

**LAKE COUNTY # 18157**  
**THIRD PARTY ADMINISTRATOR AGREEMENT**

This Third Party Administrator Agreement (“Agreement”) is entered into as of the 1st day of June, 2019, by and between Insurance Program Managers Group Claims Management Services, L.L.C., an Illinois limited liability company (“IPMG CMS”) located at 225 Smith Road, St. Charles, IL 60174 and Lake County (“Client”) located at 18 N. County, Waukegan, IL 60085.

**RECITALS**

- A. IPMG CMS is in the business of providing claims administrative services.
- B. In reliance on the expertise of IPMG CMS to provide claims administrative services, Client desires to contract with IPMG CMS to provide, and IPMG CMS desires to provide, claims administrative services for claims received within the contract term for those lines of coverage outlined in Exhibit A.

**AGREEMENT DOCUMENTS**

The Agreement Documents that constitute the entire agreement between Lake County and the IPMG CMS are in order of precedence:

- A. This Agreement and all exhibits thereto; and,
- B. Lake County RFP 18157 General Terms and Conditions
- C. IPMG formal response to Lake County RFP 18157 dated January 31<sup>st</sup>, 2019

**AGREEMENT**

In consideration of the mutual covenants and conditions contained herein, the parties hereto agree as follows:

- 1. Recitals. The above recitals are hereby incorporated into this Agreement and made a part hereof.
- 2. Third Party Administrator Services. In consideration of payment from Client to IPMG CMS of the fees in accordance with the Fee Schedule attached hereto as Exhibit “A” and made a part hereof, IPMG CMS agrees to provide those claim services, as specified in the service plan attached hereto as Exhibit B, to Client for Client’s Insurance Coverages.
- 3. Term and Termination. This Agreement shall be effective for the period of June 1st, 2019 through May 31st, 2021 unless terminated sooner as provided herein. Lake County reserves the right to extend the contract term for three (3) additional one year periods. At the end of the contract term the county may extend the contract period up to sixty (60) days.

Upon termination of the contract, IPMG CMS will continue to service claims as provided in Exhibit B subject to fees as set forth in Exhibit A . This contract agreement (as a whole) may be terminated prior to the Termination Date upon the earliest of any of the following:

- (a) the written agreement of the parties hereto;
- (b) following at least thirty (30) days’ written notice by either party to the other if the other is in breach or default of any material obligation under this Agreement and does not cure such breach or default within thirty (30) days of said notice;
- (c) automatically upon bankruptcy, receivership, disability or liquidation of IPMG CMS.
- (d) **PROMPT PAYMENT ACT LANGUAGE**  
A Purchase Order will be issued for the work and IPMG CMS shall submit invoice(s) detailing the products and services provided and identify the Purchase Order number on all invoices. All

Payments shall be made in accordance with the Local Government Prompt Payment Act, 50 ILCS 505/1 et seq. then following at least fourteen (14) days written notice by IPMG CMS that Client has failed to provide sufficient funds for the performance of IPMG CMS' obligations pursuant to the Claims Service Plan, attached hereto as Exhibit B and Client's failure to provide such funds within the period set forth in the notice.

4. Insurance. IPMG CMS agrees to obtain and maintain errors and omissions insurance with a \$1 million dollar occurrence limit with a \$2 million aggregate limit. This includes a \$10 million dollar excess limit. IPMG CMS shall not commence TPA Services hereunder until it has obtained all insurance required hereunder.
5. Independent Contractor/Binding Authority. IPMG CMS and Client are independent contractors and shall be solely responsible for the employment, control and direction of their employees and agents. Nothing in this Agreement shall be construed to establish a partnership or joint venture between the parties. Except as otherwise expressly provided herein, each party shall bear its own expenses with respect to the services to be provided pursuant to this Agreement.
6. Notices. All necessary notices, demands and requests required or permitted to be given hereunder shall be deemed duly given if personally delivered, mailed by certified or registered mail, postage prepaid, if sent by courier by overnight carrier, or if sent by facsimile with hard copy to follow via first class mail with evidence of facsimile transmission, and, subject to subsequent designation of another address, addressed as follows:

