

**ATTACHMENT 2**  
**AOC STANDARD TERMS AND CONDITIONS**

**NOTE: As set forth in Section 5 of the RFP: The provisions marked with an (\*) are minimum contract terms and conditions ("Minimum Terms"). A material exception to a Minimum Term may render a proposal non-responsive.**

**EXHIBIT A**  
**STANDARD PROVISIONS**

1. Indemnification (\*)

The Contractor shall indemnify, defend (with counsel satisfactory to the State), and save harmless the State and the JBWCP Member and its officers, agents, and employees from any and all claims and losses accruing or resulting to any and all other contractors, Subcontractors, suppliers, and laborers, and any other person, firm, or corporation furnishing or supplying Work, Materials, Data, or services in connection with the performance of this Agreement, and from any and all claims and losses accruing or resulting to any person, firm, or corporation who may be injured or damaged by the Contractor or its agents or employees in the performance of this Agreement.

2. Relationship of Parties

The Contractor and the agents and employees of the Contractor, in the performance of this Agreement, shall act in an independent capacity and not as officers or employees or agents of the state of California.

3. Termination for Cause

- A. Pursuant to this provision, the State may terminate this Agreement in whole or in part under any one of the following circumstances, by issuing a written Notice of termination for default to the Contractor:
- i. If the Contractor (a) fails to perform the services within the time specified herein or any extension thereof, (b) fails to perform any requirements of this Agreement, or (c) so fails to make progress as to endanger performance of this Agreement in accordance with its terms, and, after receipt of a written Notice from the State specifying failure due to any of the preceding three (3) circumstances, the Contractor does not cure such failure within a period of five (5) business days or a longer period, if authorized in the Notice of failure; or,
  - ii. If the Contractor should cease conducting business in the normal course, become insolvent or bankrupt, make a general assignment for the benefit of creditors, admit in writing its inability to pay its debts as they mature, suffer or permit the appointment of the receiver for its business or assets, merge with or be purchased by another entity, or avail itself of or become subject for a period of

thirty (30) Days to any proceeding under any statute of any State authority relating to insolvency or protection from the rights of creditors.

- B. In the event the State terminates this Agreement in whole or in part, due to the Contractor's failure to perform, the State may procure, upon such terms and in such manner as it may deem appropriate, supplies or services similar to those so terminated, and the Contractor shall be liable to the State for any excess costs for such similar supplies or services, subject to the limitations contained elsewhere herein; further, the Contractor shall continue the performance of this Agreement to the extent not terminated under this provision.
- C. The Contractor shall not be liable for any excess costs if the failure to perform the Agreement arises out of acts of Force Majeure; but in every case the failure to perform must be beyond the control and without the fault or negligence of the Contractor.
- D. If, after Notice of termination for default of this Agreement, it is determined for any reason that the Contractor was not in default under this provision, or that the default was excusable under this provision, the obligations of the State shall be to pay only for the services rendered at the rates set forth in the Agreement.
- E. The rights and remedies of either party provided in this provision shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Agreement.

4. No Assignment

Without the written consent of the State, the Contractor shall not assign this Agreement in whole or in part expressly or by operation of law.

5. Time of Essence

Time is of the essence in Contractor's performance of this Agreement.

6. Validity of Alterations

Unless otherwise provided in this Agreement, alteration or variation of the terms of this Agreement shall not be valid unless made in writing and signed by the parties, and an oral understanding or agreement that is not incorporated shall not be binding on any of the parties. Modifications to this Agreement shall be made by amendment.

7. Consideration

The consideration to be paid to the Contractor under this Agreement shall be compensation for all the Contractor's expenses incurred in the performance of this Agreement, including travel and per diem, unless otherwise expressly provided.

*END OF EXHIBIT*

## **EXHIBIT B SPECIAL PROVISIONS**

### 1. Definitions

The terms defined below and elsewhere throughout the Contract Documents shall apply to the Agreement as defined.

- A. **“Administrative Director”** refers to that individual, or authorized designee, empowered by the State to make final and binding executive decisions on behalf of the State.
- B. **“Amendment”** means a written document issued by the State and signed by the Contractor which alters the Contract Documents and identifies the following: (i) a change in the Work; (ii) a change in Contract Amount; (iii) a change in time allotted for performance; and/or (iv) an adjustment to the Agreement terms.
- C. **“AOE”** is an acronym for “arising out of employment.”
- D. **“Claim”** means a demand by an employee who claims to have sustained an injury or an illness arising out of employment (AOE), or in the course of employment (COE).
- E. **“Claimant”** means an employee of a JBWCP Member who files a Claim for Workers' Compensation.
- F. **“Claims Adjusting”** means the processing of Claims, including New Claims, Existing Claims, Runoff Claims, and Data Conversion that includes, but is not limited to: certifying a Claimant's eligibility; monitoring examiners, attorneys and medical service providers; negotiating settlements; record-keeping; preparing reports; and, notifying excess insurers as appropriate.
- G. **“Claims Administration Services”** refers to the following services:
  - i. Claims Adjusting and Claims Administration including Intake and Referral;
  - ii. Client Online Access to Claim files;
  - iii. Full automation of the Claims Administration process via a Risk Management Information System (RMIS) as described in Exhibit D, Work To Be Performed, paragraph 11;
  - iv. Program implementation and set-up as described under Exhibit D, Work To Be Performed, paragraph 10.
  - v. Loss report production and distribution to the JBWCP Members and the State;

- vi. Customer service support;
- vii. Reports, as may be required by the National Council on Compensation Insurance (NCCI), Insurance Services Office (ISO), National Association of Insurance Commissioners (NAIC), or other regulatory authorities;
- viii. Primary or excess carrier reporting/information transfer;
- ix. State electronic data interface (EDI) requirements;
- x. IRS 1099 tax filings that will be produced and provided on an automated basis on magnetic tape to the federal and state agencies with the necessary printed service provider forms and provided for final distribution as per IRS requirements;
- xi. Account Manager consulting and overall Program service management support;
- xii. Special investigative services initial reporting compliance;
- xiii. Creation and maintenance of MPN and/or PPO Networks for JBWCP Members;
- xiv. Check printing;
- xv. Strategic case management meetings;
- xvi. Maintenance of Closed Claim Files;
- xvii. Contract production;
- xviii. Production of formal written client service instructions;
- xix. Internal quality control auditing/security audits;
- xx. General administration;
- xxi. Distribution of all internal JBWCP processing forms required to the servicing Claim offices;
- xxii. Transition assistance services;
- xxiii. Relevant Training for JBWCP Members as needed including RMIS training; and
- xxiii. Assistance in the Development of Programs.

H. **“Client Online Access”** refers to the Contractor’s direct online access which will make available all Claims Data including payments, recoveries, reserve changes, examiner

and supervisor notes, within confidentiality limits, excluding medical Confidential Information subject to California Civil Code Section 56.05(g) as further defined by Labor Code Section 3762.

- I. **“Closed Claim File”** means (i) Claim files closed by settlement which precludes their reopening, (ii) administratively closed files which may be subject to reopening for the life of the Claimant, or (iii) files closed by settlement which could later be reopened.
- J. **“COE”** is an acronym for “in the course of employment.”
- K. **“Confidential Information”** means trade secrets, financial, statistical, personnel, technical, and other Data and information relating to the State’s or JBWCP Member’s business or the business of their personnel or constituents, and including any confidential communications between the Contractor and the State or the JBWCP Member, their personnel or constituents. Confidential Information shall include medical information as defined by the California Civil Code Section 56.05 (g). Confidential Information does not include (i) information that is already known by the receiving party, free of obligation of confidentiality to the disclosing party; (ii) information that becomes generally available to the public, other than as a result of disclosure by the receiving party in breach of this Agreement; (iii) information that is independently developed by the receiving party without reference to the Confidential Information; and (iv) information that the receiving party rightfully obtains from a Third Party free of the obligation of confidentiality to the disclosing party.
- L. The **“Contract”** or **“Contract Documents”** constitute the entire integrated agreement between the State and the Contractor, as attached to and incorporated by a fully executed State Standard Agreement form. The terms **“Contract”** or **“Contract Documents”** may be used interchangeably with the term **“Agreement.”**
- M. **“Contract Amount”** means the maximum amount that the State may pay Contractor under this Agreement.
- N. The **“Contractor”** means the individual, association, partnership, firm, company, consultant, corporation, affiliates, subsidiaries, or combination thereof, including joint ventures, contracting with the State to do the Contract Work. The Contractor is one of the parties to this Agreement.
- O. **“Data”** means all types of raw data, articles, papers, charts, records, reports, studies, research, memoranda, computation sheets, questionnaires, surveys, and other documentation.
- P. **“Data Conversion”** refers to the conversion of a Workers’ Compensation Claim from one electronic system to a different electronic system. Data Conversion may be accomplished via an automated or a manual method, as described below:
  - i. **“Automated Data Conversion”** refers to a process wherein software is utilized specifically to map data from one system to another system.

- ii. **“Manual Data Conversion”** refers to a system wherein the Workers' Compensation data is manually entered into a different electronic system.
- Q. **“Day”** means calendar day, unless otherwise specified.
- R. **“Existing Claim”** refers to any open or closed Incident, Indemnity, or Medical Claim of a JBWCP Member's employee, for which Claims Administration and Data Conversions becomes the responsibility of the Contractor, upon the Effective Date of this Agreement.
- S. **“Field Case Management”** or **“FCM”** refers to the Medical Management Service pertaining to the initial contact that the Nurse Case Manager (NCM) will make with the Claimant, the claims examiner, the medical provider, and the JBWCP Member Representative within 24 – 48 hours to direct care, apply medical decision to treatment plan, and review protocols of treatment and work on issues of return-to-work.
- T. **“Force Majeure”** means a delay which impacts the timely performance of Work which neither the Contractor nor the State or the JBWCP Members are liable for because such delay or failure to perform was unforeseeable and beyond the control of the party. Acts of Force Majeure include, but are not limited to:
- i. Acts of God or the public enemy;
  - ii. Acts or omissions of any government entity;
  - iii. Fire or other casualty for which a party is not responsible;
  - iv. Quarantine or epidemic;
  - v. Strike or defensive lockout; and,
  - vi. Unusually severe weather conditions.
- U. **“Hospital Bill Audit”** refers to the Medical Management Service pertaining to the retrospective audit which is designed to identify inappropriate charges, duplicate charges, billing errors, identification of services rendered without appropriate physicians' orders, and identification of charges not related to the patients' work injury.
- V. **“Incident”** means a communication to the Contractor in any form relating to a situation that does not involve a Workers' Compensation Claim, **or** a notification of an incident that may result in a Claim for Workers' Compensation pending further investigation.
- W. **“Indemnity Claim”** or **“Lost Time”** refers to a Workers' Compensation Claim as defined in Labor Code Section 4652, where an employee has lost three (3) or more days from work, unless temporary disability continues for more than fourteen (14) days or unless the employee is hospitalized as an in-patient for treatment required by the injury.

- X. **“Industrial Disability Leave”** or **“IDL”** refers to a salary continuation program designed to supplement or function as an alternative to the WC benefit.
- Y. **“Intake and Referral”** refers to the system provided by the Contractor which is capable of reporting new claims, referring Claimants to appropriate medical providers within provider networks, and generating state-appropriate and compliant occupational injury or illness reports through a client customized toll free number, twenty-four (24) hours per day, seven (7) days per week.
- Z. **“JBWCP”** means Judicial Branch Workers' Compensation Program
- AA. **“JBWCP Advisory Committee”** or **“Committee”** is a nine member group that convenes annually every April. The Committee, in conjunction with the Program Administrator, reviews program initiatives, successes, and annual risk performance, and makes recommendations for program changes to the Trial Court Budget Working Group and the JCC.
- BB. **“JBWCP Member”** means a Judicial Branch entity participating in the program.
- CC. **“JBWCP Member Representative(s)”** refers to the individual(s) who may serve as the point of contact in Workers' Compensation matters for their respective JBWCP Member.
- DD. **“Key Personnel”** refers to the Contractor's personnel named in Exhibit E, Contractor's Key Personnel, whom the State has identified and approved to perform the Work of the Contract.
- EE. **“Program Administrator”** refers to the JBWCP's assigned project manager responsible for the oversight of all Contractor activities/services in support of the JBWCP.
- FF. **“Material”** means all types of tangible personal property, including but not limited to goods, supplies, equipment, commodities, and information and telecommunication technology.
- GG. **“Medical”** refers to that portion of a Workers' Compensation Claim involving medical treatment, but does not include an Indemnity or Lost Time Claim.
- HH. **“Medical Bill Review”** refers to the Contractor's Medical Management Service pertaining to the reviewing medical bills and pharmacy bills for the proper application of the state of California's official Workers' Compensation medical fee schedule in effect during the Term(s) of the Contract.
- II. **“Medical Management Service”** means the medical service(s) relying primarily upon negotiated fee schedules, provided by a network of contracts between the Contractor and health care providers, and other cost controls, including the auditing of medical bills (i.e. bill reviews), as described in Exhibit D, Work To Be Performed.

- JJ. **“Medical Provider Network”** or **“MPN”** means a select entity or group of providers, approved by the Administrative Director, Division of Workers' Compensation, Department of Industrial Relations, State of California, to treat WC injuries on behalf of a self insured employer or insurance carrier.
- KK. **“Medical Reserve Estimate”** refers to the Medical Management Services pertaining to the medical review by a nurse to formulate approximate medical cost per diagnosis or procedure or life of the Claim.
- LL. **“Medicare Agent Services”** refers to the services provided by the Contractor under designation by the State as Medicare Agent and as a Responsible Reporting Entity (RRE), in complying with the mandatory quarterly electronic reporting requirements issued by the Centers for Medicare/Medicaid Services (CMS) under the Medicare, Medicaid, and SCHIP Extension Act of 2007 (MMSEA) regarding certain injured parties who are Medicare beneficiaries.
- MM. **“Medicare Set-Aside”** refers to when a portion of a Claimant's WC settlement is set aside to pay for future medical or prescription drug services related to the injury, illness, or disease. The amount of the set aside is determined on a case-by-case basis and reviewed by Centers for Medicare/Medicaid Services (CMS), when appropriate.
- NN. **“New Claim”** means any Incident, Indemnity, or Medical Claim that is either (i) newly reported as a new injury or illness arising out of employment (AOE), or in the course of employment (COE), or (ii) a Claim that is reopened. If a Claim that has been closed by the Contractor is subsequently reopened by the Contractor during any Term(s) of the Agreement, the Contractor will not be entitled to an additional service fee.
- OO. **“Notice”** means a written document initiated by the authorized representative of either party to this Agreement and given by:
- i. Depositing in the U. S. Mail (or approved commercial express carrier) prepaid to the address of the appropriate authorized representative of the other party, which shall be effective upon date of receipt; or
  - ii. Hand-delivered to the other party's authorized representative, which shall be effective on the date of service.
- PP. **“Nurse Case Management”** or **“NCM”** refers to the collaborative process of assessment, planning, facilitation and advocacy for options and services to meet a Claimant's individual medical needs, and ultimate return to work, through communication and available resources to promote quality cost-effective outcomes.
- QQ. **“Peer Review”** refers to the Medical Management Service in which an individual case by case review of treatment for medical necessity and appropriateness is conducted by a licensed health care provider in the same profession as the health care provider whose services are being reviewed.



- RR. **“Preferred Provider Organizations (PPO) Network”** or **“PPO Network”** refers to the Medical Management Service pertaining to the provider organizations used by the Contractor to leverage coverage of medical treatment, including but not limited to: general medicine, internal medicine, occupational medicine, chiropractic, neurology, orthopedics, psychiatry, podiatry, dentistry, physical therapy, and acupuncture, pharmaceuticals, radiology, and ancillary providers such as home health, skilled nursing, durable medical equipment (orthotics and prosthetics, medical supplies, TENS, and bone growth stimulators), air and ground transport.
- SS. **“Risk Management Information System”** or **“RMIS”** refers to computerized claims management or risk management information systems that assist in consolidating claims, policy, and exposure information and provides the tracking and management reporting capabilities to enable the user to access, enter, monitor, and control claims data.
- TT. **“Runoff Claim”** refers to any Incident, Indemnity, or Medical Claim of a Trial Court employee that has been administered by a designated agent or the county in which the Trial Court is located, for which Claims Administration and/or Data Conversion will become the Contractor’s responsibility.
- UU. **“Service Team”** refers to the team comprised of the Contractor’s designated Account Manager, Claims Manager, Claims Supervisor, Senior Claims Examiner, Claims Examiner, and Claims Representative which will schedule, attend, and document the proceedings of regular meetings with a designated JBWCP Member.
- VV. The **“State”** refers to the Judicial Council of California / Administrative Office of the Courts (AOC). The State is one of the parties to this Agreement.
- WW. **“State Judiciary”** means, collectively, the following JBWCP Members: the Justices and Judges and employees of the California Supreme Court, Courts of Appeal, AOC, Habeas Corpus Resource Center, California Judicial Center Library, and the Commission on Judicial Performance.
- XX. **“State Standard Agreement”** means the form used by the State to enter into agreements with other parties. Several originally signed, fully executed versions of the State Standard Agreement, together with the integrated Contract Documents, shall each represent the Agreement as an individual **“Contract Counterpart.”**
- YY. **“Stop Work Order”** means the written Notice, delivered in accordance with this Agreement, by which the State may require the Contractor to stop all, or any part, of the Work of this Agreement, for the period set forth in the Stop Work Order. The Stop Work Order shall be specifically identified as such and shall indicate that it is issued pursuant to the Stop Work provision in this Exhibit.
- ZZ. **“Subcontractor”** shall mean an individual, firm, partnership, or corporation having a contract, purchase order, or agreement with the Contractor, or with any Subcontractor of any tier for the performance of any part of the Agreement. For purposes of this

Agreement and unless otherwise expressly stated, the term "Subcontractor" includes, at every level and/or tier, all subcontractors, sub-consultants, suppliers, and materialmen.

- AAA. **"Telephonic Case Management"** or **"TCM"** refers to the Medical Management Service pertaining to the telephonic coordination of inpatient, outpatient, diagnostic studies, PPO or MPN direction, and home health care. Telephone contact will be made by the nurse at time of injury to the Claimant, the Claims Examiner, the medical provider, and the JBWCP Member Representative to assess the injury and the medical treatment. Contact will be made to direct care, apply medical decision to treatment plan, review protocols, and work with physician, employer, and employee on issues of return-to-work. Direction into the PPO or MPN as well as provider and hospital negotiation will be inclusive of this service.
- BBB. **"Term"** refers to the period defined by a beginning date and an end date, in accordance with the terms and conditions set forth in the Agreement, during which the Contractor is authorized to provide the Contract Work. The potential Terms of the Agreement are described further in paragraph 36, Agreement Term(s) and Options, of this Exhibit.
- CCC. **"Third Party"** does not refer to a Claimant but refers to any individual, association, partnership, firm, company, corporation, consultant, Subcontractor, or combination thereof, including joint ventures, other than the State or the Contractor, which is not a party to this Agreement.
- DDD. **"Third Party Administrator"** or **"TPA"** refers to a contractor certified to provide Workers' Compensation Claims Administration Services.
- EEE. **"To Be Determined"** or **"TBD"** are those items that are not yet identified. Any and all To Be Determined items, set forth herein, shall be determined by mutual agreement between the Contractor and the State and incorporated into the Agreement via Amendment(s).
- FFF. **"Trial Court(s)"** means the following: one or more of the fifty-six California Trial Courts participating in the JBWCP.
- GGG. **"Trial Court Employee(s)"** means JBWCP Member one or more of the employees of the fifty-six California Trial Courts participating in the JBWCP.
- HHH. **"Trial Court Judges"** means, collectively, JBWCP Member JBWCP Member's Judges of the California Trial Courts.
- III. **"Trust Account"** refers to the pooled trust account of public funds established by the Contractor in a nationally chartered financial institution, in good standing with regulatory agencies and with a minimum rating of Morningstar 3, which is insured at 110% collateralization, for the payment of Workers' Compensation benefits, Allocated Loss Expenses, and Medical Management Service Charges to individual Claim files.
- JJJ. **"Utilization Review"** refers to Medical Management Service pertaining to the telephonic contact that will be made by the Contractor's utilization management staff

to both the JBWCP MemberClaimant and the provider in order to assess the injury and the medical treatment. Under Utilization Review, the Contractor will review for a specific procedure or block of treatment, including physical therapy, chiropractor review, hospital pre-certification, concurrent review, and discharge planning. Bills for MPN providers shall not be subject to Utilization Review.

