequency and status during the preceding annual period, which audit shall be made available to Client. In the event that the audit establishes that the above allocated portion of annual fee (\$89,100) has been exceeded by actual claims experience, then IPMG CMS may invoice Client at that time for additional sums due IPMG CMS in accordance with the above per claim(ant) rates and status change fees.

If a claim changes to a different claim(ant) rate or status as determined by the audit or thereafter, Client agrees to pay the additional rate charge where applicable. After the expiration of each annual period audit is complete there will be continual audits on a quarterly basis for additional changes in claim(ant)

rate or status for all claims pending for each annual service term.
Any additional charges will be invoiced accordingly.

3. Upon non-renewal of the service agreement, IPMG Claims Management Services will continue to administer open claims at a cost of \$50 per month per open claim. This service will be provided automatically by IPMG Claims Management Services unless the client notifies IPMG Claims Management Services in writing before expiration of the contract term contained in exhibit B of this agreement.
4. Additional expenses, including the printing of computer compatible checks, carrier cost, other programming or printing specifically requested by Client shall be invoiced at IPMG CMS cost.
5. The following business partner services will also be provided and invoiced to client at cost with no revenue benefit to IPMG CMS:

Bill Review

Alpha Review Corporation

Straight line cost of \$8 per bill for fee schedule

23% of savings for PPO network reductions; 24% of savings for specialty review reductions

*PPO % and specialty % savings charge is based only on difference between reduction and fee schedule

Pharmacy Management

Optum Rx

Brand Name

AWP less 50% with \$2 dispensing fee

Administrative fee of \$0.50

Generic

AWP less 12% with \$2 dispensing fee

Administration fee of \$0.50

Utilization Review

American Health Holding, Inc.

RN review:

Inpatient case: \$99 per case

Outpatient case: \$49 per case

Physician Review:

Inpatient and outpatient: \$210 per case