If to Client:	If to IPMG Claims Management Services:
Lake County Risk Dept Manager 18 N. County Waukegan, IL 60085	Gregg Peterson IPMG Claims Management Services. 225 Smith Rd St. Charles, Illinois 60174
7. Confidentiality. IPMG CMS acknowledges the confidentiality of records and information it receives from Client and agrees that such records and information will be used solely for the purpose of providing the services contemplated by this Agreement.
8. Successors and Assigns. This Agreement is binding on any and all successors to the parties and assignable, in whole or any part, only with the written consent of the non-assigning party.
9. Remedies Cumulative. All rights and remedies conferred upon the parties hereto by this Agreement or by law, in equity or otherwise, shall be cumulative of each other, and neither the exercise nor the partial exercise nor the failure to exercise any such right or remedy shall preclude the later exercise of such right or remedy or the exercise of any other right or remedy.
10. Severability. If any provision of this Agreement is invalid, illegal or unenforceable by reason of any rule of law, administrative order, judicial decision or public policy, all other terms and provisions of this Agreement shall remain in full force and effect. If, moreover, any one or more of the provisions contained in this Agreement shall for any reason be held to be excessively broad as to time, duration, activity or subject, it shall be construed, by limiting and reducing it, so as to be enforceable to the full extent compatible with the applicable law as it shall then appear.
11. Amendment and Waiver. This Agreement may be amended, or any provision of this Agreement may be waived, provided that such amendment or waiver will be binding on the party against whom enforcement of such amendment or waiver is sought only if such amendment or waiver is in writing and signed by the party against whom enforcement of such amendment or waiver is sought. The waiver by any party hereto of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any other breach.
12. References. All references herein to the singular shall include the plural as the case may require. All references to the masculine gender shall be construed as references to the feminine gender as the case may

require.

13. Captions. The captions and headings used in this Agreement are for convenience of reference only and shall not affect the construction or interpretation of this Agreement or any of the provisions hereof.
14. Governing Law and Venue. This contract shall be governed by and construed according to the laws of the State of Illinois. Jurisdiction and venue shall be exclusively found in the 19<sup>th</sup> Judicial Circuit Court, State of Illinois or Federal District Court Northern District whichever is applicable.
15. Entire Agreement. This Agreement, including any exhibits hereto and any other documents referred to or provided for herein, represents the entire contract among the parties with respect to the subject matter hereof, and shall not be modified or affected by any other offer, proposal, statement or representation, whether oral or written, made by or for any party in connection with the negotiation of the terms hereof.
16. The Freedom of Information Act. The Illinois Freedom of Information Act provides that a public record in the possession of a party with whom the agency has contracted to perform a governmental function on behalf of the public body, and that directly relates to the governmental function and is not otherwise exempt under the Act shall be considered a public record of the public body for purposes of the Act. 5 ILCS 140/7(2) As such, if IPMG CMS is requested to disclose the substance of this Agreement or any information acquired from Client during the course of or pursuant to this Agreement pursuant to the Illinois Freedom of Information Act, 5 ILCS 140, (FOIA), Client agrees to notify IPMG CMS and use good faith efforts to assert on behalf of IPMG CMS that such records are exempt from disclosure under the FOIA until IPMG CMS decides to consent to the requested disclosure or resist the requested disclosure at its own expense. In no event will good faith efforts of Client mean litigation. Failure of IPMG CMS to decide to consent to the requested disclosure or resist the requested disclosure within the applicable timeframes of the FOIA will be considered consent by IPMG CMS to disclose the information. Furthermore, IPMG CMS shall in conformance with the FOIA provide to Client copies of any documents in its possession and subject to disclosure upon Clients request. Any fee for the cost of providing documents shall be limited to those allowable under the FOIA.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

**IPMG**  
**CLAIMS MANAGEMENT SERVICES, L.L.C.**

**LAKE COUNTY**

By \_\_\_\_\_  
Name Gregg Peterson  
Title President

By \_\_\_\_\_  
Name \_\_\_\_\_  
Title \_\_\_\_\_

**EXHIBIT “A”  
FEE SCHEDULE**

This fee schedule shall be attached to and constitute an integral part of the Third Party Administrator Agreement entered into on June 1st, 2019 (the “Third Party Administrator Agreement”), between Insurance Program Managers Group Claims Management Services, L.L.C. (“IPMG CMS”) and Lake County (“Client”).

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 June 1st through May 31st) Client agrees to pay IPMG CMS an annual minimum and deposit fee of Ninety Six Thousand One Hundred dollars (\$ \$96,100) on June 1st for each annual period. This agreement contemplates only those claims reported to IPMG CMS during the contract “annual period”.