- KKK. **“Work”** or **“Work to be Performed”** or **“Contract Work”** may be used interchangeably to refer to the service, labor, Materials, Data, and other items necessary for the execution, completion and fulfillment of the Agreement by the Contractor to the satisfaction of the State.
- LLL. **“Workers’ Compensation”** or **“WC”** refers to the employer’s responsibility to compensate injuries, illnesses, disabilities, or death of employees, as prescribed by California Workers’ Compensation laws.
- MMM. **“Workers’ Compensation Program”** or **“Program”** or **“Judicial Branch Workers’ Compensation Program”** or **“JBWCP”** refers to all activity relative to this Agreement including activity of the Contractor, its Subcontractors, the State, and the JBWCP Members.

2. Manner of Performance of Work

The Contractor shall complete all Work specified in these Contract Documents to the State and the JBWCP Member's satisfaction.

3. Termination Other Than for Cause

- A. In addition to termination for cause under Exhibit A, Standard Provisions, paragraph 3, the State may terminate this Agreement at any time upon providing the Contractor written Notice at least ten (10) Days before the effective date of termination. Upon receipt of the termination Notice, the Contractor shall promptly discontinue all services affected unless the Notice specifies otherwise.
- B. If the State terminates all or a portion of this Agreement other than for cause, the State shall pay the Contractor for the fair value of satisfactory services rendered before the termination, not to exceed the total Contract Amount.

4. State's Obligation Subject to Availability of Funds (\*)

- A. The State's obligation under this Agreement is subject to the availability of authorized funds. The State may terminate the Agreement or any part of the Contract Work, without prejudice to any right or remedy of the State, for lack of appropriation of funds. If expected or actual funding is withdrawn, reduced or limited in any way prior to the expiration date set forth in this Agreement, or in any Amendment hereto, the State may terminate this Agreement in whole or in part, upon written Notice to the Contractor. Such termination shall be in addition to the State's rights to terminate for convenience or default.

- B. Payment shall not exceed the amount allowable for appropriation by Legislature. If the Agreement is terminated for non-appropriation:
  - i. The State will be liable only for payment in accordance with the terms of this Agreement for services rendered prior to the effective date of termination; and
  - ii. The Contractor shall be released from any obligation to provide further services pursuant to the Agreement as are affected by the termination.
- C. Funding for this Agreement beyond the current appropriation year is conditional upon appropriation by the Legislature of sufficient funds to support the activities described in this Agreement. Should such an appropriation not be approved, the Agreement will terminate at the close of the current appropriation year. The appropriation year ends on June 30 of each year.

5. Stop Work

- A. The State may, at any time, by written Notice to the Contractor, require the Contractor to stop all, or any part, of the Work of this Agreement, for a period up to ninety (90) Days after the Notice is delivered to the Contractor, and for any further period to which the parties may agree ("**Stop Work Order**"). The Stop Work Order shall be specifically identified as such and shall indicate it is issued under this provision. Upon receipt of the Stop Work Order, the Contractor shall immediately comply with its terms and take all reasonable steps to minimize the incurrence of costs allocable to the Work covered by the Stop Work Order during the period of Work stoppage. Within a period of ninety (90) Days after a Stop Work Order is delivered to the Contractor, or within any extension of that period to which the parties shall have agreed, the State shall either:
  - i. Cancel the Stop Work Order; or
  - ii. Terminate the Work covered by the Stop Work Order as provided for in either of the termination provisions of this Agreement.
- B. If a Stop Work Order issued under this provision is canceled or the period of the Stop Work Order or any extension thereof expires, the Contractor shall resume Work. The State shall make an equitable adjustment in the delivery schedule, the Contract Amount, or both, and the Agreement shall be modified, in writing, accordingly, if:
  - i. The Stop Work Order results in an increase in the time required for, or in the Contractor's cost properly allocable to the performance of any part of this Agreement; and
  - ii. The Contractor asserts its right to an equitable adjustment within thirty (30) Days after the end of the period of Work stoppage; however, if the State decides the facts justify the action, the State may receive and act upon a proposal submitted at any time before final payment under this Agreement.

- C. If a Stop Work Order is not canceled and the Work covered by the Stop Work Order is terminated in accordance with the Termination Other Than For Cause provision or the State's Obligation Subject to Availability of Funds provision, as set forth under Exhibit B, the State shall allow reasonable costs resulting from the Stop Work Order in arriving at the termination settlement.
- D. The State shall not be liable to the Contractor for loss of profits because of the Stop Work Order issued under this provision.

6. Agreement Administration/Communication

- A. Under this Agreement, the Program Administrator, **TBD**, or any designee or successor, as designated by the State, shall monitor and evaluate the Contractor's performance. All requests and communications about the Work to be Performed under this Agreement shall be made through the Program Administrator. Any Notice from the Contractor to the State shall be in writing and shall be delivered to the Program Administrator as follows:

TBD  
JBWCP Program Administrator  
Judicial Council of California,  
Administrative Office of the Courts  
Human Resources Service Office  
455 Golden Gate Avenue, Fifth Floor  
San Francisco, CA 94102-3688

- B. Notice to the Contractor shall be directed in writing to:

TBD

7. Standard of Professionalism

The Contractor shall conduct all work consistent with professional standards for the industry and type of work being performed under the Agreement.

8. Service Guarantee

The Contractor agrees that throughout the Term(s) of this Agreement, the guarantee set forth in this provision shall apply. The Contractor guarantees that Work performed pursuant to this Agreement shall be fit for use as reasonably intended by the parties and shall be in accordance with Contract and performance requirements.

9. Subcontracting

The Contractor shall not subcontract this Agreement or services provided under this Agreement, unless the State agrees to the subcontracting in writing. Any authorized subcontract(s) shall be executed in the same manner as this Agreement. No party to this

Agreement shall in any way contract on behalf of or in the name of another party to this Agreement.

10. Contractor's Personnel and Replacement of Personnel

- A. The Contractor shall provide for the staffing requirements as set forth in Exhibit D, Work To Be Performed. Personnel will have the ability and authority to make decisions commensurate with his or her role and level of responsibility regarding the Work of this Agreement.
- B. The State has the right to review resumes and interview the Contractor's proposed personnel prior to commencement of the Work of this Agreement. If, in the State's reasonable opinion, any of the proposed personnel is unsatisfactory or does not meet the State's requirements, the Contractor shall submit a different candidate for consideration.
- C. The individuals assigned as Key Personnel at the time of agreement, with qualifications supported by their resumes, are included in Exhibit E, Contractor's Key Personnel. Any revision to the individuals identified as Key Personnel must be approved in writing by the Program Administrator.
- D. The State reserves the right to disapprove the continuing assignment of any of the Contractor's personnel provided to the State under this Agreement if in the State's opinion, the performance of the Contractor's personnel is unsatisfactory. The State agrees to provide Notice to the Contractor in the event it makes such a determination. If the State exercises this right, the Contractor shall immediately assign replacement personnel, possessing equivalent or greater experience and skills.
- E. If any of the Contractor's personnel become unavailable during the Term(s) of this Agreement, the Contractor shall immediately assign replacement personnel, possessing equivalent or greater experience and skills and notify the Program Administrator within 24 hours of any changes and provide for a plan for transition and/or coverage of claims administration for the JBWCP Member.
- F. The Contractor shall endeavor to retain the same individuals on the Program during the performance of the Work of this Agreement. However, the Contractor may, with approval of the Program Administrator, introduce personnel to the Program with specific skill sets or release personnel from the Program whose skill set is not needed at the time.
- G. If any of the Contractor's personnel become unavailable or are disapproved and the Contractor cannot furnish a replacement acceptable to the State, the State may terminate this Agreement for cause pursuant to Exhibit A, Standard Provisions, paragraph 3.

11. Accounting System Requirement

The Contractor shall maintain an adequate system of accounting and internal controls that meets Generally Accepted Accounting Principles or GAAP.

12. Retention of Records

The Contractor shall maintain all financial Data, supporting documents, and all other records relating to performance and billing under this Agreement for a period in accordance with state and federal law, a minimum retention period being no less than four (4) years. The retention period starts from the date of the submission of the final payment request. The Contractor is also obligated to protect Data adequately against fire or other damage.

13. Ownership of Results

- A. Any interest of the Contractor in Data in any form, or other documents and/or recordings prepared by the Contractor for performance of services under this Agreement shall become the property of the State or JBWCP Member.
- B. The Contractor agrees not to assert any rights at common law, or in equity, or establish any claim to statutory copyright in such Data. The Contractor shall not publish or reproduce such Data in whole, or part, or any manner or form, or authorize others to do so without the written consent of the State.
- C. Upon the State's written request, the Contractor shall provide the State and JBWCP Member with all this Data within thirty (30) Days of the request; however, employee medical records shall be treated in accordance with applicable Workers' Compensation laws. Although ownership of Data may be the State's or the JBWCP Member's, the Contractor shall return all Data, including Confidential Information, to the State upon termination or expiration of the Agreement, at the Contractor's expense. The State, as one of the parties to the Agreement, will be responsible for returning the Data to the appropriate JBWCP Member's employee, passing the Data on to the next Third Party Administrator (TPA), destroying the Data, or otherwise disposing of the Data as appropriate.

14. Limitation on Publication

The Contractor shall not publish or submit for publication any article, press release, or other writing relating to the Contractor's services for the State without prior review and written permission by the State.

15. Limitation on State's Liability

The State or the JBWCP Member shall not be responsible for loss of or damage to any non-State or non-JBWCP Member equipment arising from causes beyond the JBWCP Member or the State's control.

16. Trade Secret, Patent and Copyright Indemnification

- A. The Contractor shall hold the State and the JBWCP Member, their officers, agents, and employees harmless from liability of any nature or kind, including costs and expenses, for infringement or use of any copyrighted or un-copyrighted composition, secret process, patented or un-patented invention, article, or appliance furnished or used in connection with the Agreement.
- B. The Contractor may be required to furnish a bond to the State or JBWCP Member against any and all loss, damage, costs, expenses, claims, and liability for patent, copyright, and trade secret infringement.
- C. Should the Data, Materials, or the operation thereof, become, or in the Contractor's opinion are likely to become, the subject of a claim of infringement of a United States patent or copyright or a trade secret, the State or JBWCP Member shall permit the Contractor at its option and expense either to procure for the State or JBWCP Member the right to continue using the Data or Materials, or to replace or modify the same so that they become non-infringing. If none of these options can reasonably be taken, or if the use of such Data or Materials by the State or JBWCP Member shall be prevented by injunction, the Contractor agrees to take back such Data or Materials and make every reasonable effort to assist the State or JBWCP Member in procuring substitute Data or Materials. If, in the sole option of the State, the return of such infringing Data or Materials makes the retention of other Data or Materials acquired from the Contractor under this Agreement impractical, the State or JBWCP Member shall then have the option of terminating such contracts, or applicable portions thereof, without penalty or termination charge. The Contractor agrees to take back such Data or Materials and refund any sums that the State or JBWCP Member has paid the Contractor less any reasonable amount for use or damage.
- D. The Contractor shall have no liability to the State or JBWCP Member under any provision of this clause with respect to any claim of patent, copyright, or trade secret infringement which is based upon the following:
  - i. The combination or utilization of Data and/or Materials furnished hereunder with equipment or devices not made or furnished by the Contractor; or,
  - ii. The operation of equipment furnished by the Contractor under the control of any operating software other than, or in addition to, the current version of Contractor-supplied operating software; or,
  - iii. The modification by the State or JBWCP Member of the equipment furnished hereunder or of the software; or,
  - iv. The combination or utilization of software furnished hereunder with non-Contractor supplied software.
- E. The Contractor certifies that it has appropriate systems and controls in place to ensure that State funds will not be used in the performance of this Agreement for the



acquisition, operation, or maintenance of computer software in violation of copyright laws.

- F. The foregoing states the entire liability of the Contractor to the State and JBWCP Member with respect to infringement of patents, copyrights, or trade secrets.

17. Protection of Proprietary Software and Other Proprietary Data

- A. The State agrees that all Data and Materials appropriately marked or identified in writing as proprietary, and furnished hereunder, are provided for the State's and/or the JBWCP Member's exclusive use for the purposes of this Agreement only. All such proprietary Data and software shall remain the property of the Contractor. The State agrees to take all reasonable steps to insure that such proprietary Data are not disclosed to others, without prior written consent of the Contractor.
- B. The State will use reasonable efforts to insure, prior to disposing of any media, that any licensed Data and Materials contained thereon have been erased or otherwise destroyed.
- C. The State agrees that it will take appropriate action by instruction, agreement, or otherwise, with its employees, JBWCP Member, or other persons permitted access to licensed software and other proprietary Data, to satisfy its obligations under this Agreement with respect to use, copying, modification, protection, and security of proprietary software and other proprietary Data.

18. Evaluation of Contractor

The State shall evaluate the Contractor's performance under the Agreement.

19. Audit

The Contractor shall permit the authorized representative of the State, JBWCP Member, or designee(s) at any reasonable time to inspect or audit all Data relating to performance and billing to the State under this Agreement. The Contractor further agrees to maintain such Data for a period of four (4) years after final payment under this Agreement.

20. Confidentiality

- A. Both the State and the Contractor acknowledge and agree that in the course of performing the Work under this Agreement, the State or JBWCP Member may disclose Confidential Information to the Contractor.
- B. The Contractor agrees not to disclose the Confidential Information to any third party and to treat it with the same degree of care as it would its own confidential information. It is understood, however, that the Contractor may disclose Confidential Information on a "need to know" basis to the Contractor's employees and Subcontractors and, as directed by the Program Administrator, representatives of the State that are working on the Program. All such employees and Subcontractors of the Contractor shall have

executed a confidentiality agreement with the Contractor requiring a promise of confidentiality concerning the Contractor's clients and business.

- C. The Contractor shall acquire no right or title to the Confidential Information. The Contractor agrees not to use the Confidential Information for any purpose except as contemplated pursuant to this Agreement. Notwithstanding the foregoing, the Contractor may disclose the Confidential Information (i) to the extent necessary to comply with any law, rule, regulation or ruling applicable to it; (ii) as appropriate to respond to any summons or subpoena applicable to it; or (iii) to the extent necessary to enforce its rights under this Agreement.

21. Changes and Amendments

Changes or Amendments to any component of the Contract Documents can be made only with prior written approval from the Program Administrator. Requests for changes or Amendments must be submitted in writing and must be accompanied by a narrative description of the proposed change and the reasons for the change. Additional funds may not be encumbered under the Agreement due to an act of Force Majeure, although the performance period of the Agreement may be amended due to an act of Force Majeure. After the Program Administrator reviews the request, a written decision shall be provided to the Contractor. Amendments to the Agreement shall be authorized via bilateral execution of a State Standard Agreement.

22. JBWCP Member Representation, Beneficiary

- A. The State has the authority to speak on behalf of the JBWCP Member and to bind the JBWCP Member with respect to acceptance of Work and payment for services rendered.
- B. Each JBWCP Member and its employees, shall be deemed an intended beneficiary of this Agreement. Without limiting the foregoing, the State and the Contractor agree and acknowledge that the JBWCP Member shall have the right to enforce all terms and conditions set forth herein. In the event a JBWCP Member Representative gives conflicting instructions or makes conflicting determinations with respect to any matter, it shall be the State's responsibility to resolve any such conflict promptly. The Contractor shall immediately notify the State of any such conflicting instructions from the JBWCP Member Representative.

23. Insurance Requirements

- A. General. The Contractor shall obtain and maintain the minimum insurance set forth in subparagraph B, below. By requiring such minimum insurance, the State shall not be deemed or construed to have assessed the risks that may be applicable to the Contractor under this Agreement. The Contractor shall assess its own risks and if it deems appropriate and/or prudent, maintain greater limits and/or broader coverage. For full coverage, each insurance policy shall be written on an "occurrence" form; excepting that insurance for professional liability, when required, may be acceptable on a "claims

made” form. If coverage is purchased on a “claims made” basis, the Contractor warrants continuation of coverage, either through policy renewals or the purchase of an extended discovery period, if such extended coverage is available, for not less than three (3) years from the date of completion of the Work which is the subject of this Agreement.

- B. Minimum Scope and Limits of Insurance. The Contractor shall maintain coverage and limits no less than the following:
- i. Workers' Compensation at statutory requirements of the state of residency.
  - ii. Employers' Liability with limits not less than **\$1,000,000.00** for each accident.
  - iii. Comprehensive General Liability Insurance with limits not less than **\$1,000,000.00** for each occurrence, Combined Single Limit Bodily Injury and Property Damage, with aggregate limits at \$2,000,000.00.
  - iv. Comprehensive Automobile Liability Insurance with limits not less than **\$1,000,000.00** for each occurrence, Combined Single Limit Bodily Injury and Property Damage, including owned and non-owned and hired automobile coverage, as applicable.
  - v. Professional Liability: Errors and Omissions; **\$1,000,000.00** single occurrence and **\$2,000,000.00** aggregate limit.
  - vi. Comprehensive Crime Insurance, including Employee Dishonesty / Fidelity (must cover all of the Contractor's representatives who perform Work under this Agreement, especially Trust Account activities), On-Premises (loss inside the premises), In-Transit (loss outside the premises), and loss of face value for items, with a minimum limit of **\$2,000,000.00** per occurrence.
  - vii. Fiduciary Liability Insurance (must cover all of the Contractor's representatives who perform Work under this Agreement, especially Trust Account activities) with aggregate limits at **\$1,000,000.00**.
- C. Deductibles and Self-Insured Retentions. Any deductibles or self-insured retentions must be declared to the State. The deductible and/or self-insured retention of the policies shall not limit or apply to the Contractor's liability to the State and shall be the sole responsibility of the Contractor.
- D. Other Insurance Provisions. The General Liability policy required in this Agreement is to contain, or be endorsed to contain, the following provisions:
- i. The State, its officers, officials, employees and agents, as well as the officers, officials, employees and agents of the JBWCP Member, are to be covered as additional insureds as respects liability arising out of activities performed by or on behalf of the Contractor in connection with this Agreement.

- ii. To the extent of the Contractor's negligence, the Contractor's insurance coverage shall be primary insurance as respects the State, its officers, officials, employees and agents. Any insurance and/or self-insurance maintained by the State, its officers, officials, employees or agents shall not contribute with the insurance or benefit the Contractor in any way,
  - iii. The Contractor's insurance shall apply separately to each insured against whom a claim is made and/or lawsuit is brought, except with respect to the limits of the insurer's liability.
- E. The Contractor shall provide the State certificates of insurance satisfactory to the State evidencing all required coverages before Contractor begins any Work under this Agreement, including Trust Account activities, and complete copies of each policy upon the State's request.
- F. If at any time the foregoing policies shall be or become unsatisfactory to the State, as to form or substance, or if a company issuing any such policy shall be or become unsatisfactory to the State, the Contractor shall, upon Notice to that effect from the State, promptly obtain a new policy, and shall submit the same to the State, with the appropriate certificates and endorsements, for approval.
- G. Acceptability of Insurers. Unless otherwise approved by the State:
  - i. Insurance is to be placed with insurers with a Best's rating of no less than A:VIII, or, if not rated with Best's, with minimum surpluses the equivalent of Best's surplus size VIII.
  - ii. Professional Liability, Errors and Omissions insurance may be placed with insurers with a Best's rating of B+: VII. Any exception must be approved by the State.
- H. Subcontractors. The Contractor shall include any Subcontractors as insured under its policies, or shall furnish separate certificates of insurance and policy endorsements for each Subcontractor. Insurance coverages provided by Subcontractors as evidence of compliance with the insurance requirements of this Agreement shall be subject to all of the requirements stated herein.
- I. All of the Contractor's policies shall be endorsed to provide advanced written Notice to the State of cancellation, nonrenewal, and reduction in coverage, within thirty (30) Days, mailed to the following address: Judicial Council, Administrative Office of the Courts, Finance Division – Business Services Manager, 455 Golden Gate Ave., San Francisco, CA 94102.

24. Public Contract Code References

References to the Public Contract Code (PCC) are provided for Contract's convenience only and shall not imply that the Public Contract Code applies to the State or JBWCP Member, but

rather shall be used to define the Contractor's obligations under the particular contract provision in which such code section is referenced.

