

# EXHIBIT “A”

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### **SCOPE OF WORK AND OBLIGATIONS OF THE PARTIES**

1. **PERIODIC MEETINGS:** FIRM's management and staff including examiners shall be available to attend all meetings at CITY, including but not limited to, CITY's periodic facility tours, claims reviews, and claims team meetings, WCAB Hearings, or any meeting or case involving W/C claim and shall work with CITY to do the following:
  - A. Assist in developing internal procedures.
  - B. Provide orientation and training to personnel involved in the administration of the Program.
  - C. Discuss specific claims and general trends in the Program.
2. **ADVISORY SERVICES:** FIRM shall provide the CITY information regarding the adoption, amendment or repeal of all Statutes, Rules and Regulations, et cetera, which may directly affect the Program.
3. **REQUIRED FORMS AND REPORTS:** FIRM shall provide the CITY with all forms required by the State in connection with the Program, including the OSHA 300 log or its equivalent.
4. **COMPLIANCE WITH LAW:** FIRM shall administer the Program in full compliance with all laws, rules and regulations governing Workers' Compensation and Self-Insurance.
  - A. FIRM shall be versed in personnel management as well as employment law, and the overlap of various federal and state laws, including ADA, FMLA/CFRA, Leave Laws, and have experience reviewing and incorporating collective bargaining agreements (memorandum of understanding) into the provision of workers' compensation benefits program management. FIRM shall be required to participate in various aspects of FMLA/CFRA, leave administration, ADA/ADAAA, or other federal and state law issues relating to each W/C claim file, and shall be incorporated into the FIRM written report on each claim and Total Exposure
  - B. Pursuant to Section 111 of the Medicare, Medicaid, and State Children's Health Insurance Program (SCHIP) Extension Act of 2007 (MMSEA), FIRM will fully comply

with said reporting requirements at no additional cost to CITY.

- C. FIRM shall comply with the Health Insurance Portability and Accountability Act (HIPAA) requirements and adhere to PCI Data Security Standards 3.0 and subsequent standards that are developed during the course of the resulting agreement.
- D. FIRM shall provide to CITY information about changes or proposed changes in statutes, rules and regulations, including offering trainings to CITY staff

5. CLAIMS ADMINISTRATION – CLAIMS OF CURRENT EMPLOYEES: The FIRM shall comply with all performance standards of the CITY's excess insurer. The FIRM shall also comply with the FIRM's Workers' Compensation Claims Administration Standards, but under no circumstances are they to be construed as having precedence over the performance standards of the CITY's excess insurer. The FIRM shall provide to CITY during the term of the Agreement all the services customary and usual to Workers Compensation Claims Third Party Administration and as set forth herein (except where prohibited by law). FIRM may provide additional support services in addition to all required services, and provide ongoing support to the City in improving its workers compensation program, communication tools, loss control program. CITY shall have the right, reasonably exercised, to direct FIRM to not use persons who, in the opinion of CITY, are not adequately trained, experienced and competent to render the required services. CITY reserves the right to meet with the proposed staff before assignment to City's claims unit. FIRM shall also have the authority and responsibility to provide claims administration services for the assigned claims, which include, but are not limited to:

- A. Establishing an electronic claim file and computer database record upon receipt of an injury report. A 3-point contact (employee, representative of CITY and initial medical provider) must be attempted within twenty-four (24) business hours of receipt of claim. All new claims must be reported to the Index Bureau on continuing active claims. The FIRM must subscribe to the Index System, and a copy of all results sent to CITY. Indexing shall be performed without additional expense to CITY. FIRM shall provide on-line access to the FIRM's claims management system to include access to standard reports and ad-hoc report writing. FIRM shall provide this access at no additional cost to CITY.