2. (a) Eighty Nine Thousand One Hundred (\$ \$89,100) of the annual minimum and deposit 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 2 year term and any optional term up to 3 years thereafter.

**Workers Compensation**

Indemnity	\$800
Medical Only	\$160

**Property & Casualty**

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

\*Incident Reports/Record Only Included @ No Charge

(b)

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	\$150

(d) 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 minimum and deposit ( \$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.

- (e) 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.

3. Seven Thousand dollars (\$7,000) of the annual minimum and deposit 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)
- On line 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 – no hidden fees)
- Utilization Review (at cost – no hidden fees)
- Pharmacy prescription drug card program (at cost – no hidden fees)
- 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
- Subrogation Assistance (with no extra contingency % fee)
- 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 where identified by Lake County and IPMG.

IPMG Medical Case Management (in house/telephonic/triage – \$20,000 Annual Term Cost Cap] with such specific services outlined in the IPMG service plan. \$10,000 deposit annually subject to year end audit on time and expense at \$85 per hour. The deposit is refundable if not depleted at the end of each annual term. Any overage on service fees would be billed at the end of each annual term and would not exceed the annual aggregate cap of \$20,000.

4. Additional expense, including the printing of computer compatible checks, carrier cost, other programming or printing specifically requested by Client shall be invoiced at IPMG CMS cost.

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 12% with \$2 dispensing fee

Administration fee of .50

Generic

AWP less 50% with \$2 dispensing fee

Administrative fee of .50

**Utilization Review**

**American Health Holding, Inc.**

RN review:

Inpatient case: \$99 per case

Outpatient case: \$49 per case

Physician Review:

Impatient and outpatient: \$210 per case

Dated: June 1, 2019

IPMG

CLAIMS MANAGEMENT SERVICES, L.L.C.

LAKE COUNTY

By \_\_\_\_\_

Name Gregg Peterson

Title President

By \_\_\_\_\_

Name \_\_\_\_\_

Title \_\_\_\_\_

**EXHIBIT “B”  
CLAIMS SERVICE PLAN**

This service plan shall be attached to and constitute an integral part of the Third Party Administrator Agreement entered into on June 1<sup>st</sup>, 2019 (the “Third Party Administration Agreement”) between Insurance Program Managers Group Claims Management Services, L.L.C. (“IPMG CMS”) and Lake County (“Client”). In the event of a conflict between the provisions of this service plan and any other provisions of this contract the provisions of the service plan shall control.

**W I T N E S S:**

IPMG CMS and Client agree as follows:

**IPMG CMS Agrees:**

1. (a) To receive and review all actual claims reported during the term of this contract which involve claims under Client Insurance Coverages (as defined in the Third Party Administrator Agreement).
- (b) To establish, evaluate and reserve all such actual claims.
- (c) To investigate, adjust, settle or resist all actual claims.
- (d) To utilize medical cost containment programs as appropriate (i.e. utilization review, PPO network, audits and similar cost containment service) to manage the costs of medical services on claims where such programs are allowed by governmental authority .
- (e) Supervision of medical treatment of injured claimants.
- (f) To participate in the selection and assist in the supervision of attorneys appointed to defend formal claims.
- (g) To investigate and advise Client of all situations involving subrogation and, where appropriate, pursue collection from responsible third parties.
- (h) Advise Client of all claims which meet the reporting threshold of Client’s excess insurance program and to report such claims to the appropriate carrier; provided, however, that Client has furnished IPMG CMS with complete copies of all excess policies which could apply to the claims reported during the contract period.
- (i) To print and distribute claim and claims expense payments on all Client claims handled by IPMG CMS.
- (j) Audit of medical, hospital and miscellaneous expenses prior to making payments.
- (k) Payment from funds made available by Client of any final award, judgment or settlement of a claim or loss together with all expenses incurred for investigation, negotiation or defense.
- (l) Preparation of regular reports detailing claims, payments and reserves.
- (m) Preparation of reports required by excess insurers.

2. To make necessary filings of claim reports with appropriate governmental agencies.
3. To furnish all claim forms necessary for proper claims administration.
4. To establish claim and/or loss files for each reported claim and/or loss. Such files shall be the exclusive property of Client. Such files are available for review by Client at any reasonable time, with notice.
5. To furnish Client with reports as agreed to by IPMG CMS and Client.
6. If included in Exhibit A, to take over the handling of all claims pending as of the effective date of the Third Party Administrator Agreement and provide those services set forth in sections 1(a)-(i) above for such claims.