25. Conflict of Interest

A. The Contractor and employees of the Contractor shall not participate in proceedings that involve the use of State funds or that are sponsored by the State if the person's partner, family, or organization has a financial interest in the outcome of the proceedings. The Contractor and employees of the Contractor shall also avoid actions resulting in or creating the appearance of (i) use of an official position with the government for private gain; (ii) preferential treatment to any particular person associated with this Agreement or the Work of this Agreement; (iii) loss of independence or impartiality; (iv) a decision made outside official channels; or (v) adverse effects on the confidence of the public in the integrity of the government or this Agreement.

B. The Contractor certifies and shall require any Subcontractor to certify to the following:

**Former State employees will not be awarded a contract for two (2) years from the date of separation if that employee had any part of the decision making process relevant to the contract, or for one (1) year from the date of separation if that employee was in a policy making position in the same general subject area as the proposed contract within the twelve (12) month period of his or her separation from state service.**

26. Covenant Against Gratuities

The Contractor warrants by signing this Agreement that no gratuities, in the form of entertainment, gifts, or otherwise, were offered by the Contractor or any agent, director, or representative of the Contractor, to any officer, official, agent, or employee of the State or JBWCP Member with a view toward securing the Contract or securing favorable treatment with respect to any determinations concerning the performance of the Contract. For breach or violation of this warranty, the State will have the right to terminate the Contract, either in whole or in part, and any loss or damage sustained by the State in procuring, on the open market, any items which the Contractor agreed to supply, shall be borne and paid for by the Contractor. The rights and remedies of the State provided in this provision shall not be exclusive and are in addition to any other rights and remedies provided by law or under the Contract.

27. Drug-Free Workplace

The Contractor certifies that it will provide a drug-free workplace as required by California Government Code, Section 8355 through Section 8357.

28. Americans with Disabilities Act

By signing this Agreement, Contractor assures the State that it complies with applicable provisions of the Americans with Disabilities Act (ADA) of 1990 (42 U.S.C. Sections 012101

*et seq.*), which prohibits discrimination on the basis of disability, as well as with all applicable regulations and guidelines issued pursuant to the ADA.

29. California Law

This Agreement shall be subject to and construed in accordance with the laws of the state of California.

30. Permits and Licenses

The Contractor shall observe and comply with all federal, state, city, and county laws, rules, and regulations affecting services under this Agreement. The Contractor shall procure and keep in full force and effect during the Term(s) of this Agreement all permits and licenses necessary to accomplish the Work contemplated in this Agreement.

31. Services Warranty

The Contractor warrants and represents that each of its employees, independent contractors or agents assigned to perform any services or provide any technical assistance in planning, development, training, consulting or related services under the terms of this Agreement shall have the skills, training, and background reasonably commensurate with his or her level of performance or responsibility, so as to be able to perform in a competent and professional manner. The Contractor further warrants that the services provided hereunder will conform to the requirements of this Agreement. All warranties, including any special warranties specified elsewhere herein, shall inure to the State, its successors, assigns, customer agencies, and any other recipients of the services provided hereunder.

32. Severability

If any term or provision of this Agreement is found to be illegal or unenforceable, this Agreement shall remain in full force and effect and that term or provision shall be deemed stricken.

33. Waiver

The omission by either party at any time to enforce any default or right, or to require performance of any of this Agreement's terms, covenants, or provisions by the other party at the time designated, shall not be a waiver of the default or right, nor shall it affect the right of the party to enforce those provisions later.

34. Signature Authority

The parties signing this Agreement certify that they have proper authorization to do so.

35. Survival

The termination or expiration of the Agreement shall not relieve either party of any obligation or liability accrued hereunder prior to or subsequent to such termination or expiration, nor

affect or impair the rights of either party arising under the Agreement prior to or subsequent to such termination or expiration, except as expressly provided herein.

36. Agreement Term(s) and Options

- A. This Agreement is of no force and effect until signed by both parties and all approvals are secured. Any commencement of performance prior to agreement approval shall be done so at the Contractor's own risk; notice to proceed shall not be official until this Agreement is fully executed.
- B. This Agreement shall commence on **February 1, 2014** and expire on **January 31, 2016** ("**Initial Term**"), unless otherwise set forth in writing, in accordance with the terms and conditions of this Agreement.
- C. The parties agree that the State may elect to extend this Agreement for up to three (3) consecutive optional two-year Terms, identified as follows, if authorized in writing in accordance with the terms and conditions of this Agreement:
  - i. **February 1, 2016** through **January 31, 2018** ("**First Option Term**").
  - ii. **February 1, 2018** through **January 31, 2020** ("**Second Option Term**").
  - iii. **February 1, 2020** through **January 31, 2022** ("**Third Option Term**").
- D. In the event the State elects to extend the Agreement for any additional Term(s), in whole or in part, the parties agree to modify the Agreement via bilateral execution of the State's Standard Agreement form and incorporate the extended Term(s) via one (1) or more Amendments.
- E. In the event any option Term is exercised or any additional Term is contemplated by the parties under this Agreement, the charges, fees and rates applicable for each option Term or additional Term shall be set forth in an Amendment to extend this Agreement. The parties may negotiate any charge, fee or rate set forth in Exhibit C, Payment Provisions, for the next subsequent consecutive Term, as long as i) the negotiated charge, fee or rate does not increase or decrease by more than three percent (3%) when compared to the preceding Term; and ii) a notice of any price increase or decrease is given to the other party at least ninety (90) days prior to the expiration of the term in effect.
- F. The Contractor's success in achieving the standards of performance, as set forth in Exhibit D, Work To Be Performed, paragraph 39, entitled Minimum Performance Standards, will be a factor in the State's decision to exercise any option under this Agreement.

37. Entire Agreement

This Agreement, consisting of all documents as defined herein, constitutes the entire agreement between the parties with respect to the subject matter hereof and shall supersede all

previous proposals, both oral and written, negotiations, representations, commitments, writing and all other communications between the parties. No waiver, alteration, modification of, or addition to the terms and conditions contained herein shall be binding unless expressly agreed upon in writing by a duly authorized officer of the State.

*END OF EXHIBIT*



**EXHIBIT C  
PAYMENT PROVISIONS**

1. Definitions

- A. **“Allocated Loss Expense”** refers to the cost or expense incurred as part of a loss on a Claim file that may include, but are not limited to the following: legal fees, court reporter fees, court costs, professional photographer fees, expert witness fees, *subrosa* investigation expenses, field investigation expenses, rehabilitation service costs, and costs or expenses for other similar services. Allocated Loss Expenses do not include fees payable by the State to the Contractor, penalties payable by the Contractor, or payments for services covered under a Cost Plus Rate or Medicare Agent Services.
- B. **“Cost Plus Rate”** refers to the firm fixed monthly amount to be paid for Claim Administration Services based upon the required staffing levels to meet the requirements of the Contract Work, with consideration to claim type, claim office and staff experience levels. The monthly Cost Plus Rate is based upon overall staffing levels, rather than a per-claim basis. The number of persons in each position, their monthly rates, and the monthly total are all firm fixed.
- C. **“Medical Management Service Charges”** means the charges, as set forth in Exhibit C, Payment Terms, for Medical Management Service(s), as set forth in Exhibit D, Work To Be Performed. Medical Management Service Charges are unrelated to the payment for services covered under Allocated Loss Expenses, or Cost Plus Rate(s).

2. Contract Amount

- A. As set forth in this Exhibit, the maximum amount which the State may pay to the Contractor under this Agreement for performing the Work, as set forth in Exhibit D, Work To Be Performed, shall not exceed the Contract Amount of \$[*TBD total for all terms to date*]. The Contract Amount includes the Cost Plus Rate and one-time startup fees related to Claims Administration, if any. The Contract Amount does not include payments to be made from the Trust Account, such as Claims, Allocated Loss Expenses, or Medical Management Service Charges.
- B. The maximum amount which the State may pay to the Contractor for each Term or period is set forth below.
  - i. \$TBD for the Initial Term
  - ii. \$TBD for the First Option Term.
  - iii. \$TBD for the Second Option Term.
  - iv. \$TBD for the Third Option Term.

- C. The Contractor has estimated the costs and expenses necessary to complete the Work. The State's acceptance of the Contractor's proposal and price does not (i) imply that the State approves of or adopts the Contractor's plan, means, methods, techniques, or procedures required to perform the Work, nor (ii) relieve the Contractor from the sole responsibility for the accuracy of its estimate and timely completion of the Work of this Agreement within the total amount for compensation set forth herein.
- D. The Contractor will make payment for Allocated Loss Expenses and Medical Management Service Charges from a Trust Account, as further described in this Exhibit's paragraph 7, entitled Trust Account - Funding, Maintenance, and Method of Payment.

3. One-Time Startup Fees

- A. One-Time Startup Fees. The State will pay Contractor the following fees, if any, for the applicable services related to the initial start up prior to servicing claims:

TBD

4. Payment for Cost Plus Rate

- A. For Claims Administration, the State will pay the Contractor the firm fixed Cost Plus Rate per month for the applicable term to fully staff the claims team based on the number of persons and monthly rate of each position type as set forth in the following tables:

**Firm Fixed Cost Plus Rate Per Month for the Initial Term (February 1, 2014 – January 31, 2016)**

| Position Title  | Firm Fixed Number of Persons                            | Firm Fixed Monthly Rate | Firm Fixed Monthly Amount |
|---|---|-------------------------|---------------------------|
| Account/Program Manager   | TBD   | TBD                     | TBD                       |
| Claims Manager  | TBD   | TBD                     | TBD                       |
| Claims Supervisor   | TBD   | TBD                     | TBD                       |
| Senior Claims Examiner  | TBD   | TBD                     | TBD                       |
| Claims Examiner   | TBD (based on 130 Indemnity Claims per Claims Examiner) | TBD                     | TBD                       |
| Claims Representative   | TBD   | TBD                     | TBD                       |
| <b>Firm Fixed Cost Plus Rate Per Month for the Initial Term</b> |   |                         | <b>TBD</b>                |

**Firm Fixed Cost Plus Rate Per Month for the First Option Term (February 1, 2016 – January 31, 2018)**

| Position Title  | Firm Fixed Number of Persons                            | Firm Fixed Monthly Rate | Firm Fixed Monthly Amount |
|---|---|-------------------------|---------------------------|
| Account/Program Manager   | TBD   | TBD                     | TBD                       |
| Claims Manager  | TBD   | TBD                     | TBD                       |
| Claims Supervisor   | TBD   | TBD                     | TBD                       |
| Senior Claims Examiner  | TBD   | TBD                     | TBD                       |
| Claims Examiner   | TBD (based on 130 indemnity claims per Claims Examiner) | TBD                     | TBD                       |
| Claims Representative   | TBD   | TBD                     | TBD                       |
| <b>Firm Fixed Cost Plus Rate Per Month for the First Option Term.</b> |   |                         | <b>TBD</b>                |

**Firm Fixed Cost Plus Rate Per Month for the Second Option Term (February 1, 2018 – January 31, 2020)**

| Position Title   | Firm Fixed Number of Persons                            | Firm Fixed Monthly Rate | Firm Fixed Monthly Amount |
|--|---|-------------------------|---------------------------|
| Account/Program Manager  | TBD   | TBD                     | TBD                       |
| Claims Manager   | TBD   | TBD                     | TBD                       |
| Claims Supervisor  | TBD   | TBD                     | TBD                       |
| Senior Claims Examiner   | TBD   | TBD                     | TBD                       |
| Claims Examiner  | TBD (based on 130 indemnity claims per Claims Examiner) | TBD                     | TBD                       |
| Claims Representative  | TBD   | TBD                     | TBD                       |
| <b>Firm Fixed Cost Plus Rate Per Month for the Second Option Term.</b> |   |                         | <b>TBD</b>                |

**Firm Fixed Cost Plus Rate Per Month for the Third Option Term (February 1, 2020 – January 31, 2022)**

| Position Title   | Firm Fixed Number of Persons                            | Firm Fixed Monthly Rate | Firm Fixed Monthly Amount |
|--|---|-------------------------|---------------------------|
| Account/Program Manager  | TBD   | TBD                     | TBD                       |
| Claims Manager   | TBD   | TBD                     | TBD                       |
| Claims Supervisor  | TBD   | TBD                     | TBD                       |
| Senior Claims Examiner   | TBD   | TBD                     | TBD                       |
| Claims Examiner  | TBD (based on 130 indemnity claims per Claims Examiner) | TBD                     | TBD                       |
| Claims Representative  | TBD   | TBD                     | TBD                       |
| <b>Firm Fixed Cost Plus Rate Per Month for the Third Option Term</b> |   |                         | <b>TBD</b>                |

5. Conditions for Payment of Cost Plus Rate

- A. The State's payment of the monthly firm fixed Cost Plus Rate set forth above is based upon the following conditions:
  - i. An average monthly caseload of 130 Indemnity Claims per Claims Examiner. At no time shall a caseload exceed 130 Indemnity Claims, unless requested by the State. The Contractor's supervisory and managerial personnel shall carry no caseloads.
  - ii. Closed file maintenance for Closed Claim Files transferred from the participating JBWCP Member is included in the Cost Plus Rate set forth above.
- B. Contractor agrees to keep quality, performance, and staffing statistics regarding the number of claims per examiner. In the event of a decrease in quality or performance by 5% or more over any consecutive 3-month period within the term of the Contract, or in the event of a deficient audit, without voiding or reducing the AOC's right to terminate this Agreement for cause as set forth in Exhibit A, Paragraph 3, the AOC may consider renegotiating the level of staffing and payment in order to remedy the deficiency in quality or performance.
- C. The Cost Plus Rate set forth herein, shall apply to all claim types for the applicable Term of the Agreement.

- D. The parties agree that the Contractor will provide Termination Assistance Services, as set forth in Exhibit D, Work To Be Performed, including electronic and physical file transfer, at no additional charge.

6. Method of Payment

- A. The Contractor shall submit an invoice for charges on a monthly basis. After receipt of invoice, the State will either approve the invoice for payment or give the Contractor specific written reasons why part or all of the payment is being withheld and what remedial actions the Contractor must take to receive the withheld amount.
- B. The State will make payment in arrears after receipt of the Contractor's properly completed invoice. Invoices shall clearly indicate the following:
  - i. The Contract number;
  - ii. A unique invoice number;
  - iii. The Contractor's name and address;
  - iv. The taxpayer identification number (Contractor's federal employer identification number);
  - v. Identify the appropriate and allowable One-Time Startup Fees or Cost Plus Rate applicable for the Term;
  - vi. The period and dates services were provided, and hours worked if compensation on an hourly basis; and
  - vii. A preferred remittance address, if different from the mailing address.
- C. The Contractor shall submit one (1) original and two (2) copies of invoices to:

Judicial Council of California,  
Administrative Office of the Courts  
c/o Fiscal Services Office, Accounts Payable  
455 Golden Gate Avenue, Sixth Floor  
San Francisco, CA 94102-3688
- D. Please note that invoices or vouchers not on printed bill heads shall be submitted with a signature of the Contractor or the person furnishing the supplies or services.

7. Trust Account - Funding, Maintenance, and Method of Payment

- A. The Contractor must advise the financial institution that the funds being deposited are public funds and, as a result, a Trust Account must be established to segregate these funds from other accounts, for use as specified under this Agreement. The Trust Account must be established in Contractor's name only. The Contractor's financial

institution must certify in writing the balances maintained in the Trust Account will be collateralized at all times pursuant to GC 16520-16554.

- B. The Contractor shall deposit funds into the Trust Account and shall issue claim checks from check stock purchased by the Contractor. The State shall provide a check to the Contractor for the initial deposit into the Trust Account, upon which the Contractor shall complete and return to the State a Form for Receipt of Trust Account Funds, included herein as Form 1. The Trust Account shall be interest bearing unless otherwise agreed to or prohibited by law, and all interest accrued will belong to the State.
- C. The State shall provide sufficient funds to the Contractor to maintain in the Trust Account in order for the Contractor to make timely payments of all Claims, Allocated Loss Expenses, Medical Management Service Charges, and all other amounts which the Contractor will be authorized or required to make pursuant to this Agreement. The State shall provide funds to the Contractor to replenish the Trust Account for the Claims, Allocated Loss Expenses, and Medical Management Service Charges that were approved and actually paid. The Contractor shall deposit such reimbursements into the Trust Account and shall not use funds allocated for the Trust Account as reimbursement for any other purpose.
- D. The Contractor will advise the State whenever allocated loss or Medical Management Services may be required and will request its approval before incurring any Allocated Loss Expenses or Medical Management Service Charges. The State will be liable for all pre-approved Allocated Loss Expenses and Medical Management Service Charges incurred by Contractor in accordance with this provision. Any Allocated Loss Expenses and Medical Management Service Charges incurred by the Contractor prior to or without obtaining the State's prior approval will be solely the obligation of the Contractor and will be paid for directly by the Contractor, unless the failure to obtain prior approval is excused in writing by the State.
- E. Claim payments, Allocated Loss Expenses, and Medical Management Service Charges are not included as part of nor shall they be paid from the Contract Amount; as set forth in this Exhibit, the Contract Amount shall only be used to make payments for allowable Cost Plus Rate.
- F. The Contractor shall computer-generate the checks on blank check stock to personalize them. The checks will bear Contractor's name, not the State's name or any JBWCP Member name. The Contractor shall:
  - i. Provide the Program Administrator, on a monthly basis, a copy of each check issued on the Trust Account, as may be requested by the AOC.
  - ii. The Contractor will immediately reimburse the Trust Account the amount of any unauthorized withdrawals from the Trust Account, including all expenses incurred as a result of any such unauthorized withdrawal(s). The Contractor must maintain a check "match pay" bank service on the Trust Account during

the term of the contract. A check "match pay" bank service prevents unauthorized checks from being paid from the Trust Account. The Contractor must maintain on the Trust Account throughout the term of the contract an ACH Debit Block bank service to prevent unauthorized ACH withdrawals from the Trust Account.

- iii. Invoice the Program Administrator for charges the Contractor paid from the Trust Account, at the address set forth below or via e-mail to the Program Administrator and the Accounting Personnel. The Contractor will invoice the State for Trust Account charges on a weekly basis. With each invoice requesting reimbursement for Trust Account charges, the Contractor shall submit a check register including, but not limited, the check amount, check date, check number, payee name, payment method, court name, payment transaction description, payment type such as indemnity, incident, Medical Management Service charges, and other information as may be required by the Program Administrator. The total amount of a check register must be equal to the amount requested for reimbursement on the accompanying Trust Account invoice.

Judicial Council of California,  
Administrative Office of the Courts  
Human Resources Services Office  
c/o TBD, JBWCP Program Administrator  
455 Golden Gate Avenue, Fifth Floor  
San Francisco, CA 94102-3688

- iv. Deposit funds provided by the State for the Trust Account into the Trust Account.
  - v. Place stop pay orders at the bank as necessary.
  - vi. The Contractor shall provide the AOC Accounts Payable Supervisor on a monthly basis, a copy of the Trust Account bank statement, a copy of the monthly Trust Account bank reconciliation and a copy of the outstanding checks list via e-mail. During the term of this contract, the Contractor shall direct the financial institution holding the Trust Account to send a copy of the monthly Trust Account bank statement directly to the AOC Accounts Payable Supervisor via e-mail.
- G. In the event the Trust Account falls below an amount that is required to enable the Contractor to make timely payments of (i) all Claims, Allocated Loss Expenses, Medical Management Service Charges, (ii) any single Claim equal to or greater than \$500,000.00, and (iii) all other amounts which the Contractor is authorized or is required to make, pursuant to this Agreement or otherwise on behalf of the State, the Contractor shall request the State, by Notice, to make funds available to the Contractor for the sole purpose of replenishing the Trust Account. For each such Notice, the Contractor shall include the current Trust Account amount; the amount of pending request(s) for reimbursement from the Trust Account, including copies of the check

register and invoices(s); and, the amount of the additional funding requested to replenish the Trust Account. The State shall provide funding to the Contractor for the purposes of replenishing the Trust Account within three (3) weeks of receipt of the Contractor's Notice. Upon receipt of the additional Trust Account funding, the Contractor shall complete and return to the State a Form For Receipt of Trust Account Funds, included herein as Form 1.

- H. The Contractor shall ensure the security of all check supplies.
- I. The Contractor shall provide the Program Administrator and the State's Accounts Payable Supervisor via e-mail with a Claim summary report on a monthly basis which identifies monthly reconciliations of the Trust Account, including when requested, reconciliations of loss runs for amounts expended from the Trust Account and identification of the amounts paid on behalf of each JBWCP Member.
- J. Within ninety (90) days of any expiration or termination of this Agreement, the Contractor will remit to the State the balance in the Trust Account including any interest accrued.

8. Payment for Allocated Loss Expenses

- A. As further set forth under this Exhibit's paragraph 7, Trust Account - Funding, Maintenance, and Method of Payment, the Contractor shall make payments for Allocated Loss Expenses, if authorized and approved by the State, from the Trust Account. The State shall provide funding for the Contractor to replenish the Trust Account for Allocated Loss Expenses paid, after the Contractor has provided the State with Notice requesting such funding.
- B. Firm Fixed Fees for Medicare Agent Services, including Medicare reporting services, and Medicare Set-Aside Services shall be as set forth in the following table:

| <b>Medicare Agent Service</b>                   | <b>Firm Fix Amount</b> |
|---|------------------------|
| Medicare Setup Fee                              | \$TBD (One-Time Fee)   |
| Monthly Maintenance Fee                         | \$TBD Monthly          |
| Medicare Submission Reporting/Quarterly         | \$TBD Per Quarter      |
| Copy of Medicare Submission Reporting/Quarterly | \$TBD Quarter          |
| Medicare Set-Aside Allocation Report            | \$TBD Per (TBD)        |
| Other Medicare Agent Services charges: [TBD]    | \$TBD Per (TBD)        |

9. Payment for Medical Management Service Charges

- A. As further set forth under this Exhibit's paragraph 7, entitled Trust Account - Funding, Maintenance, and Method of Payment, the Contractor shall make payments for Medical Management Service Charges, if authorized and approved by the State, from the Trust Account. The State shall provide funding for the Contractor to replenish the



Trust Account for Medical Management Service Charges paid, after the Contractor has provided the State with Notice requesting such funding. Allowable Medical Management Service Charges shall include the following only:

| <b>Medical Management Service</b>                      | <b>Firm Fixed Fee</b>                             |
|--|---|
| PPO Setup Fee  | \$TBD One Time Fee                                |
| PPO Maintenance/Ongoing                                | \$TBD Per Month                                   |
| MPN Setup Fee  | \$TBD One Time Fee                                |
| MPN Maintenance/Ongoing                                | \$TBD Per Month                                   |
| Prescription Drug Benefit Program Setup Fee            | \$TBD One Time Fee                                |
| Prescription Drug Benefit Program Maintenance/Ongoing  | \$TBD per (TBD)                                   |
| Medical Bill Review Per Line Fee                       | \$TBD Per Line Per Month                          |
| Medical Bill Review Flat Fee Per Bill                  | \$TBD Per Bill Per Month                          |
| Medical Bill Review Guranteed Savings %                | % Saved by utilizing Medical Bill Review Services |
| Utilization Review (Standard)                          | \$TBD per (TBD)                                   |
| Utilization Review (Physician Review/Peer Review)      | \$TBD per (TBD)                                   |
| Nurse Case Management Triage                           | \$TBD per (TBD)                                   |
| Nurse Case Management Telephonic Case Management (TCM) | \$TBD per (TBD)                                   |
| Nurse Case Management Field Case Management (FCM)      | \$TBD per (TBD)                                   |
| Other Medical Management Services charges. [TBD]       | \$TBD per (TBD)                                   |

B. The Contractor shall not invoice the State nor shall the State pay for review of duplicate bill reviews.

10. Allowable Costs and Expenses

All rates, fees and charges noted in this Agreement are inclusive of any and all anticipated travel, lodging, transportation, clerical support, materials, equipment, fees, overhead, profits, and other costs and/or expenses incidental to the performance of the specified requirements under this Agreement. The State shall not consider reimbursement for costs not defined as allowable in this Agreement, including but not limited to any administrative, operating, travel, meals, and lodging expenses incurred during the performance of this Agreement.

11. Taxes

The State is exempt from federal excise taxes and no payment will be made for any taxes levied on the Contractor's or any Subcontractor's employees' wages. The State will pay for any applicable state of California or local sales or use taxes on the services rendered.

12. Payment Does Not Imply Work Is Accurate or Acceptable

The granting of any payment by the State as provided in this Exhibit shall in no way lessen the liability of the Contractor to replace unsatisfactory Work or Material, even if the unsatisfactory character of such Work or Material may not have been apparent or detected at the time such payment was made. Materials, Data, components, or workmanship that do not conform to Exhibit D, Work To Be Performed, shall be rejected and shall be replaced by the Contractor without delay.

13. Disallowance

If the Contractor claims or receives payment from the State for a service or reimbursement that is later disallowed by the State, the Contractor shall promptly refund the disallowed amount to the State upon the State's request. At its option, the State may offset the amount disallowed from any payment due or that may become due to the Contractor under this Agreement or any other agreement.

*END OF EXHIBIT*

**EXHIBIT D  
WORK TO BE PERFORMED**

1. Background

- A. The Judicial Council of California (JCC), chaired by the Chief Justice of California, is the chief policy making agency of the California judicial branch. The California Constitution directs the JCC to improve the administration of justice by surveying judicial business, recommending improvements to the courts, and making recommendations annually to the Governor and the Legislature. The JCC also adopts rules for court administration, practice, and procedure, and performs other functions prescribed by law. The Administrative Office of the Courts (AOC) is the staff agency for the JCC and assists both the Council and its chair in performing their duties.
- B. On January 1, 2001, each of the 58 Trial Courts became independent employers. Prior to this date, the Trial Courts were employed by their respective counties.

Under California Government Code Section 71623.5 (a), as of July 1, 2001, Trial Courts shall provide workers' compensation coverage for Trial Court employees under a workers' compensation program established by the AOC or a program selected or approved by the AOC. The JBWCP was created on January 1, 2003, in response to the courts that transitioned from county-administered plans. The JBWCP is a highly decentralized self-insured program. Currently, 56 Trial Courts participate in the program. The JBWCP utilizes a cost allocation model with a charge-back system to the JBWCP Trial Court Members. Each JBWCP Trial Court Member shares in a pool of allocated risk, with the cost allocations distributed based upon payroll and loss activity. The loss selection that is currently used to calculate the loss modifier for each JBWCP Member is limited to a rolling three years of loss data excluding the most recent 12 months. The total allocation is based on the annual actuarial report projection.

The JBWCP Advisory Committee (Committee) is a nine member group that convenes annually every April. The Committee, in conjunction with the Program Administrator, review program initiatives, successes, and annual risk performance, and make recommendations for program changes to the Trial Court Budget Working Group and the JCC. The JCC approves any primary programmatic and/or financial change recommendations prior to the end of each fiscal year.

- C. The JBWCP Members include the following three groups:
- i. ***Trial Court Judges***, which includes approximately 1,500 Judges of the California Trial Courts; and
  - ii. ***Trial Court Employees***, which includes approximately 13,000 employees of 56 California Trial Courts participating in the program. Two Trial Courts, Los Angeles and Mono, do not participate in the program; and

- iii. *State Judiciary*, which includes approximately 100 Justices and Judges and 1,600 employees in the Supreme Court, Courts of Appeal, AOC, Habeas Corpus Resource Center, California Judicial Center Library, and the Commission on Judicial Performance.
- D. The JBWCP also includes run-off claims for the respective counties with Trial Court related injury dates from January 1, 2001, to the date of inception into the JBWCP, as follows:
- i. The date of inception into the JBWCP was January 1, 2003, for the following Trial Courts: Alpine, Amador, Del Norte, Lake, Mariposa, Riverside, and San Bernardino.
  - ii. The date of inception into the JBWCP was July 1, 2003, for the following Trial Courts: Alameda, Butte, Calaveras, Colusa, Contra Costa, El Dorado, Fresno, Humboldt, Imperial, Kings, Lassen, Madera, Marin, Mendocino, Merced, Modoc, Monterey, Napa, Nevada, Orange, Placer, Sacramento, San Benito, San Francisco, San Joaquin, San Mateo, Santa Barbara, Santa Cruz, Shasta, Sierra, Siskiyou, Solano, Sonoma, Stanislaus, Sutter, Tehama, Trinity, Tulare, Tuolumne, and Ventura.
  - iii. The date of inception into the JBWCP was July 1, 2004, for the following Trial Courts: Kern, Plumas, San Diego, San Luis Obispo, Santa Clara, and Yolo.
  - iv. The date of inception into the JBWCP was July 1, 2005, for the following Trial Court: Glenn.
  - v. The date of inception into the JBWCP was July 1, 2008, for the following Trial Court: Inyo
  - vi. The date of inception into the JBWCP was June 1, 2011, for the following Trial Court: Yuba
- E. Prior to the effective date of this Agreement, the incumbent TPA for the JBWCP was CorVel which assumed administration for the consolidated program effective May 1, 2008.

Prior to this date, the Judiciary program was administered by TriStar and JT2 Integrated Resources (JT2). Judiciary program's claims, prior to JT2, were adjusted by the State Compensation Insurance Fund (SCIF). Various TPAs have been used by the California counties.

2. Objectives of the Agreement

- A. The Contractor shall serve as a TPA for the entire JBWCP. The JBWCP may consist of up to fifty-eight Trial Courts and includes any respective Runoff Claims transferred from their respective California counties, Existing Claims transferred from the incumbents, and New Claims. The Contractor will provide appropriate Workers'

Compensation Claims services that will include analysis of losses, development of methods of reducing costs while improving JBWCP efficiencies and effectiveness. The TPA shall also support all JBWCP Members with their workers compensation inquiries and participate and assist in any JBWCP-wide training programs.

- B. The Contractor shall provide quality service that will meet the needs of the JBWCP Members and Claimants. The Contractor's experienced management team will integrate comprehensive management systems plus managed medical care techniques to deliver appropriate care and guarantees that valuable funds will be spent wisely.

3. State Responsibilities

- A. The State's Program Administrator, or their designee, will be responsible for managing, scheduling, and coordinating all JBWCP activities, including JBWCP plans, timelines, and resources, and escalating issues for resolution to the JBWCP Advisory Committee.
- B. The State will provide the Contractor with funding specifically for the Trust Account which shall at all times contain sufficient funds to enable the Contractor to make timely payments of all Allocated Loss Expenses, Claims, and all other amounts which the Contractor is authorized or required to make pursuant to this Agreement.

4. Activities of the JBWCP Member

- A. All JBWCP Members will promptly report all employee injuries and forward to the Contractor the Employer's Report of Occupational Injury or Illness (California Labor Code §6409.1.a), all letters, correspondence or any other information, oral or written, received by the JBWCP Member which is or could be relevant to the efficient and proper handling of any reported injury.
- B. All JBWCP Members will provide the Contractor with payroll and/or other data and information necessary or appropriate to enable the Contractor to perform under this Agreement and to otherwise cooperate with the Contractor in its performance of this Agreement.

5. Descriptions and Responsibilities of Contractor's Key Personnel Positions

- A. Key Personnel, Account Manager, shall have the following responsibilities:
  - i. Ensure quality service for the JBWCP Member on a statewide basis;
  - ii. Conduct internal reviews for state compliance and JBWCP Member service requirements.
  - iii. Develop and maintain any customized or special JBWCP Member service instructions.
  - iv. Provide training to JBWCP Members, when requested.

- v. Oversee transition of new accounts.
  - vi. Liaise with information technology departments of JBWCP Members on Claims management system/security levels.
  - vii. Provide reports as required/requested.
  - viii. Enforce Medical Management Service protocol as agreed upon between the parties.
  - ix. Ensure continuity of service to all JBWCP Members.
  - x. Troubleshoot and provide effective solutions to resolve issues or problems with the service agreement and/or services.
- B. Key Personnel, Claims Manager shall have the following responsibilities:
- i. Assign qualified personnel, subject to the State's approval.
  - ii. Formulate and update Workers' Compensation procedures and provide direction to Contractor's staff regarding implementation of the procedures.
  - iii. Develop and maintain high level of customer service, JBWCP Member relationships, and open communication with Contractor's staff, attorneys, and vendors.
  - iv. Communicate with Contractor's senior management and the State regarding overall performance and progress in unit.
  - v. Monitor and control production and caseloads of Contractor's staff.
  - vi. Review Claim files to ensure compliance with the Contract and Labor Code.
  - vii. Direct and participate in JBWCP quarterly file reviews, annual reviews, and/or program management evaluations.
- C. Key Personnel, Claims Supervisor, shall have the following responsibilities:
- i. Develop and maintain requirements for timely Claims processing and adherence to the Contract and Labor Code.
  - ii. Supervise Claims Examiners and Claims Representatives in the daily Work processes, providing training and performance management.
  - iii. Communicate with Claims Manager and the State regarding overall performance and progress in unit.

- iv. Maintain positive JBWCP Member relationships; attend meetings with the State regarding Claim file reviews, annual program management reviews and/or sessions.
- v. Identify, resolve, and prevent problem areas.
- vi. Work effectively with counsel and designated JBWCP Member Representatives.
- vii. Direct and participate in JBWCP quarterly claim file reviews, annual reviews, Contract renewals, and/or program management evaluations.

6. Descriptions and Responsibilities of Contractor's Program Staff

A. The Senior Claims Examiner shall have the following responsibilities:

- i. Manage litigated and non-litigated Claims according to established Claims procedures, the Contract, and California Labor Code.
- ii. Act as liaison and lead among Claimants, JBWCP Members, attorneys, and Nurse Case Manager.
- iii. Maintain diary system; prepare file documentation reports on assigned Claims; monitor Claim reset reserves and recommend adjustment when necessary; report potentially large-exposure Claims to excess carrier timely.
- iv. Rate medical reports for permanent disability.
- v. Oversee prompt delivery of benefits to Claimant; manage medical treatment; provide authorizations, review and approve bills.
- vi. Review and approve Indemnity Claim payments to Claimants for temporary or permanent disability.
- vii. Negotiate settlements with the State and Claims Supervisor's approval for amounts in excess of delegated authority level; prepare settlements and attend conferences and Workers' Compensation Appeals Board (WCAB) hearings as necessary.
- viii. Manage notices and rehabilitation unit forms; review and approve vocational rehabilitation plans; attend relevant rehabilitation meetings as necessary.
- ix. Initiate litigation activities and direct legal counsel; identify potential subrogation Claims and coordinate recovery activities.
- x. Keep up to date on current legislation, industry practices, and trends.

- xi. Maintain communication with the State and keep the State informed regarding status and direction of Claims; respond to concerns and inquiries from Claimants, attorneys, Nurse Case Manager, vendors, and others.

B. The Claims Examiner shall have the following responsibilities:

- i. Manage litigated and non-litigated Claims according to established Claims procedures, the Contract, and California Labor Code.
- ii. Act as liaison and lead among Claimants, JBWCP Members, Nurse Case Manager, and attorneys in the resolution of Indemnity Claims.
- iii. Initiate litigation activities and direct legal counsel; identify potential subrogation Claims and coordinate recovery activities.
- iv. Effectively coordinate with applicant's attorneys, Nurse Case Manager, outside vendors, JBWCP Members, and other support services.
- v. Prepare materials and attend Claims file review meetings with JBWCP Members.
- vi. Oversee the prompt delivery of benefits to the Claimant; manage medical treatment and provide authorizations.

C. The Claims Representative shall have the following responsibilities:

- i. Receive Claims and process for payment of Medical or Indemnity Claim expenses in accordance with established guidelines for payment and timeliness.
- ii. Manage Medical only and future Medical Claim caseload from inception to conclusion/conversion.
- iii. Complete first pay worksheets or pending set-up screens.
- iv. Initiate immediate contact within twenty-four (24) hours, with Claimants.
- v. Verify lost time, wage, medical treatment, diagnosis, and return-to-work.
- vi. Refer delays or denials to Claims Examiner.
- vii. Communicate with Claimants, service vendors, medical providers, employers, and JBWCP Members, as necessary, in writing or by telephone.
- viii. Compute temporary disability payments due and complete payment input forms.
- ix. Document file notes.
- x. Request information from medical providers.



- xi. Use form letters or dictate memos.
- xii. Transmit records and information to medical personnel, attorneys, WCAB.
- xiii. Monitor ongoing disability status (by telephone or in writing).
- xiv. Arrange medical appointments for Claimants.
- xv. Prepare vendor referrals under the direction of the Claims Examiner.
- xvi. Prepare Benefit Notices.
- xvii. Maintain records and files.
- xviii. Subpoena medical records.
- xix. Request wage statements.

7. Qualifications of Contractor's Key Personnel Positions

- A. Key Personnel, Account Manager, shall have the following qualifications:
  - i. A minimum of a four-year college degree in a related field and a minimum of ten (10) years experience providing account management oversight to a California public employer or a minimum of six (6) years of a combination of work experience and education and a minimum of ten (10) years experience providing account management oversight to a California public employer; and
  - ii. Ten (10) or more years of experience related to workers' compensation claims administration of a self-insured Workers' Compensation Program.
  - iii. A minimum of Five (5) years Experience as a California based branch manager or a minimum of ten (10) years Claims Manager experience may also be considered in combination with A.i. above to fulfill the required years of experience required as an Account Manager
  - iv. Previous experience implementing/transitioning and managing workers' compensation claims for a public sector agency.
  - v. Self-Insured Plans Certification as required by California law.
  - vi. Thorough knowledge of California Labor Code and Workers' Compensation laws.
  - vii. Organizational and prioritization skills with ability to meet deadlines.
  - viii. Ability to plan and direct the activities of personnel reporting to this position.
  - ix. Thorough knowledge of Contractor's RMIS.

- x. Effective communication skills – written, verbal and presentation.
  - xi. Must demonstrate a strong proactive program management approach to the oversight, administration of a state-wide program, and risk assessment with demonstrated ability to monitor, track, communicate and advise on program trends through the use of relevant program specific WC metrics in a clear, timely, and consistent manner of communication to the program's administrator and committee.
- B. Key Personnel, Claims Manager shall have the following qualifications:
- i. A four-year college degree in a related field or a minimum of ten (10) years of a combination of work experience and education.
  - ii. Ten (10) or more years of experience related to the management of a program and staff responsible for the day-to-day administration of a self insured public employer workers' compensation claims program.
  - iii. A minimum of five (5) years supervisory experience, with at least one (1) year with Contractor, unless approved by the State.
  - iv. Previous experience managing public sector agency claims/clients.
  - v. Self-Insured Plans Certification as required by California law.
  - vi. Thorough knowledge of California Labor Code and California Workers' Compensation laws.
  - vii. Organizational and prioritization skills with ability to meet deadlines.
  - viii. Ability to plan and direct the activities of personnel reporting to this position.
  - ix. Ability to communicate effectively, orally and in writing.
  - x. Ability to coordinate and collaborate with all stakeholders involved in the management of a workers' compensation claim and to insure staff assigned do the same.
  - xi. Thorough knowledge of California Labor Code, applications, litigation procedures, defenses, subrogation, investigation and provision of laws governing administration of Workers' Compensation Claims in California.
  - xii. Candidate must be performing at a satisfactory or above average level in their current position.
- C. Key Personnel, Claims Supervisor, will have the following qualifications:

- i. A four-year college degree in a related field or a minimum of eight (8) years of a combination of work experience and education in the workers' compensation industry; and
- ii. Ten (10) or more years of experience related to administration of self-insured Workers' Compensation Claims; and
- iii. A minimum of three (3) years of supervisory claims administration experience , with at least one (1) year with Contractor, unless approved by the State.
- iv. Self-Insured Plans Certification as required by California law.
- v. Ability to convey and coordinate technical details to all stakeholders; claimants, nurse case management staff, personnel reporting to the positions, court clients, program administrator and staff.
- vi. Ability to communicate effectively, orally and in writing.
- vii. Thorough knowledge of California Labor Code, applications, litigation procedures, defenses, subrogation, investigation and provision of laws governing administration of Workers' Compensation Claims in California.
- viii. Ability to plan and direct the activities of personnel reporting to this position.
- ix. Organizational and prioritization skills with ability to meet deadlines.
- x. Candidate must be performing at a satisfactory or above average level in their current position.