**Client Agrees:**

1. To assure that funds are available from which IPMG CMS may draw at any time and from time to time for claim and/or loss payments and for associated allocated expense within the discretionary settlement authority limit and for claim and/or loss payments in excess of the discretionary settlement authority limit subject to approval of Client.
2. To pay IPMG CMS fees in accordance with the Fee Schedule attached as Exhibit A to the Third Party Administrator Agreement.
3. To pay IPMG CMS within 30 days of the effective date of all invoices.
4. (a) To pay all Allocated Loss Expense in addition to the claim service fee to be paid to IPMG CMS as prescribed in the Third party Administrator Agreement.  
  
(b) Allocated Loss Expense shall include but not be limited to attorneys' fees; court reporters' fees; transcript fees; the cost of obtaining public records; witness fees; witnesses' travel expense; commercial photographers' fees; experts' fees (i.e. engineering, physicians, chemists, etc.); fees for independent medical examinations; all outside expense items; and any other similar fee, cost or expense associated with the investigation, negotiation, settlement or defense of any claim hereunder or as required for the collection of subrogation on behalf of Client.  
  
(c) To provide IPMG CMS with complete copies of all excess policies which could apply to the claims reported during the contract period.

**IPMG CMS and Client Mutually Agree as Follows:**

1. (a) The term of this service plan shall be as agreed to in the Third Party Administrator Agreement between Client and IPMG CMS on June 1<sup>st</sup>, 2019.  
  
(b) Client shall have the option upon termination or expiration of the Third party Administrator Agreement:
  - (i) with the approval of the applicable carrier, to assign to a third party or to continue to have IPMG CMS handle all claims to conclusion and associated services pending on the date of termination or expiration of the Third Party Administrator Agreement, subject to the terms and conditions of this agreement.
  - (ii) Sufficient funds of Client, including allocated claim and/or loss expense, shall remain available to IPMG CMS to liquidate such claims and/or losses should Client elect to have IPMG CMS continue to service all pending claims at service agreement expiration to



conclusion.

2. To not employ a person who has been employed by any other party to this contract at any time during the term of the Third Party Administrator Agreement, unless the person to be employed shall not have been employed by the other party during the immediately preceding 12 months, or unless the hiring party shall have the other party's prior written consent. This provision shall survive the termination of the Third Party Administrator Agreement for a period of one year.
3. IPMG CMS agrees to store closed files at no additional cost to Client while IPMG CMS is providing claims service to Client. After this period, files will either be returned to Client or stored at Client's option and expense. IPMG CMS agrees to store the closed claims after Client ceases handling claims for Client for up to five years. If stored by IPMG CMS, Client will be charged a one-time inventory fee and monthly storage fees at IPMG CMS outside vendor's prevailing rates.

Indemnification.

(a) Notwithstanding anything to the contrary herein, IPMG CMS agrees to indemnify, hold harmless and defend the Client and each of its officers, directors, agents, servants and employees from and against all liability, damages or costs, including reasonable attorney fees and court costs, incurred as a result of any claimed error or omission or intentionally wrongful act of IPMG CMS, its corporate parents, subsidiaries and affiliates, and each of their officers, directors, agents, servants and employees, or breach of any material term or condition of this Agreement by IPMG CMS, its officers, directors, agents, servants and employees, except to the extent that such liability, damages or costs result from the wrongful actions or directions of the Client, or its officers, directors, agents, servants or employees.

(b) Notwithstanding anything to the contrary herein, Client agrees to indemnify, hold harmless and defend IPMG CMS, its corporate parents, subsidiaries and affiliates, and each of their officers, directors, agents, servants and employees from and against all liability, damages or costs, including reasonable attorney fees and court costs, incurred as a result of any claimed error or omission or intentionally wrongful act of the Client and each of its officers, directors, agents, servants and employees, or breach of any material term or condition of this Agreement by Client, its officers, directors, agents, servants and employees, except to the extent that such liability, damages or costs result from the wrongful actions or directions of IPMG CMS or its officers, directors, agents, servants or employees.

Dated: June 1<sup>st</sup>, 2019

IPMG  
CLAIMS MANAGEMENT SERVICES, L.L.C.

LAKE COUNTY

By \_\_\_\_\_  
Name Gregg Peterson  
Title President

By \_\_\_\_\_  
Name \_\_\_\_\_  
Title \_\_\_\_\_