8. Qualifications of Contractor's Program Staff Positions

A. The Senior Claims Examiner will have the following qualifications:

- i. A four-year college degree or combination of work experience and education.
- ii. Five (5) or more years experience managing full caseload of Workers' Compensation Indemnity Claims.
- iii. Candidate must be performing at a satisfactory or above average level in their current position.
- iv. Ability to communicate effectively, orally and in writing including ability to convey technical details to Claimants, clients, and staff.
- v. Inherent negotiation skills and ability to make good decisions in resolution of Claims.
- vi. Self-Insured Plans Certification as required by California law.

- vii. Organizational and prioritization skills with ability to meet deadlines.
- viii. Thorough knowledge of California Labor Code, applications, litigation procedures, defenses, subrogation, investigation and provision of laws governing administration of Workers' Compensation Claims in California.
- ix. Ability to work independently as well as in cooperation with a work group.

B. The Claims Examiner will have the following qualifications:

- i. A four-year college degree or combination of work experience and education.
- ii. Two (2) or more years experience managing full caseload of Workers' Compensation Indemnity Claims.
- iii. Candidate must be performing at a satisfactory or above average level in their current position.
- iv. Ability to communicate effectively, orally and in writing, including ability to convey technical details to Claimants, clients, and staff.
- v. Inherent negotiation skills and ability to make good decisions in resolution of Claims.
- vi. Self-Insured Plans Certification as required by California law.
- vii. Organizational and prioritization skills with ability to meet deadlines.
- viii. Thorough knowledge of California Labor Code, applications, litigation procedures, defenses, subrogation, investigation and provision of laws governing administration of Workers' Compensation Claims in California.
- ix. Ability to work independently as well as in cooperation with a work group.

C. The Claims Representative shall have the following qualifications:

- i. High School Diploma or equivalent necessary; AA degree preferred.
- ii. Must have one (1) year in administration of Workers' Compensation Claims preferably with the Contractor.
- iii. Completion of Basic Workers' Compensation Claims (internal or external course) and Medical Coordination of Workers' Compensation Claims (internal or external course), and Customer Service training (internal) if desired.
- iv. Ability to analyze facts and determine required action using a wide range of procedures in accordance with established guidelines; ability to read technical documents, to extract relevant information, and form appropriate conclusions.

- v. Effective customer service skills.
- vi. Ability to communicate effectively, orally and in writing, with persons at all levels in the business environment with ability to convey technical details to Claimants and clients.
- vii. Organizational skills; ability to prioritize and to meet deadlines without reduction in work quality.
- viii. Working knowledge of medical/legal terminology.
- ix. Proficiency in ten-key operation; familiarity with case management systems. Keyboarding skills including ability to input information accurately into a personal computer; ability to proofread and correct errors.
- x. Aptitude for detailed work.
- xi. Ability to follow written and spoken instructions.
- xii. Ability to work independently as well as in cooperation with work group.
- xiii. Must have reading, writing and math skills necessary to master all requirements listed above.
- xiv. Candidate must be performing at a satisfactory or above average level in their current position.

9. Summary of Claims Administration Services

- A. General Overview: in addition to providing Claims Administration Services as defined in Exhibit B, Special Provisions, Section 1, Paragraph F, Contractor will also perform the specific tasks in the following subparagraphs B through P and the services set forth in Paragraphs 10 through 40 of this Exhibit D.
- B. The Contractor will review, on behalf of all JBWCP Member, all reports of injury as defined by California Labor Code Sections 3208 and 3208.1 that are reported by the JBWCP Member to the Contractor.
- C. On behalf of the JBWCP Member, the Contractor will determine, for each reported employee injury, those benefits, if any, that should be paid or rendered under the California Workers' Compensation laws.
- D. The Contractor will establish and maintain a Claims file on each reported Claim; the file shall be available for inspection to the Program Administrator, JBWCP Member and its designees. The maintenance of such files shall exhibit handling practices, which meet or exceed minimum industry standards for California Workers' Compensation Claims. Medical Confidential Information, subject to California Civil

Code Section 56.05(g) as further defined by Labor Code Section 3762, shall not be disclosed.

- E. The Contractor will maintain current cost-benefit figures and an estimate of the total costs of all reasonable and foreseeable benefits and related expenses on each Claim.
- F. On behalf of the JBWCP Member, the Contractor will prepare and file all legally required forms and reports with the respective JBWCP Member authorized designee and the California Division of Workers' Compensation.
- G. On behalf of the State, the Contractor will make payment from a segregated bank Trust Account funded by the State, as further described in Exhibit C, Payment Provisions, those sums that should reasonably be paid for Claims and Claim-related expenses under the Workers' Compensation laws for each reported Claim.
- H. The Contractor will be financially responsible for payment of any penalties, assessments and/or fines resultant from Contractor's errors and/or omissions.
- I. The Contractor will refer cases, when an employee of a JBWCP Member files an application with the state of California WCAB or any other activity involving litigation, to attorneys selected and approved by the JBWCP Member and not to any other attorneys without the prior written consent of the JBWCP Member.
- J. The Contractor will render assistance to the JBWCP Member as is reasonably necessary in the preparation of litigated cases.
- K. The Contractor will provide an electronic loss analysis and financial and Claim detail reports within ten (10) days following the end of the month. At no additional charge, the Contractor will provide the following reports:
  - i. Graphical reports reflecting injury types, costs, etc. Frequency of such reports are to be determined, but generation of such reports should be no less than semi-annually.
  - ii. Monthly summary of costs, reported Claims, accident numbers, litigated Claims and other mutually accepted categories.
  - iii. Monthly workers compensation metrics that include information of days lost, cause of injury, type of injury, body part, location of injury, etc.
  - iv. Consolidated reports showing total costs and Claim counts for all participants by year.
  - v. Monthly updates, semi-annual reports and annual reports.
  - vi. Other reports as the JBWCP Member deems necessary.

- L. As appropriate, the Contractor will provide Claims reports to excess carriers and collect excess recoveries, including the return of excess recoveries to the JBWCP MemberState, and identify the policy numbers and the parties to whom reports are to be directed.
- M. The Contractor will attend meetings, as requested by the State.
- N. The Contractor will advise the JBWCP Member Representative or State on any material problems or need for improvement in the Claims reporting, administration or other aspects of the JBWCP
- O. The Contractor will employ, as necessary, outside vendors subject to obtaining the State's prior written approval of all vendors eligible to provide services, directly or indirectly, on behalf of or for the JBWCP Member pursuant to this Agreement.
- P. The Contractor will review safety and loss control programs and suggest needed cost containment measures for Program control.

10. Program Implementation Services

- A. General Overview: upon and after commencement of the Initial Term of this Agreement, the Contractor will provide the following assistance to each JBWCP Member in establishing and implementing its programs and procedures for self-insurance:
  - i. Develop, print, and distribute copies of Claim reporting procedure manual, including the latest Workers' Compensation reform information, for distribution to the JBWCP Members.
  - ii. Initial program implementation and training visits with the JBWCP Member to distribute the Claim reporting procedure manuals and discuss self-insurance and the Contractor's services with JBWCP Member Representatives.
  - iii. Program the database for New Claims, Existing Claims, and Runoff Claims and design all necessary reports.
- B. Program Steps: The parties recognize that the process of selecting a Claims administrator requires that all elements of program implementation will be thoughtfully planned and coordinated. The following elements of the process will be completed by the Contractor during the implementation process prior to transfer:
  - i. Establish training guidelines and timelines with the JBWCP Members or State to cover Claims reporting and duties.
  - ii. Meet with the JBWCP Member Representative or State to coordinate a timely and efficient transition.

- iii. Design appropriate accounting procedures and standards for Trust Account, including Allocated Loss Expenses, Medical Management Service Charges, and the Contract Amount, including Cost Plus Rate, as required.
  - iv. Select appropriate staff, subject to the State's approval, to handle the files on behalf of the JBWCP Member.
  - v. Select, with the State, appropriate vendors to be used as medical treating facilities, defense attorneys, and vocational rehabilitation counselors.
  - vi. Design loss analysis information to produce personalized safety and risk management reports.
  - vii. Train JBWCP Members on utilization of RMIS for inquiry, report generation, and printing on their own computer.
  - viii. Develop and print a basic Workers' Compensation information and reporting procedure manual.
  - ix. Set schedule for meetings for Claims and Program review, loss control, legislative updates, and on-site education programs.
  - x. Convert and/or bring up to date all data from all Existing Claims. The Contractor will assume all adjusting responsibility for these files upon the effective date of this Contract.
  - xi. Ensure that all Claims data is correct with respect to data integrity-to include but not limited to data mapping, historical financial transactions, payment history, type injury, address where injury took place, and classification.
- C. Start-Up: Within the first ninety (90) days of the Contract, the Contractor will:
- i. Provide training to the JBWCP Member regarding Claims reporting and Claims monitoring procedures, and introduce the Contractor's personnel.
  - ii. Send letters of introduction to Claimants, service providers, and other interested parties on each active Claim.
  - iii. Prepare narrative reports and new reserve worksheets on every open active Indemnity Claim.
11. Risk Management Information System (RMIS)
- A. The Contractor will utilize a Workers' Compensation Risk Management Information System that meets the risk management and claims management and administration needs of both self-insured and insured businesses. The cost of the RMIS, including software licensing fees for JBWCP Member online access, is included in the



Contractor's Cost Plus Rate, as set forth in Exhibit C, Payment Provisions. The system will include the following capabilities:

- i. Comprehensive Claims management and tracking.
  - ii. Online access to all Claims Data via a user-friendly menu driven system.
  - iii. Flexible reporting capabilities.
  - iv. System documentation, training, and a technical help desk.
  - v. Systematic management of indemnity payments to insure timely and correct transactions.
  - vi. Electronic interface with various Medical Management systems.
  - vii. Image system to scan all documents received pertaining to claims.
  - viii. Secured system that may include, but not limited to; security audits, protection by intrusion prevention and intrusion detection systems, security of checks for payment, protection of communications of any Claimant's personal information or personal health information (i.e. monitoring of email and internet traffic, encrypted email, access restricted by user ID and password, or other similar security methods).
  - ix. Capability to respond to the constantly changing regulatory environment and to evolving risk management philosophies.
  - x. Access, monitoring and maintenance seven (7) Days a week, twenty-four (24) hours a day.
  - xi. Daily back-ups.
  - xii. Fully compliant with Section 111 of the Medicare, Medicaid and SCHIP Extension Act of 2007 (MMSEA) reporting requirements. Disclose any fees associated with this service.
- B. The Contractor's RMIS will also include a disaster recovery/contingency plan to ensure the continued operation by providing the ability to successfully recover data and computer services in the event of a disaster. Specific goals of the plan relative to an emergency include a detail of the correct course of action designed:
- i. To minimize confusion, errors and expenses.
  - ii. To effect a quick and complete recovery of services.
  - iii. To reduce the risk of loss of services.
  - iv. To provide ongoing protection of both parties' assets

- v. To ensure the continued viability of this plan.
- C. The Contractor shall provide Client Online Access to the State and JBWCP Member so that users may create and print or download reports for use on personal computers, seven (7) Days a week, twenty-four (24) hours a day.
- i. Online Electronic Mail. The Contractor shall make its proprietary electronic mail (e-mail) available to all users with Client Online Access. E-mail messages relevant to a particular Claim can be transferred directly to the Claim's file notes by the Claims staff.
  - ii. Online Entry of the Form 5020, Employer's Report of Injury or Illness. The Contractor shall provide Client Online Access to allow users the ability to enter the Form 5020 at the client location and transmit it electronically to a pending Claim file. The Contractor shall review the Claim for accuracy and completeness and establish it in the RMIS.
  - iii. Claim Notes Look-up. Documented Claim file notes can be accessed using the automated file note screens on the computer. The JBWCP Member will have access, within confidentiality limits, to this documentation by accessing the file activity notes section of the Contractor's RMIS.
- D. User Support. The Contractor shall provide on-going user support, including installation assistance, easy to use system manuals, training and regular documentation updates. The Contractor shall make technical support and guidance, in report requests and general system navigation, available by telephone through its user support desk. This service is operational Monday through Friday, 8:30 A.M. to 5:00 P.M., Pacific Time.
- E. The Contractor shall provide its proprietary Client Online Access software to JBWCP Member and JBWCP Member's broker/consultant (all locations). The Contractor shall provide installation support, user manuals and updates, on-site training, and a user support desk for questions that come up as the JBWCP Member or JBWCP Member's broker/consultant are using the system.

## 12. Standard Reports

- A. At no additional cost to State or the JBWCP Member, the Contractor shall produce standard reports weekly, monthly, quarterly, or annually, depending on the report type and need, as identified by the JBWCP Member or JBWCP Member's broker/consultant. Reports will be provided electronically. Monthly reports will include all information entered through and including the last day of the month. Reports will be prepared and electronically mailed within five (5) workdays after the end of the report period. The State maintains the right to modify any or all of the standard report requests identified below.

- B. The Contractor shall provide each of the following standard monthly reports:
- i. "Management Summary," a one (1) page summary of loss information by reporting location.
  - ii. "Policy Period Analysis," a summary of financial and Claim Data by policy periods.
  - iii. "Check Register," a detailed listing of all payments made within the reporting period.
  - iv. "Cost Analysis," a summary of payments, reserves and a description of the injury for Claims within the specified period.
  - v. "Claim Inquiry (Detailed Claim List)," a detailed listing of all Claims within the specified period.
  - vi. "OSHA 300 Log - the Summary of Occupational Injuries and Losses (year to date)," as required by OSHA.
- C. The Contractor shall provide each of the following standard quarterly reports:
- i. "Payment Analysis," a summary of all payment transactions by payment category.
  - ii. "Stratification Listing," a detailed incurred or paid listing of Claims in descending or ascending dollar sequence.
  - iii. "Social Security Number Listing," a report, identifying employees with multiple Claims within a specified time frame.
- D. The Contractor shall provide each of the following standard annual reports:
- i. "Claim Analysis (Histogram)," a comparative summary of the major injury categories by frequency/severity.
  - ii. "OSHA 300 Log - the Annual Summary of Occupational Injuries and Losses," as required by OSHA.
  - iii. "1099 Miscellaneous Forms," sent under Contractor's tax ID to each provider with annual payments in excess of \$600.00.
  - iv. "State Annual Report (California)," a report that satisfies the annual State reporting requirements for self-insured clients.
- E. The Contractor shall provide each of the following reports on an as needed basis:
- i. "Awards Claim Inquiry," a detailed listing of Claimants receiving awards within a specified date frame.

- ii. "Claim Inquiry Summary," a detail of Claim information for each reserve category: indemnity expenses, medical expenses, and Allocated Loss Expenses.
- iii. "Changed Claims Listing," a listing of all Claims that have had changes entered within a specified date frame.
- iv. "Comparative Analysis," a summary that provides five (5) years financial Data by month for Medical and Indemnity Claims.
- v. "Cost Allocation," a report that details payment totals by date of loss by department.
- vi. "Loss Development Report" a report that provides a trend analysis for ten (10) specific Claim activity categories for annual reporting periods (up to ten (10) years of Data).
- vii. "Lost Work Days Report," a report that details by twelve (12) ranges of lost days, the number of open and total Claims, total lost days per Claim, payment and reserve amounts, average paid, and the percent of total each category represents.
- viii. "Medical Management Reports," information regarding net savings, Medical Bill Review, PPO Network services, MPN Services, and Utilization and Peer Reviews.
- ix. "Modified Duty Report," a detailed listing of Claimants on modified or restricted duty within a given date frame with the estimated release to return to full duty.
- x. "Office Production Report," a report that provides monthly Claim activity for Indemnity and Medical Claims and Claim inventory at the beginning and end of the month.
- xi. "Provider Check Register," a listing of each provider that has received payments within a specified date frame.
- xii. "Results Report," a comparison summary of current month, prior month, fiscal year to date, and prior fiscal year to date.
- xiii. "Return-to-work Report," a detailed listing of Claimants that are currently being paid a benefit or a detailed listing of Claimants with a return-to-work date or estimated return-to-work date.
- xiv. "Special Request Report," information requests to meet a specific client need that cannot be satisfied through pre-established reports.
- xv. "Historical Valuation," a report that provides the value of Claims as of a specified date.

- xvi. "Reserve Change Report," a report that identifies which Claims have had a reserve change within a specified period and identifies the amount of the change.
- xvii. "Loss Triangle," a report that contains multiple valuations points for multiple Claims periods.
- xviii. "Loss by Cause Codes," a report that lists Claims by injury by current cause code descriptions, including: Miscellaneous Burn or Scald; Caught in/between Object; Cut/Puncture/Scrape Injury; Fall/Slip; Motor Vehicle: Miscellaneous; Lifted or Handled Object; Bending; Stooping/Squatting; Lifting; Pushing/Pulling; Reaching; Twisting; Hit Stationary Object; Falling/Flying Object; Repetitive Motion; Illness; and Stress/Psych. The category of "miscellaneous" will not be utilized a cause code.
- xix. "Loss by Location Code," a report that lists Claims for a specific JBWCP Member location, in accordance with location codes to be provided to the Contractor by the Program Administrator.
- xx. "Loss by Body Part Code," a report that lists Claims by injury by current body part code descriptions, including: Skull; Brain; Ear(s); Eye(s); Nose; Teeth; Mouth; Face; Neck; Elbow(s); Wrist(s); Hand(s); Finger(s); Thumb(s); Shoulder(s); Back; Chest; Sacrum & Coccyx; Pelvis; Spinal Cord (Back); Internal Organs; Buttocks; Groin: Hip(s); Thigh(s); Knee(s); Ankle(s); Foot/Feet; Toe(s); and Artificial Appliance. The category of "multiple body parts" will not be utilized as a body part code.
- xxi. "Loss Frequency," a report that identifies how many times a particular type of injury has occurred for a specified period.
- xxii. "Loss Stratification," a report that identifies the frequency of occurrence of a particular type of injury for a specified period.

13. Ad Hoc Reports

- A. The Contractor will make reports available that can be provided on a monthly, quarterly, annual, or one-time basis, to meet specific needs. Reports will be provided electronically. Monthly reports will include all information entered through and including the last day of the month. Reports will be prepared and electronically mailed within five (5) workdays after the end of the report period. Reports will have the ability to provide detail for each JBWCP Member and entire JBWCP.
- B. The Contractor shall be able to furnish ad hoc reports, or provide client access to ad hoc report capability through the Client Online Access System that will provide a wide range of user specified selection criteria, including multiple data ranges (calendar, fiscal, or user specified time periods), multiple location levels of reporting, and extensive additional criteria to filter the Data selected for reports.

- C. The following extensive online reporting capabilities are also available through the Contractor's Client Online Access:
  - i. "Management Summary, Policy Period Analysis."
  - ii. "Histograms, Stratifications."
  - iii. "Check Registers and Payment Analysis."

14. OSHA Data Reporting

- A. The Contractor's RMIS shall capture the following basic data elements for Workers' Compensation Claims to ensure adequate information for the Occupational Safety and Health Administration (OSHA) Claims management and risk management reporting:
  - i. "Claim Status Indicators": delayed flag, denied flag.
  - ii. "Claimant Demographics": last name, first name, middle initial, social security number, sex, address.
  - iii. "Claim Details": location, date of injury, description of injury, date reported, occupation and will exclude "first-aid" claims.
  - iv. "Administrative Details": office and Claims Examiner handling the Claim.
  - v. "Financials": Reserves (indemnity expenses, medical expenses, Allocated Loss Expense), Average Weekly Wage (AWW).
  - vi. "All Payments."
- B. The Contractor shall provide OSHA 300 log reports, by the 15th of each month, at no additional cost to the State or the JBWCP Member. The reports will summarize all reportable injuries/illnesses for each separate department and are provided both with and without employee names. The Contractor shall provide this Data electronically or via Client Online Access.

15. Medicare Agent Services

- A. In order to assist the JBWCP Member, as a Responsible Reporting Entity (RRE), in complying with the mandatory quarterly electronic reporting requirements issued by the Centers for Medicare/Medicaid Services (CMS) under the MMSEA regarding certain injured parties who are Medicare beneficiaries, Contractor is hereby designated the JBWCP Member's Medicare Agent pursuant to the MMSEA.
- B. Contractor shall provide assistance with JBWCP Member's registration as an RRE within the required statutory timeframes required by CMS under the Act.

- C. Contractor and JBWCP Member will establish an electronic data interface to facilitate the exchange of specific claims data (via a multi-line claim feed layout) required to be reported to CMS under the MMSEA; thereafter, as JBWCP Member's designated Medicare Agent, Contractor will initiate a test file interface with CMS within the required statutory timeframes required by CMS under the MMSEA.
- D. Upon successful completion of the test file interface, Contractor will commence an ongoing monthly query process on behalf of JBWCP Member where Contractor will transmit certain basic claims data elements (claimant name, social security number, date of birth and gender) on all of JBWCP Member's open medical claims to determine if such claim data elements match a valid record indicating Medicare eligibility. Contractor will report the results of such query for Claims Examiner to review. In the event that a report determines any such claim is invalid due to an error or missing information, the Claims Examiner shall be responsible for reviewing, researching and correcting such claims data directly on the online claims system for resubmission by Contractor on the next monthly query process transmission.
- E. Once it is determined that a claimant is Medicare eligible, Contractor will commence the transmission of mandatory quarterly electronic claims reporting of those claimants to the Coordination of Benefits Contractor (COBC) on JBWCP Member's behalf within the specific 7-day reporting period assigned to JBWCP Member by CMS. A copy of the initial report shall also be posted by Contractor online. Contractor shall also put the initial report into a claims system (CCS) for JBWCP Member's review. The COBC will confirm either acceptance of the Medicare eligible claims thus reported or return any files for which data is missing or incorrect. Contractor shall post online any error reports from the COBC showing such files containing missing or incorrect data for Claims Examiner to research and correct directly within the online claims data base. Once corrected, Contractor will resubmit such files to the COBC during the next quarterly reporting file.
- F. Contractor, as JBWCP Member's designated Medicare Agent, will continue to electronically transmit to the COBC on a quarterly basis all new and updated claims identified as JBWCP Member's Medicare eligible claims.
- G. Contractor, as JBWCP Member's designated Medicare Agent, will also electronically transmit to the COBC any monetary settlement data received from JBWCP Member on JBWCP Member's Medicare eligible claims.
- H. Contractor shall provide JBWCP Member quarterly activity reports within twenty (20) business days following the applicable quarter.

16. Medicare Set-Aside Services

- A. In the process of producing a Medicare Set-Aside allocation ("Medicare Set-Aside"), Contractor shall provide an extensive review of medical records and medical bills, producing a comprehensive report and cost projection for claim file documentation and possible CMS approval. CMS will review/approve the amount of money noted in the

submitted Medicare Set-Aside, which indicates monies anticipated to be spent over the lifetime of the settlement for Medicare covered expenses related to the work injury.

- B. JBWCP Member/carrier shall provide the Contractor's Medicare Set-Aside hub office with a copy of the most recent two years of medical records and medical bills including indemnity payout, all operative reports, agreed medical evaluators (AMEs)/independent medical evaluators (IMEs)/qualified medical evaluators (QMEs), as well as orders rendered by the workers' compensation judicial system. Contractor will use Form Nos. 2 and 3 in order to obtain the above-described information. Contractor will forward the aforementioned forms to either the JBWCP Member or, at the JBWCP Member's option, directly to counsel representing the Claimant in order to obtain the Claimant's signature for the release of the described information.
- C. The Contractor's Medicare Set-Aside hub office will review the medical records and bill summary, prepare a detailed summary of the records and a projection for future medical expense that are Medicare eligible. The Contractor's Medicare Set-Aside hub office will also provide a projection of those costs that are not Medicare eligible in order to provide the JBWCP Member with their total medical exposure.
- D. The Contractor's Medicare Set-Aside hub office will return the completed Medicare Set-Aside report to the JBWCP Member within fifteen (15) business days of receiving all relevant medical records and related information. If a rated age is warranted, the Contractor's Medicare Set-Aside hub office will acquire same. If the Medicare status of Claimant is unknown or unclear, a request for Medicare status will be submitted to the Social Security Administration (SSA). Once the Medicare status is known, the COBC will be notified and conditional payments requested.
- E. Upon JBWCP Member's request, Contractor's Medicare Set-Aside hub office will submit the CD-Rom, which includes the Medicare Set-Aside report, the tentative settlement amount, along with other required documentation, to CMS via certified mail. Upon receipt, Contractor's Medicare Set-Aside hub office will forward the CMS Determination letter to the JBWCP Member. Final executed settlement documents (reflecting CMS recommended Medicare Set-Aside amount) will be provided to Contractor's Medicare Set-Aside hub by the JBWCP Member/counsel and then forwarded by Contractor to CMS.
- F. Contractor shall provide JBWCP Member quarterly activity report within twenty (20) business days following the applicable quarter.

17. Reporting of New Claims

- A. The prompt reporting of Claims plays a critical role in the timely investigation and delivery of Workers' Compensation benefits to Claimants. The Contractor should allow the JBWCP Member to report Claims the most expeditious manner possible. To assist in this process, the Contractor will provide the Intake and Referral system. In addition to the Intake & Referral system, the Contractor shall provide the following reporting options for New Claims: (a) online, (b) fax, or (c) mail.



- i. By utilizing the Intake and Referral system, a JBWCP Member supervisor may initially report injury and/or illness information by telephone. The Intake technician will collect and record the information required in the Form 5020, Employer's Report of Injury or Illness from the caller. The Intake technician will immediately refer the Claimant to a medical provider or emergency facility based on the Claimant's geographic location, medical needs, client-preferred clinic, and available appointment time.
- ii. The Contractor will follow the following Intake and Referral process:
  - a) The JBWCP Member will have their own 1-800 client-specific telephone number for reporting purposes.
  - b) Clients will have custom handling instructions such as referral to certain clinics or immediate referral on stress or cumulative trauma Claims, tailored to the JBWCP Member's specifications.
  - c) The Claim report will be sent to the Contractor for immediate processing.
  - d) Training will be provided to JBWCP Members regarding the reporting process, and the importance of prompt reporting.
  - e) All calls will be recorded.
  - f) Where appropriate, Intake and Referral will utilize the translation line, which allows for clear concise communication for all parties.
  - g) Form 5020, Employer's Report of Injury or Illness forms will be submitted in the most expeditious manner to the JBWCP Member each night and hard copies will be sent daily.
  - h) The Contractor will obtain all information required on the Form 5020, Employer's Report of Injury or Illness.
  - i) Immediate referral to doctor within two (2) hours, not to exceed twenty-four (24) hours.
  - j) When referrals are made to a provider, the provider will be called to confirm appointment.
  - k) Report of injury calls should not be accepted from Claimants themselves and said Claimants will be advised to report the incident to their manager or supervisor.

18. Processing of New and Runoff Claims and Existing Claims

- A. Within one (1) working business day of receipt, the Contractor will index Claims and enter them into the pending Claim system and assign a Claim number. This procedure

will prevent the creation of duplicate Claims and enable the Claims Supervisor to track the timely determination of Workers' Compensation benefits using automation.

- B. The pending Claims will be delivered to the Claims Supervisor for an initial assessment of severity, compensability, and subrogation issues. The Claims Supervisor will determine the due date of the Claim, assign the Claims Examiner, and determine the Claim type.
  - C. Using the file note screen, the Claims Supervisor will provide appropriate written instructions and forward the Claim to the Claims Examiner to complete the preliminary investigation, which will consist of a four-point contact with the Claimant, the Claimant's supervisor, and the medical provider. A reserve analysis with a plan of action will then be developed and the Claim will be returned to the Claims Supervisor to approve the plan and the initiation, delay or denial of benefits.
  - D. The Contractor will determine compensability of injuries and illnesses in accordance with California Workers' Compensation laws. Questionable Claims will be placed on a delayed status and appropriate notices will be sent pursuant to California State Workers' Compensation Regulations & Labor Code requirements. The Contractor will forward copies of these notices to the JBWCP Member, if desired. All delay notices will be approved by the Claims Supervisor, who works with the Claims Examiner in developing a plan of action, which may involve additional investigation and/or medical consultation.
  - E. During the delay period, the Claims Supervisor will ensure the compensability issue is resolved in accordance with state laws. Claim denials must be approved by both the Claims Supervisor and Claims Manager. If desired, the Contractor will keep the JBWCP Member advised of developments during this period.
  - F. The RMIS will be updated to reflect Claims in a delayed or denied status, and as a quality control measure, will not allow any payments to be made without Claims Examiner over-ride.
19. On-going Claim Processing
- A. The Contractor's file room personnel will open and date stamp all mail received within the same day.
  - B. Bills will be forwarded to the Contractor's staff responsible for indexing, bill review and payment. All other correspondence will be delivered to the Claims Supervisor.
  - C. The Claims Supervisor will review the legal correspondence and calendars court appearances, award payments, due dates, etc. The mail will then be forwarded to the Claims Examiner for appropriate action.
  - D. The Claims Examiner will review all incoming mail and enter changes in medical status, disability status, and legal status directly into the Claims system without the need to pull the actual Claim files.

- E. The Claims Examiner will note whether the correspondence is a “rush,” “pull,” or “drop” file, and return the mail to the Contractor’s file room personnel for attachment to the Claim.
- F. Medical bills will be adjusted to the contracted rate or fee schedule and paid within thirty (30) Days unless there is a supportable dispute. The assigned Claim Examiner or Claim Representative will have ultimate responsibility for approving or disputing payment of medical bills.
- G. In cases of continuing disability, the Contractor will make regular contact with the Claimant to help maintain a positive rapport and avoid litigation.
- H. In cases of continuing disability, the Contractor will obtain a medical report from the medical provider at least every forty-five (45) Days to evaluate continuing indemnity payments. Contractor will telephonically validate ongoing indemnity payments, as appropriate
- I. All telephone calls will be returned within one (1) working business day. A 1-800 number will be available to all JBWCP Members and Claimants.
- J. Conduct, at a minimum, an annual on-site claims file review with each JBWCP Member provided the JBWCP Member has open claims.

20. Investigation

- A. The Claims Supervisor will complete an initial review of all new cases. Claims will be evaluated against compensability standards; that is, the injury must be covered under California Workers' Compensation laws.
- B. Thorough investigation of Claims to identify all compensability issues as well as potential loss prevention opportunities is critical to the Claim handling process. The Contractor’s representatives will investigate questionable or improper Claims by obtaining statements from individuals with knowledge of the injury, including the Claimant, witnesses, and supervisor. Information developed will be utilized in making the compensability determination.
  - i. Claimant Contact. Within one (1) working business day of receipt of claim, the Contractor will contact all Claimants losing time from work, unless represented by an attorney. During these telephone calls, Claimants will be questioned regarding the specifics of the injury, their medical history, outside employment, witnesses, etc. Claimants will also be informed of their rights and benefits. Claimants will be assured that their employer wishes to do as much as possible to return them to health and work at the earliest possible date. Questions will be answered and a positive rapport with the Claimant will be developed to eliminate uncertainty and avoid litigation.
  - ii. Employer Contact. Within one (1) working business day of receipt of claim, the Contractor will contact the JBWCP Member to substantiate the Claimant's Claim

or to present any additional or conflicting information. When notice of the Claim is from another source, the Contractor will verify that the Claimant is the JBWCP Member's employee prior to authorizing benefits. The Contractor shall maintain a close liaison with the JBWCP Member to ensure that all opportunities for returning an injured worker to productive status are maximized. The Contractor will also provide the JBWCP Member with disability status updates and let the JBWCP Member know when Claimants are expected to return-to-work.

- iii. Medical Facility Contact. Within one (1) working business day of receipt of claim, the Contractor will contact the medical facility to obtain history of injury, diagnosis, treatment plan and disability status. This shall be completed prior to making the initial indemnity payment and Contractor shall discuss modified work programs in relation to work abilities. In cases of continuing disability, the Contractor will obtain a medical report at least every forty-five (45) days to evaluate continuing disability payments and to explore all opportunities for return-to-work.
- iv. Investigation Criteria. Claims involving any of the following conditions may be identified for further investigation:
  - a) Delay in reporting Claim.
  - b) Recent date of hire.
  - c) Injury coincides with lay-off, termination, or disciplinary action.
  - d) Cumulative trauma.
  - e) Claim involves alleged stress, heart condition, stroke, or death.
  - f) Unwitnessed injury.
  - g) Notice of legal representation is first notice.
  - h) Subrogation potential.
  - i) Co-employment.
  - j) All affirmative defenses.
  - k) Symptoms inconsistent with injury.
  - l) History of prior injury or awards to same body part.
  - m) Potential fraud.

- v. Field Investigation. Field investigations may be necessary in cases of questionable compensability, catastrophic injuries, environmental issues, or Third Party negligence. An approved vendor list will be developed with the JBWCP Member and adhered to by the Contractor's staff. Investigators utilized by the Contractor can provide the following services:
  - a) AOE/COE investigation.
  - b) Interviews.
  - c) Recorded statements.
  - d) Photographs/diagrams.
  - e) Inspection at accident sites.
  - f) Subrogation support activities
  - g) Fraud investigation.
  - h) Background checks.
  - i) Subrosa.
- vi. Activity Check/Surveillance/Subrosa. Where the length of disability is questioned, the Contractor may assign the case to a field activity check or surveillance to determine if there is any work capacity. Outside services will be used only where necessary, and on a limited investigation basis. The file documentation will be used to support the reason for outside assignment and direction and control will be exercised by the Claims Examiner. Outside investigators will be chosen from a pre-approved list derived from a panel of professional investigators agreed upon between the Contractor and the State. The Claims Examiner will obtain authorization from the Claims Supervisor and the JBWCP Member prior to initiating any outside field investigation or subrosa activity. As needed, the investigator or Claims Examiner will contact a designated employer representative to ensure the cooperation of an employee, witness, or supervisor who might otherwise be concerned about the investigation.
- vii. Index Bureau. The Contractor will report all indemnity cases to the Index Bureau upon file creation. The Index Bureau will assist subscribers in mitigating bodily-injury Claims payments by providing information to help them research prior Claims and identify duplicate or possibly fraudulent Claims. The Contractor's RMIS, which may help identify Claims patterns that indicate fraudulent or suspicious activity, may initiate or be used as part of a further investigation. Contractor will work with the JBWCP Member to develop protocols for re-index of indemnity cases.

21. Reserves

- A. The Contractor will have the responsibility to properly establish and maintain case reserves. In order to achieve consistent case reserves, which reflect the probable total future costs, these principles must be followed.
- B. Establishing proper reserves ensures that funds will be available to meet the JBWCP Member's financial obligations to pay Claims incurred during the policy period or during the period of self-insurance. It will also allow the State to have sufficient information in a timely fashion for financial planning purposes.
- C. The Contractor's objective will be to establish an initial reserve that sufficiently reflects the ultimate exposure. Each Claim will be evaluated after information is collected in the initial Claims set-up/investigation process. Claim reserves will be entered in the Claims management information system within five (5) working business days following notification of a loss. Exceptions may be authorized by a Claims Supervisor or Claims Manager for Claims which are extremely complicated and require additional investigation in order to properly assign reserves. Exceptions will require an explanation and approval documented within the Claims file. Block reserving should not be used and each case evaluated and reserved based upon its merits.
- D. Revisions to outstanding case reserves must be made immediately when significant developments occur that change the established ultimate value of a Claim. Reserves will be reviewed every time a file is worked. Reserve analysis will be required at 45, 120, and 180 Day intervals on all cases.
- E. Individual cases must be evaluated by applying applicable statutes, regulations, benefit provision and legal principles to the facts gathered in a timely and thorough investigation and applying the experienced judgment of a Senior Claims Examiner or Claims Examiner from similar, recent cases. Investigations will be completed within five (5) working days so that an adequate reserve may be established. Case reserves will anticipate neither the best nor the worst possible result, but will reflect the most probable or realistic outcome for the life of the file. All reserves must be appropriately documented to reflect not only the estimated exposure, but the Claims Examiner's rationale for such exposure.
- F. Reserve authority levels will be established by the Contractor, and approved by the State, based upon the job titles of the adjusting team.

22. Diary

- A. The Contractor must have a claims diary system in place to assure that the various timelines for successfully managing Workers' Compensation Claims are met.
- B. The Claims Examiners will review all cases every thirty (30) Days, if temporary disability is being paid, and at least every fourteen (14) Days in cases where compensability has not been determined. All medical only cases will be reviewed for closure at least every thirty (30) Days.

- C. Additionally, the diary system will include diaries for subrogation timelines, delay/denial timelines, excess reporting limits, and vocational rehabilitation maximums. All Claims Examiners will utilize the diary system to enter their own proactive case management diaries – focused on case resolution.
- D. Supervisors will maintain a diary of all Indemnity files for review at least every ninety (90) days.

23. File Documentation

- A. All Claims will be reviewed by the Claims Supervisor. The Claims Supervisor will provide appropriate and specific direction regarding the investigation and handling of all cases upon receipt of the Claim. The instructions and plan of action will be clearly evidenced in the electronic file notes.
- B. Estimates of the cost of all anticipated benefits and expenses will be maintained on each individual case. The basis for all reserve revisions will be documented on reserve analysis worksheets.
- C. The basis for all payments will be clearly documented and supported in the file.
- D. All telephone conversations will be documented in writing in the Contractor's Claim files by using the automated file note screens on the computer. The JBWCP Member will have full access, within Confidential Information limits, to this documentation by accessing the file activity notes section of the Contractor's RMIS.
- E. Claims files will be available to the JBWCP Member for review at all times, with exceptions as defined by California Labor Code Section 3762, and California Civil Code Section 56.05(g), of the Confidentiality of Medical Information Act.
- F. The Contractor's "Policy and Technical Guide" will be available for review by appropriate JBWCP Member staff or a designated representative.
- G. Claims Supervisors will review files on a regular basis. Their comments and instructions will be documented in the Claim file.
- H. All records, files, transcripts, computer tapes, and other Material on Workers' Compensation Claims Adjusting activity developed on the Workers' Compensation Claims will be the property of the JBWCP Member and the State and will be relinquished in good order and condition, upon expiration or termination of the Agreement, in accordance with its terms and conditions and applicable Workers' Compensation laws. All costs incurred by the Contractor, to relinquish and transfer such Data, shall be borne by the Contractor and shall not be reimbursable by the State or any JBWCP Member.

24. Litigation Management

- A. The Contractor will work closely with the JBWCP Member to develop an aggressive litigation management and control program.
- B. The Contractor will not automatically assign cases to counsel, when the Claimant is represented by counsel. Defense referrals will be made only as necessary, and with prior approval of the State, to evaluate complex legal issues or to complete discovery that cannot be performed by non-legal personnel.
- C. The Contractor's Claims Examiners will be trained to handle routine litigation matters, that will be coordinated with legal counsel designated by the JBWCP Member in a cooperative exchange of information, including:
  - i. Subpoena medical records.
  - ii. File and serve medical reports.
  - iii. Schedule defense medical appointments and complete cover letter.
  - iv. Provide letter of directed assignments to counsel and monitor completion of each assignment as the litigation process proceeds.
  - v. Rate the level of permanent disability outlined in medical reports.
  - vi. Object to liens.
  - vii. Support legal efforts on subrogation matters
  - viii. Settlement negotiations.
- D. All legal and medical-legal mail will be reviewed by a Claims Supervisor. Court dates, award payments, etc. will be entered in to the Contractor's computer diary system. All legal diaries will be provided to the Claims Examiners via the computer diary system on a daily basis. This diary system will allow for planning of settlements and legal defense in advance of hearing dates.

25. Legal Referral

- A. The Claims Examiners will obtain authorization from the JBWCP Member prior to making a legal referral.
- B. A litigation referral form will be completed, which outlines the specific activities to be completed by the attorney. The referral will summarize the history of the case, issues in dispute, and disability and medical payments. Copies of all pertinent medical reports and documents will be included. Summaries of records will also be provided, as appropriate. Defense counsel will be instructed to minimize duplication when reporting.



- C. The Contractor will provide the JBWCP Member with all correspondence and legal documents on a regular basis. The Contractor will request the defense counsel to copy the JBWCP Member directly on all correspondence and provide the JBWCP Member with copies of all communications from the courts and applicant's counsel.
- D. A litigation calendar will be maintained in which upcoming hearings, conference dates, and trials will be documented. The litigation calendar will be the responsibility of the Claims Supervisor, who will use this information to make sure counsel has been assigned, as appropriate, and that the JBWCP Members are represented.

26. Settlement

Subject to the limits of the settlement authorizations established for each JBWCP Member and/or by the State, the Contractor shall conduct settlement of Claims as follows:

- A. The nature and extent of permanent disability or need for further medical care will be determined as soon as possible. Permanent disability advances will be made in accordance with state law.
- B. Settlement evaluations will be made promptly, based on information included in the file, as well as other criteria by which a value may be determined.
- C. The Contractor will document maximum settlement authority amounts by position. Within the ranges, the Claims Manager will assign a specific level for each individual based on experience, education, length of service with the Contractor, and State requirements.
- D. The Claims Supervisor will approve all requests for settlement authority prior to discussion with the JBWCP Member. Claims Supervisors will also approve all decisions by the Claims Examiners to bring a case to trial.
- E. The settlement authority requests and approvals will be documented in the Claim file. The date of the approval will be indicated as well as the identities of the specific individuals involved in the approval process.
- F. A settlement request form will be provided to the JBWCP Member, which outlines pertinent file information, a statement of the issues, and the Contractor's recommendations for case resolution. The settlement request will be reviewed by the Claims Supervisor and approved, if in order. It will then be submitted to the JBWCP Member for review and discussion. The settlement request will need to be signed and approved by the JBWCP Member before resolution.
- G. Requests for authorization from defense counsel will be accompanied by exposure analysis to support settlement recommendations.

27. Subrogation

- A. All Claims will be evaluated for the subrogation issue by the Claims Supervisor, when the Claim is first reported, and by the Claims Examiner, when developing case action plans. If subrogation is identified as an issue, the Contractor will obtain authorization from the JBWCP Member before proceeding. The Contractor's system will be capable of providing a diary for the statute of limitations and tracking recoveries and credits. The Contractor's computer diary system will enable the Claims Examiner to manage the subrogation aspect of the case as well as statute and filing dates. The Contractor has developed a specific subrogation module for its RMIS, which allows the Claims Examiner the ability to document the subrogation aspect of the case and plan for successful resolution.
- B. When the Contractor attempts to resolve Claims with subrogation involvement, the Contractor will attempt to do so for the best possible results for the JBWCP Member. Sometimes the best possible result will involve seeking the highest possible recovery. Other times, it may mean negotiating for credit against future Claim benefits.

28. Special Investigative Unit

- A. The Contractor's special investigative unit will assist the JBWCP Member in the identification, investigation, and referral of fraudulent Workers' Compensation or liability Claims to the appropriate local state or federal agencies. The Contractor's special investigative unit (SIU) will consist of local SIU coordinators and home office investigative specialists.
- B. Cases will be identified by the Contractor's Claims staff, informants, and clients. The Contractor will not pursue a fraud investigation independently without the State's acknowledgment. All requests made directly by the JBWCP Member and/or the State will be reviewed.

29. Legal Vendor Selection

- A. The Contractor will identify and select a legal vendor panel with the approval of the JBWCP Member and the State.
- B. The Contractor will maintain approved vendor panels for law firms, which are reviewed every six (6) months to identify those vendors that can provide the best services.

30. Quality Assurance

- A. The Contractor's policy and technical guide, supported by edits built into its proprietary Claims management system, will provide for extensive, supervisory review. The Contractor's Claims Supervisors will not carry a caseload, allowing them to concentrate on their primary function: assisting the Claims Examiners in developing action plans to move files to closure. Files will be reviewed on both a random and systematic basis.

- B. Files will be selected weekly by the Contractor's computer system for supervisory / management review, focusing on the following:
  - i. Plan of action.
  - ii. Appropriate determination of benefits.
  - iii. Compliance with the State's requirements.
  - iv. Compliance with state rules and regulations.
  - v. Timely delivery of benefits.
  - vi. Reserves.
  - vii. Focus on case resolution.
  - viii. Compliance with the Contractor's policies and procedures.
- C. Results will be documented and reviewed with each Claims Examiner, noting areas requiring improvement, and providing direction.
- D. Critical Claims functions will be monitored by the Claims Supervisor and Claims Manager through systematic Claims audits, including the following:
  - i. All cases where benefits are delayed.
  - ii. All denied cases.
  - iii. All litigated cases.
  - iv. Reserves over Claims Examiner authority level.
  - v. Settlements or payments over Claims Examiner authority level.
  - vi. All Indemnity Claims closures.
  - vii. Cases proceeding to trial.
  - viii. Award payments.
  - ix. Supervisory review of benefit changes.
- E. The Contractor's computer system will include automatic diaries, which are generated, based on specific data elements entered in to the computer Claims file. Each diary is assigned to a specific examiner and/or supervisor / manager for review, activity or response. Supervisory approval, comments, and direction will be documented in the Claims files.

- F. The Claims Examiners will perform self-audits on their files. Utilizing the closure checklist, the Claims Examiners will use this self-audit to address items such as the processing of appropriate forms, correct calculation of benefits, resolution of permanent disability, and any unpaid or disputed medical bills or liens.
- G. The Contractor will dedicate a director-level corporate quality assurance function responsible for internal audit. Individual office reviews will be conducted annually for each Claims operation to ensure compliance to the Contractor's policies and procedures as well as the State's and all state or federal regulatory requirements. This process will also identify best practices and areas for improvement in procedure, management, and technical aspects of Claims handling and assures standardization throughout. The audit process will address:
  - i. File documentation.
  - ii. Adherence to the State's specific handling instructions.
  - iii. Excess reporting.
  - iv. Third Party subrogation.
  - v. Potential fraud situations.
  - vi. Internal settlement authority levels.
  - vii. Overall Claims handling practices.
  - viii. Appropriate reserving.
  - ix. Disability management.
  - x. Payment accuracy and timeliness.
  - xi. Medical Management Services
  - xii. State and regulatory requirements.
  - xiii. The Contractor's internal policies and procedures.
- H. Individual Claimants will be discussed in terms of disability and work restrictions, whether temporary or permanent. Diaries will be maintained for indemnity benefits as well as with medical appointments and procedures. The Contractor will provide the JBWCP Member with very timely information about a Claimant with return-to-work and restriction information.
- I. The Contractor will work with the JBWCP Member on a case-by-case basis in those situations involving ADA issues.

31. Meetings with the JBWCP Member

- A. The frequency of meetings between the Contractor and the JBWCP Member will vary according to State's instructions and agreements. Meetings will include orientation meetings with State personnel directly or indirectly involved in the processing of industrial injury cases. These meetings will foster strong communication and promote teamwork between the Contractor and the JBWCP Member. A schedule of routine and special request meetings will be maintained and documented by the Claims Manager or Claims Supervisor. The meeting reports will be documented to include:
- i. Parties in attendance.
  - ii. Purpose of meeting.
  - iii. Follow-up on activity from prior meetings.
  - iv. Summary of discussion.
  - v. Procedural changes, if any.
  - vi. Activity to be completed.
  - vii. Written status reports.
- B. Copies of meeting reports will be distributed to appropriate team members and a copy will be maintained in the Contractor's corporate client file.
- C. Additionally, the Contractor will conduct or assist in conducting orientation meetings as needed for the JBWCP Member personnel directly involved in processing Claims.

32. Assistance in the Development of Programs

The Contractor will assist the JBWCP Member with the development of programs such as the following:

- A. Transitional Return-to-Work (TRTW) Programs as described in Exhibit D, Work To Be Performed, paragraph 35. The Contractor will assist the JBWCP Member in designing and implementing return-to-work programs to fit the JBWCP Member's needs or will work with the JBWCP Member to enhance current programs.
- B. Training. The Contractor's staff will be available to provide training to the JBWCP Member's supervisors on the reporting of Claims, identification of fraudulent Claims, and legislative changes.
- C. Injury Management. The Contractor will assist the JBWCP Member in designing and implementing safety and injury prevention programs. Through an analysis of historical losses, Claims Supervisors or Claims Managers can identify injury trends, establish

goals for reduction, and develop specific action plans to achieve desired results. Evaluation measurements of injury trends will include, but are not limited to:

- i. New Claim creation.
  - ii. Documentation.
  - iii. Promptness of payment.
  - iv. Diary maintenance.
  - v. Settlements, closures.
- D. Monthly Meetings and Reports. Monthly meetings and reports will provide opportunity for the JBWCP Member to evaluate the Contractor's performance in these areas or any other that will be agreed upon.

33. Annual Program Review

- A. The Contractor will provide an annual program review that documents the past and present year's performance and establishes goals for the coming year. Topics covered will include:
- i. Reporting trends.
  - ii. Injury analysis.
  - iii. Payment Analysis.
  - iv. Cash flow analysis.
  - v. Litigation summary.
  - vi. Medical management summary.

34. Transitional Return-to-Work (TRTW) Program

- A. The JBWCP Member's TRTW Program will consist of the assignment of transitional work to employees who have been injured on the job and have an accepted or delayed Workers' Compensation Claim. The services will be initiated when the Claimant cannot perform the full range of duties required of their usual and customary position and they will not yet be medically permanent and stationary. The objectives of the TRTW Program will be:
- i. To transition a Claimant to full duty through placement into valuable interim assignments.
  - ii. To minimize the costs incurred for injuries by reducing the length of time a Claimant must remain away from work.

- iii. To minimize the negative impact of an injury or illness upon the affected department.
  - iv. To improve the morale of the JBWCP Member's workforce.
- B. In addition to other claims management activities, the Contractor will support the JBWCP Member's TRTW Program by:
- i. Contacting the JBWCP Member Representative to determine work status of the Claimant if not known within 24 hours of receipt of the claim.
  - ii. Obtaining the medical status, work capacity and/or work restrictions of the Claimant from the medical provider.
  - iii. Informing the medical provider of the JBWCP Member's TRTW Program and willingness to accommodate temporary work restrictions whenever possible.
  - iv. Assisting the JBWCP Member Representative in determining appropriate work assignments, as needed.
  - v. Continuing to manage the claim and obtain and share timely updates of work restrictions with the JBWCP Member.
  - vi. Tracking the Claimant's return to work and documenting on claims management system.
  - vii. Verifying that the Claimant knows when and where to report and that the JBWCP Member Representative is aware of the release.
  - viii. Designing and implementing return-to-work programs to fit the JBWCP Member's needs or will work with the JBWCP Member to enhance current programs.

35. Permanent Accommodations

The Contractor shall assist in the development of protocols to address a Claimant's ability to return to work upon reaching maximum medical improvement. This should include written and verbal communication between Contractor's staff and appropriate JBWCP Members. The goal of these protocols will be to ensure that communication between affected parties occurs as soon as practicable to address issues of accommodation, supplemental job displacement benefits, and any other issues that will impact return to work decisions. It will be the responsibility of Contractor staff to initiate timely communication with the JBWCP Member.

36. Loss Control, Risk Management and Safety

- A. The Contractor's goal, in loss control and risk management consulting, will be to assist the JBWCP Member in the development of effective loss control and risk management action plans for accident prevention

- B. The Contractor will assist the JBWCP Member in coordinating its own loss control and risk management programs. The Contractor will work to create an action-oriented loss control counsel and act as the JBWCP Member's safety and health resource and staff advisor.
- C. The Contractor will provide a formal annual program evaluation to review the past and present year's loss control and risk management program performance and to establish program goals for the coming year. The program evaluation format will be customized to meet the JBWCP Member's specific requirements.
- D. The Contractor will also participate in meetings with the JBWCP Member's location safety committees. If desired, the Contractor will critique the meetings and provide a report to management. The Contractor will assume the responsibility for providing the necessary statistical Claim information to the individual location for analysis by the loss control committee. If a location does not have well defined safety committees, the Contractor will assist in establishing and structuring such programs.
- E. The Contractor will assist the JBWCP Members in the development of other JBWCP Member internal programs, such as accident investigation, the Americans with Disabilities Act (ADA) and Occupational Safety and Health Administration (OSHA) reporting requirements, fraud prevention, etc.

37. Training

- A. The Contractor will obtain a list of key contacts/program coordinator(s) for each location.
- B. The Contractor will schedule and conduct orientation meetings for each location, focusing on the following:
  - i. Introduce the Contractor and the Service Team to each JBWCP Member location.
  - ii. Provide the JBWCP Member location with a list of appropriate names, phone numbers, email addresses, key contacts, etc.
  - iii. Provide overview of responsibilities for the Contractor and the JBWCP Member, to ensure a successful program.
  - iv. Provide basic overview of Workers' Compensation.
  - v. Review Claim reporting procedures, stressing importance of timely reporting.
  - vi. Address communication issues, stressing importance of frequent, open communications.



- vii. Confirm key JBWCP Member contacts for each location necessary in the administration of a Claim, i.e. employment information, supervisor contacts, payroll information, etc.
      - viii. Schedule future regular meetings and training sessions with each location.
    - C. The Contractor will obtain input from JBWCP Member locations to assist in identifying training needs. The Contractor will conduct training sessions as needed by the JBWCP Member during the term of the contract.
    - D. The Contractor will schedule and coordinate online access training.
- 38. Medical Management Services
  - A. The State shall reimburse the Contractor for Medical Management Services, as set forth in Exhibit C, Payment Provisions.
  - B. The Contractor shall assist in selection and maintenance of a Medical Provider Network (MPN) on behalf of the JBWCP with providers that can service all JBWCP Member locations. The Contractor shall also maintain a Preferred Provider Organization (PPO) Network for those costs that are not associated with the MPN.
  - C. The Contractor will provide for early intervention services on all claims and Telephonic Case Management and Field Case Management services as indicated to minimize medical, disability, and litigation costs.
    - i. Early Intervention Nurse responsibilities:
      - a) Documents receipt of referral in system and initiates 4-point contact within 24 hours.
      - b) Completes 4-point contact and initial assessment on assigned cases within 24 – 48 hours of receipt and documents in claim file.
      - c) Directs injured worker to preferred provider when feasible (except stress).
      - d) Documents medical treatment and disability duration guidelines for compensable condition/diagnosis in claim file.
      - e) Refers case for telephonic case management (TCM) based on documented assignment criteria and/or nursing judgment in consultation with claim examiner.
    - ii. Telephonic Case Manager's responsibilities:
      - a) Completes 4-point contact and initial assessment on all assigned cases within 24 – 48 hours of receipt of referral from Early Intervention Nurse or claim adjuster and documents claim file.

- b) Authorizes all consultations, diagnostics, and physical therapy; completes all surgery pre-certifications when surgery is indicated; refers to Physician Peer Reviewer or Physician Advisor, if indicated; documents references to American College of Occupational and Environmental Medicine and/or other nationally recognized medical treatment guidelines in claim file.
  - c) Follows-up with medical provider after each appointment to coordinate/negotiate medical treatment and return-to-work plan, documents contact and intervention and updates case management plan of action.
  - d) Authorizes all consultations, diagnostic, and physical therapy.
  - e) Maintains contact with Claims Examiner with updated information as deemed necessary.
  - f) Maintains communication with all involved parties including JBWCP Member Representative to provide return-to-work status; coordinates modified return-to-work, if indicated.
  - g) Provides all restriction information to return-to-work coordinator.
  - h) Manages case until closure appropriate per documented closure criteria.
  - i) Maintains claims diary.
- iii. JBWCP Member's responsibilities:
- a) Reports all injuries to designated 1-800 number.
  - b) Completes Claim Form and Form 5020, Employer's Report of Injury or Illness.
  - c) Completes investigation form.
  - d) Provides all disability slips to the Contractor.
- iv. Claims Examiner's responsibilities:
- a) All Form 5020, Employer's Report of Injury or Illness and "Doctor's First Reports of Injury" are referred to the Early Intervention program.
  - b) Checks pre-designated information and provides the case manager with the same.
  - c) Provides all appropriate benefits due.
  - d) Refers all requests for authorization to the Case Manager on early intervention Claims.

- e) Documents all medical information into system for the Case Manager's review.
  - f) Corresponds/communicates with the Case Manager as necessary.
  - g) Provides current diary on every open early intervention file.
  - h) Following completion of the 60-day early intervention services, the Case Manager will collaborate with the Claims Examiner to discuss ongoing case management services. The Claim will be transitioned to contracted Utilization Review or Telephonic Case Management for ongoing case management.
  - i) The Case Manager will discuss and collaborate recommendations and strategies to bring Claim to resolution.
- D. The Contractor will provide for a dedicated Medical Bill Review. Along with the Medical Bill Review, the Contractor shall integrate Utilization Review, Telephonic Case Management, and Field Case Management products/services. The bill review analyst will review the NCM's notes and will not recommend payment for treatment outside those parameters.
- E. The Contractor will provide for and document a Hospital Bill Audit. Services billed but not delivered will also be documented.
- F. The Contractor will conduct a Peer Review. If no contact is made, the Peer Reviewer will make a recommendation based on the medical records.
- G. The Contractor will provide for a Medical Reserve Estimate. The Claims Examiner will be provided with a detailed report outlining the Medical Reserve Estimate. The service will assist the Claims Examiners in setting their medical reserves as well as establishing a medical dollar value for settlement of future medical care based on the diagnosis at the time of the settlement.

39. Minimum Performance Standards

The performance criteria set forth below will be used as indicators of successful performance. The State will perform periodic audits of the Contractor, measuring the performance of the Contractor in each criterion. The State's audit will include an evaluation of the Contractor's actual percentage score in each area, based upon 100 percent. Success of the Contractor in achieving targeted criteria will be a factor in the State's decision to exercise options to extend the Agreement.

A. File Organization

All files are the property of the JBWCP Member and/or the State and will be maintained in an organized , bound (with brads), chronological order with appropriate

separation, i.e. privileged information is segregated from regular correspondence and medical and rehabilitation material are each in a separate section of the file.

B. File Documentation

- i. A Claims status report including an action plan will be in each Indemnity Claim file (paper and/or online). This will include steps taken to move the file to conclusion in accordance with the proposed plan of action. The report will identify issues and the actions taken to finalize the Claim.
- ii. All activities will be documented with appropriate detail, identify the author, date stamped, and be legible.
- iii. File reviews will be conducted at the request of the JBWCP Member or the State at a mutually agreed location and time.

C. Claims Diary

- i. Every active indemnity file (which includes maintenance files with outstanding liens, legal issues, rehabilitation, or active medical treatment) will be reviewed and documented by the Senior Claims Examiner or Claims Examiner at least once every thirty (30) Days. Review of file may include follow-up contact with the Claimant.
- ii. Consistent policies and procedures will include diaries for all Claims Adjusting personnel assigned under this Agreement.
- iii. Files of Claimants on Industrial Disability Leave (IDL) and Temporary Disability (TD) will be reviewed every fourteen (14) Days.

D. Supervision

- i. Active files will contain evidence of participation by Claims Supervisors in the development of case strategy, quality control, and case management guidance as appropriate, or when requested by Claims Examiners or Claims Representatives.
- ii. Delayed cases will be reviewed at a minimum at thirty (30), sixty (60), and ninety (90) Day intervals.
- iii. Active cases will be reviewed every ninety (90) Days or sooner if requested.
- iv. Caseloads for each Senior Claims Examiner and Claims Examiner assigned to the JBWCP Member will be reviewed by the Claims Supervisor every ninety (90) Days.
- v. Claims Supervisors will review and decide which cases are to be assigned to outside counsel.

- vi. The Contractor will notify the JBWCP Member and the State monthly of any cumulative change in reserves of \$5,000.00 or more per Claim.

E. Medical Control and Direction

- i. The Contractor is responsible for coordinating the provision of prompt, appropriate and effective medical treatment for the Claimants.
- ii. At the request of the JBWCP Member, or where the physician is failing to comply, the Contractor will send to any physician (with proof of service) a copy of the California Code of Regulations, Title 8, Section 9785 within five (5) Days.
- iii. The Contractor will exercise all reasonable efforts to obtain necessary physician reports in accordance with California Code of Regulations, Title 8, Section 9785.
- iv. Within fourteen (14) Days of notification of change of medical provider, the Contractor will send the complete medical file with the California Code of Regulations, Title 8, Section 9785 notification, a copy of the JBWCP Member's Transitional Return-to-Work policy, and a written description of the Claimant's essential day-to-day job duties, tasks, and responsibilities.
- v. The Contractor will provide Medical Management Services. The Contractor's compensation for these services are outlined in Exhibit C.
- vi. The Contractor will respond to requests for authorization of treatment and surgery on accepted cases within two (2) working days.
- vii. The Contractor will pay all bills within thirty (30) Days.
- viii. Files will be reconciled for accuracy of payments at least once every twelve (12) months, and at the time the file is closed.

F. Reserves

- i. Reserves will be set for probable outcome within the Contractor's guidelines. Reserve amounts will be evaluated and adjusted on a regular basis, but at a minimum, any time the medical prognosis changes.
- ii. The JBWCP Member will be specifically notified within thirty (30) Days when incurred costs on any Claim reach \$25,000.00.

G. Excess Carrier Notification

If the JBWCP Member procures excess coverage, the Contractor will comply with the excess carrier's notification procedures.

H. Investigation

- i. The Contractor will conduct a thorough investigation to determine if the Claim is a result of arising out of employment, or in the course of employment (AOE/COE) immediately upon receipt of the Claim.
- ii. If additional investigation is necessary, the case will be assigned to a licensed investigator with Errors & Omissions Liability coverage limits of not less than \$1,000,000.00 and must be coordinated through the JBWCP Member.
- iii. The JBWCP Member must be notified of any investigation prior to the initiation of the investigation.
- iv. Copies of investigation reports will be sent to the JBWCP Member.

I. Communication

- i. The Contractor will complete four-point contact (Claims Examiner, Claimant, Claimant's supervisor/JBWCP Member, and medical provider) within one (1) working day of receipt of notice of injury. If contact is not made on the first day, subsequent calls will be made daily until the Claimant is contacted.
- ii. The Contractor will return all telephone calls within one (1) working day.
- iii. All medical reports and copies of all correspondence will be mailed to the JBWCP Member Representative within three (3) working days.
- iv. The Contractor will request medical releases within five (5) working days of file make-up, and will follow-up every thirty (30) Days until received.
- v. The Contractor will request a wage statement for any Claimant earning less than maximum, as set by California legislature, within 5 days notice of compensable disability.
- vi. Accurate Claim information, including the current status report, will be available to the JBWCP Member and the State online.
- vii. Communication with the Claimant will be available in the worker's primary language or translation available upon request.

J. Division of Workers' Compensation Audit Unit (Audit Unit) Requirements

- i. All JBWCP Member Claims will be administered in compliance with all Audit Unit standards.
- ii. Penalties resulting from failure to administer in compliance with Audit Unit standards will be promptly disputed or paid with clear documentation of Contractor versus the JBWCP Member error.

- iii. Reimbursement of Contractor penalties will be made in accordance with established guidelines.

K. Litigation

- i. Cases will be assigned to those defense firms selected by the JBWCP Member from the approved vendor panel.
- ii. The Contractor will follow up with defense counsel if a case analysis is not completed within thirty (30) Days from date of referral.
- iii. All notices of medical appointments are to be sent by the Contractor.
- iv. The Contractor will attend all hearings unless the JBWCP Member waives attendance.
- v. Attorney bills will be audited for accuracy by the Contractor.
- vi. Subrogation will be pursued unless otherwise indicated by the JBWCP Member.

L. Finalization

- i. A request for authority will be sent to the JBWCP Member thirty (30) Days after receipt of the final permanent and stationary report on non-litigated cases.
- ii. In litigated cases, a request for authority will be sent to the JBWCP Member thirty (30) Days prior to defense counsel filing a Declaration of Readiness (DOR) to proceed, or five (5) Days after receipt of the DOR from applicant's counsel.

M. Rehabilitation

The Contractor will provide copies of all rehabilitation reports to JBWCP Member.

N. Confidentiality

Adherence to the Contractor's own internal confidentiality policy is required at all times.

O. Reports

- i. The Contractor will provide monthly reports as specified in the Agreement.
- ii. The Contractor will produce an annual loss run, with reserves valued at a date specified by the JBWCP Member for the JBWCP Member's annual actuarial report.

P. Fraud

- i. Every Claim will be reviewed prior to assignment for compensability. If the Contractor believes that the facts merit delay, investigation will be initiated with the JBWCP Member's approval.
- ii. Complex Claims requiring outside investigators will be assigned to vendors approved by the JBWCP Member and the State.
- iii. All assignments will be limited and specific. The costs will be a portion of the Claim file's Allocated Loss Expense. Upon submission, the JBWCP Member Representatives will identify Claims that require delay and investigation procedures to be initiated. Additionally the Contractor's staff will communicate with the JBWCP Member Representatives to identify submitted Claims that appear inappropriate.
- iv. Upon mutual agreement and with the JBWCP Member's approval, the Contractor will initiate and complete the appropriate investigation.

Q. Case Closures

The Contractor's management will closely monitor performance in this area. Cases will be closed consistent with the California Labor Code and best Claim practices. Management reports by type, office, and region will be produced monthly, and reviewed by the Contractor's management to ensure that the goals are met.

R. Highest Standards of Fiscal Responsibility and Accountability

The Contractor will adhere to sound business practices and standards thus promoting the highest standards of fiscal responsibility and accountability.

S. Program Management

- i. The Contractor will provide a detailed transition plan, which will ensure uninterrupted services to the JBWCP Member and its employees. Include in this plan the name and title of the primary and alternate contact person(s), transition timeline, and necessary resources for efficient transition and transition costs.
- ii. Provide the JBWCP Member with quarterly and annual status reports.

40. Termination Assistance Services

- A. The Contractor shall provide the State and JBWCP Member with the following services (i) upon Notice to the Contractor that the Agreement shall be terminated, or (ii) if the State notifies the Contractor to commence such services, since the State does not intend to extend the Agreement past the current Term.



- i. Developing, with the assistance of the State, or its designee, a plan for the transition of the Work-in-progress at the end of the Agreement from the Contractor to the State, or its designee.
- ii. Reviewing completed and partially completed Work with the State, or its designee, and transitioning responsibility or ownership to the State, or its designee, including, without limitation, a recommended sequence for review and establishment of a series of briefings to accomplish knowledge transfer.
- iii. Providing copies of the completed and partially completed Work, including, without limitation, indexing and defining location and form (electronic, paper copy, etc.) of such Work.
- iv. Providing overall Program work plan status at point of Contract termination with the State's Program Administrator, or designee(s).
- v. Conducting meetings to discuss status of work in progress, pending items and anticipated tasks with State's Program Administrator or designee(s).
- vi. Reviewing status of Program risks, issues, and corresponding action plans with State's Program Administrator, or designee(s).
- vii. Providing information and assistance as the State, or its designee, may reasonably request relating to the function of the Key Personnel employed or contracted by the Contractor to perform the Work under this Agreement.
- viii. Providing bi-weekly status reports during transition period, and task oriented status reports including, without limitation: week back and week forward status of tasks and other commitments, resolved and unresolved issues and risks, resource availability.
- ix. Assessing the status of all work in progress, pending items, and anticipated tasks at the time of the applicable termination including, without limitation, identifying the status of the work in process, identifying the extent of completion of the partially completed work, estimating requirements to complete the work, and identifying the contingencies or dependencies of the work on other concurrent or completed work. Upon request, providing data and loss reports to assist in any necessary reconciliation of data after transition of the program.
- x. Provide close-out procedures for the Trust Account that are mutually agreeable to the parties.

*END OF EXHIBIT*

**EXHIBIT E  
CONTRACTOR'S KEY PERSONNEL**

1. The following individuals, or equivalent as approved pursuant to Exhibit B, Special Provisions, paragraph 10, Contractor's Personnel and Replacement of Personnel, shall be the Key Personnel designated to perform the Work of this Agreement:

| <b>Name of Contractor's Key Personnel</b> | <b>Title</b>      |
|---|-------------------|
| TBD                                       | Account Manager   |
| TBD                                       | Claims Manager    |
| TBD                                       | Claims Supervisor |

2. The resumes of Contractor's Key Personnel are included in this Exhibit.

*The remainder of this page left blank intentionally*

**EXHIBIT F**  
**FORMS**

1. This Exhibit includes the following form(s):
  - A. Form #1, Form For Receipt Of Trust Account Funds
  - B. Form #2, CMS/Medicare Consent to Release of Information
  - C. Form #3, Disclosure/Confidentiality of Information (Form SSA-3288 Social Security Administration Consent for Release of Information)

END OF EXHIBIT

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**FORM #1**  
**FORM FOR RECEIPT OF TRUST ACCOUNT FUNDS**

*The Contractor, \_\_\_\_\_, hereby acknowledges receipt of*  
*\$ \_\_\_\_\_*  
*( \_\_\_\_\_ ) of*  
*public funds to be deposited into the Trust Account pursuant to Contract Number \_\_\_\_\_*  
*("Agreement") between the Judicial Council of California, Administrative Office of the Courts ("the*  
*State") and \_\_\_\_\_ ("the Contractor"). Such amount is to be used*  
*solely for the purposes described in the Agreement.*

***Authorized Representative of the Contractor:***

\_\_\_\_\_  
*Signature*

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

END OF FORM #1

**FORM #2**

**CMS / Medicare**  
**CONSENT TO RELEASE of INFORMATION**

The Privacy Act of 1974 (Public Law 93-579) prohibits the government from revealing information from personal files without the express written permission of the person involved. Disclosure of personal records to an attorney or other representative who is acting on behalf of another person is prohibited, unless the individual to whom the record pertains has consented.

I, \_\_\_\_\_, hereby authorize the Centers for Medicare & Medicaid Services (CMS), its agents and/or contractors to disclosed, discuss, and/or release, orally or in writing, information related to my worker's compensation injury and/or settlement to the individual(s) and/or firm(s) listed below.

**Please Check:** Name/Address/phone/fax/email

- Claimant's attorney
- Employer's attorney
- Workers' compensation carrier
- Medicare Set-Aside Consultant TBD

How long can we give out the information? (Check one)

- Ongoing, beginning \_\_\_\_\_  
Month/Date/Year
- Limited time \_\_\_\_\_ through \_\_\_\_\_  
Month/Date/Year Month/Date/Year
- One time only

\_\_\_\_\_  
Claimant's Signature Date

\_\_\_\_\_  
Social Security Number or Health Insurance Claim # Date of Injury

**If your Power of Attorney (POA) or legal representative signs this form for you, a copy of their POA or representation papers must be sent to us with this form.**

Completion and signing of this consent form:

- Authorizes release of information to the person named above upon their request. This means that information disclosed to the above named person may be re-disclosed by them and may no longer be protected by law.
- Allows release of Medicare claims and other information related to your injury/illness.
- Is for release of information purposes only and does not affect benefits you are entitled to under the Medicare Program.

You have the right to revoke your authorization at any time in writing, except to the extent that CMS has already acted based on your permission. To revoke, send a written request to the address listed below:

**Medicare Secondary Payer Contractor**  
**Post Office Box 33828, Detroit, MI 48232-5828**

END OF FORM #2



## JBCL APPENDIX

This JBCL Appendix contains the provisions required for compliance with Public Contract Code ("PCC"), part 2.5, enacted under Senate Bill 78 (Stats. 2011, ch. 10), and the Judicial Branch Contracting Manual ("JBCM") adopted pursuant to that law. In this appendix, (i) "Agreement" refers to the agreement into which this appendix is incorporated, (ii) "JBE" refers to the California judicial branch entity that is a party to the Agreement, (iii) "Contractor" refers to the other party to the Agreement, and (iv) "Consulting Services" refers to those services described in chapter 8, appendix C, section 1 of the JBCM.

1. **Contractor Certification Clauses.** Contractor certifies that the following representations and warranties are true. Contractor shall cause these representations and warranties to remain true during the term of this Agreement, and Contractor shall promptly notify the JBE if any representation and warranty becomes untrue.
  - A. **Non-discrimination.** Contractor complies with the federal Americans with Disabilities Act (42 U.S.C. 12101 et seq.), and California's Fair Employment and Housing Act (Government Code section 12990 et seq.) and associated regulations (Code of Regulations, title 2, section 7285 et seq.). Contractor does not unlawfully discriminate against any employee or applicant for employment because of age (40 and over), ancestry, color, creed, disability (mental or physical) including HIV and AIDS, marital or domestic partner status, medical condition (including cancer and genetic characteristics), national origin, race, religion, request for family and medical care leave, sex (including gender and gender identity), and sexual orientation. Contractor has notified in writing each labor organization with which Contractor has a collective bargaining or other agreement of Contractor's obligations of non-discrimination. (\*)
  - B. **National Labor Relations Board.** No more than one, final unappealable finding of contempt of court by a federal court has been issued against Contractor within the immediately preceding two-year period because of Contractor's failure to comply with an order of a federal court requiring Contractor to comply with an order of the National Labor Relations Board. Contractor swears under penalty of perjury that this representation is true. (\*)
  - C. **Not an Expatriate Corporation.** Contractor is not an expatriate corporation or subsidiary of an expatriate corporation within the meaning of PCC 10286.1, and is eligible to contract with the JBE.

2. Provisions Applicable Only to Certain Agreements. The provisions in this section are *applicable only to the types of agreements specified in the title of each subsection*. If the Agreement is not of the type described in the title of a subsection, then that subsection does not apply to the Agreement.
  - A. **Agreements over \$10,000.** This Agreement is subject to examinations and audit by the State Auditor for a period of three years after final payment.
  - B. **Agreements over \$50,000.** No JBE funds received under this Agreement will be used to assist, promote or deter union organizing during the term of this Agreement (including any extension or renewal term).
  - C. **Agreements of \$100,000 or More.** Contractor certifies that it is, and will remain for the term of the Agreement, in compliance with PCC 10295.3, which places limitations on contracts with contractors who discriminate in the provision of benefits regarding marital or domestic partner status. Contractor recognizes the importance of child and family support obligations and fully complies with (and will continue to comply with during the term of this Agreement) all applicable state and federal laws relating to child and family support enforcement, including, but not limited to, disclosure of information and compliance with earnings assignment orders, as provided in Family Code section 5200 et seq. Contractor provides the names of all new employees to the New Hire Registry maintained by the California Employment Development Department.
  - D. **Agreements for Services over \$200,000 (Excluding Consulting Services).** Contractor shall give priority consideration in filling vacancies in positions funded by this Agreement to qualified recipients of aid under Welfare and Institutions Code section 11200 in accordance with PCC 10353.
  - E. **Agreements of \$1,000,000 or More.** Contractor certifies either (i) it is not on the current list of persons engaged in investment activities in Iran ("Iran List") created by the California Department of General Services pursuant to PCC 2203(b), and is not a financial institution extending \$20,000,000 or more in credit to another person, for forty-five (45) days or more, if that other person will use the credit to provide goods or services in the energy sector in Iran and is identified on the Iran List, or (ii) it has received written permission from the JBE to enter into this Agreement pursuant to PCC 2203(c).
  - F. **Agreements for the Purchase of Goods.** Contractor shall not sell or use any article or product as a "loss leader" as defined in Business and Professions Code section 17030.
  - G. **Agreements for the Purchase of Certain Goods, and Printing, Parts Cleaning, Janitorial, and Building Maintenance Services Agreements.** If Contractor will sell to the JBE, or use in the performance of this Agreement, goods specified in PCC 12207 (for example, certain paper products, office supplies, mulch, glass



products, lubricating oils, plastic products, paint, antifreeze, tires and tire-derived products, and metal products), then with respect to those goods: (i) Contractor shall use recycled products in the performance of this Agreement to the maximum extent doing so is economically feasible, and (ii) upon request, Contractor shall certify in writing under penalty of perjury, the minimum, if not exact, percentage of post consumer material as defined in the PCC 12200, in such goods regardless of whether the goods meet the requirements of PCC 12209. With respect to printer or duplication cartridges that comply with the requirements of PCC 12156(e), the certification required by this subdivision shall specify that the cartridges so comply.

- H. **Agreements for Furnishing Equipment, Materials, Supplies, or for Laundering Services.** Contractor certifies that no apparel, garments or corresponding accessories, equipment, materials, or supplies furnished to the JBE under this Agreement have been laundered or produced in whole or in part by sweatshop labor, forced labor, convict labor, indentured labor under penal sanction, abusive forms of child labor or exploitation of children in sweatshop labor, or with the benefit of sweatshop labor, forced labor, convict labor, indentured labor under penal sanction, abusive forms of child labor or exploitation of children in sweatshop labor. Contractor adheres to the Sweatfree Code of Conduct as set forth on the California Department of Industrial Relations website located at [www.dir.ca.gov](http://www.dir.ca.gov), and PCC 6108. Contractor agrees to cooperate fully in providing reasonable access to Contractor's records, documents, agents, and employees, and premises if reasonably required by authorized officials of the Department of Industrial Relations, or the Department of Justice to determine Contractor's compliance with the requirements under this section and shall provide the same rights of access to the JBE.
- I. **Agreements for which Contractor Has Committed to Achieve DVBE Participation.** Contractor shall within sixty (60) days of receiving final payment under this Agreement certify in a report to the JBE: (i) the total amount the prime Contractor received under this Agreement; (ii) the name and address of any disabled veterans business enterprise ("DVBE") that participated in the performance of this Agreement; (iii) the amount each DVBE received from the Contractor; (iv) that all payments under this Agreement have been made to the DVBE; and (v) the actual percentage of DVBE participation that was achieved. A person or entity that knowingly provides false information shall be subject to a civil penalty for each violation.
- J. **Agreements Resulting from Competitive Solicitations.** Contractor shall assign to the JBE all rights, title, and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. Sec. 15) or under the Cartwright Act (Chapter 2 (commencing with Section 16700) of Part 2 of Division 7 of the Business and Professions Code), arising from purchases of goods, materials, or services by Contractor for sale to the JBE. Such assignment shall be made and

become effective at the time the JBE tenders final payment to the Contractor. If the JBE receives, either through judgment or settlement, a monetary recovery for a cause of action assigned under this section, the Contractor shall be entitled to receive reimbursement for actual legal costs incurred and may, upon demand, recover from the JBE any portion of the recovery, including treble damages, attributable to overcharges that were paid by the Contractor but were not paid by the JBE as part of the bid price, less the expenses incurred in obtaining that portion of the recovery. Upon demand in writing by the Contractor, the JBE shall, within one year from such demand, reassign the cause of action assigned under this part if the Contractor has been or may have been injured by the violation of law for which the cause of action arose and (a) the JBE has not been injured thereby, or (b) the JBE declines to file a court action for the cause of action.

- K. **Agreements for Legal Services.** Contractor shall: (i) adhere to legal cost and billing guidelines designated by the JBE; (ii) adhere to litigation plans designated by the JBE, if applicable; (iii) adhere to case phasing of activities designated by the JBE, if applicable; (iv) submit and adhere to legal budgets as designated by the JBE; (v) maintain legal malpractice insurance in an amount not less than the amount designated by the JBE; and (vi) submit to legal bill audits and law firm audits if so requested by the JBE, whether conducted by employees or designees of the JBE or by any legal cost-control provider retained by the JBE for that purpose. Contractor may be required to submit to a legal cost and utilization review as determined by the JBE. If (a) the value of this Agreement is greater than \$50,000, (b) the legal services are not the legal representation of low- or middle-income persons, in either civil, criminal, or administrative matters, and (c) the legal services are to be performed within California, then Contractor agrees to make a good faith effort to provide a minimum number of hours of pro bono legal services during each year of the Agreement equal to the lesser of either (A) thirty (30) multiplied by the number of full time attorneys in the firm's offices in California, with the number of hours prorated on an actual day basis for any period of less than a full year or (B) the number of hours equal to ten percent (10%) of the contract amount divided by the average billing rate of the firm. Failure to make a good faith effort may be cause for non-renewal of this Agreement or another judicial branch or other state contract for legal services, and may be taken into account when determining the award of future contracts with a judicial branch entity for legal services.
- L. **Agreements Allowing for Reimbursement of Contractor's Costs.** Contractor must include with any request for reimbursement from the JBE a certification that the Contractor is not seeking reimbursement for costs incurred to assist, promote, or deter union organizing. If Contractor incurs costs or makes expenditures to assist, promote or deter union organizing, Contractor will maintain records sufficient to show that no reimbursement from the JBE was sought for these costs, and Contractor will provide those records to the Attorney General upon request.

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- M. **Agreements Performed in California by Contractors that are Corporations, LLCs, or LPs.** Contractor is, and will remain for the term of the Agreement, qualified to do business and in good standing in California.
- N. **Agreements that the JBE Cannot Terminate for Convenience.** The JBE's obligations under this Agreement are subject to the availability of applicable funds. Expected or actual funding may be withdrawn, reduced, or limited prior to the expiration or other termination of this Agreement. Funding beyond the initial appropriation year is conditioned upon appropriation of sufficient funds to support the activities described in this Agreement. Upon notice, the JBE may terminate this Agreement in whole or in part, without prejudice to any right or remedy of the JBE, for lack of appropriation of funds. Upon termination, the JBE will pay Contractor for the fair value of work satisfactorily performed prior to the termination, not to exceed the total contract amount.

*END OF JBCL APPENDIX*