- B. Setting and updating reserves.
- C. Initiating and maintaining contact with injured workers or their attorneys.
- D. Arranging for investigation and statements. Where appropriate, CITY may require surveillance as part of the contract on an as-needed basis. FIRM shall arrange for independent investigators or experts when, in the FIRM's judgment, and with the consent of CITY, such action is deemed necessary to (1) properly process questionable cases; (2) assist in determining the status of disabled employees; (3) prepare litigated cases; or (4) assist in determining fraudulent claims. FIRM will be expected to obtain specific case authorization and investigation firm from CITY prior to performing any surveillance and FIRM shall pay such services costs to the service provider directly as an allocated expense charged against the claim file.
- E. Determining compensability.
- F. Preparing and issuing benefit notices, if applicable.
- G. Arranging for medical treatment and medical services from clinics, facilities, pharmacies, hospitals, specialists, and other vendors as necessary.
- H. Performing all utilization review services; communicating decisions to approve, modify, delay or deny medical treatment in accordance with State law.
- I. Monitoring disability status by reviewing medical reports and contacting doctors for updates. FIRM shall actively communicate with the primary treating physician to determine if the injured worker's condition permits return to modified, alternative, or regular work. Provide City departments with accurate work restriction letters within 10 days of receipt of pertinent information. FIRM will also work with CITY to develop a Return to Work Program. FIRM shall provide guidance in the evaluation of the physical capacity of injured employees and their ability to return to work. FIRM shall provide physician's note regarding return to work, light duty work restrictions, or permanent work restrictions to the CITY immediately upon their receipt by the FIRM (within 24 hours of their receipt) date stamped on the front of the document.
- J. Auditing and reviewing all medical bills and paying all properly adjusted medical bills in a timely and accurate manner.
- K. Paying mileage or medical reimbursements to injured workers.

- L. Paying temporary disability compensation when appropriate to do so or advising the CITY of the need to adjust payroll records when salary continuation is applicable.
- M. Arranging medical exams in conformance with State law to determine whether an injured worker's medical condition is permanent and stationary (reached Maximum Medical Improvement/MMI) and what, if any, permanent disability exists.
- N. Paying the permanent disability compensation in accordance with the law. Permanent disability will be paid as either an advance or awarded benefits. Estimates of permanent disability will be communicated to CITY and defense counsel prior to settlement being initiated. Payments would be based on the percent of disability supported by medical information and at the statutory rate and frequency required. FIRM shall also prepare and issue the permanent disability compensation notices.
- O. Arranging for attorney representation of the CITY whenever the need arises. With the prior consent of CITY, FIRM shall recommend referral of a case for defense legal representation when appropriate. FIRM shall not relinquish control or management of the claim to defense counsel, but shall coordinate defense counsel on legal issues only.
- P. Monitoring attorneys and assisting them in preparing cases. FIRM shall keep CITY informed of developments in litigated cases by way of copying CITY on significant correspondence such as but not limited to hearing reports, deposition summaries, case evaluations, and settlement documents, and or (Claims Management Review Forms). Case status updates will also be provided via the -annual litigated claims reviews. Text from attorney correspondence is to be pasted into the body of an email with an attachment of the digital file.
- Q. Auditing and paying legal expenses.
- R. Arranging for vocational rehabilitation services when appropriate, monitoring vocational rehabilitation consultants and assisting them as necessary.
- S. Auditing and paying vocational rehabilitation expenses.
- T. Preparing and issuing Supplemental Job Displacement Benefits (SJDB) notices and benefits.
- U. FIRM shall submit written request to CITY to utilize Nurse Case Management

services on specific claims basis. FIRM shall recommend or include recommended service provider for each specific claim, subject to CITY approval. FIRM shall pay such services costs to the service provider directly as an allocated expense charged against the claim file.

- V. Pursuing subrogation when there is a viable third party.
- W. Notifying the CITY and excess insurers of all claims which exceed or may exceed the self-insurance retention; maintaining a liaison between the CITY and their excess insurers on matters affecting the handling of such claims and arranging for reimbursement to the CITY of losses in excess of its self-insurance retention.
- X. Obtaining settlement authority and negotiating settlement on appropriate claims (subject to City approval). FIRM shall submit a written request for settlement approval to CITY's Workers' Compensation Office on any and all proposed settlements. This request shall include a brief history of the injury, the ratings of all pertinent medical reports, the amounts paid and reserved on the claim, the proposed settlement, the FIRM's recommendation and the pros and cons of the proposed settlement including an estimate of future cost or consequences if CITY rejects proposed settlement.
- Y. Attending all hearings that are required by law.
- Z. Closing claim files when appropriate to do so.

6. CLAIMS ADMINISTRATION – FUTURE MEDICAL CLAIMS OF FORMER EMPLOYEES: The FIRM shall all have the authority and responsibility to provide claims administration services for all future medical claims involving former City employees. These services shall include:

- A. Establishing an electronic claim file and computer database record of all future medical claims involving former employees.
- B. Setting and updating reserves.
- C. Having contact with former employees when required.
- D. Arranging for investigation if applicable.
- E. Determining compensability.
- F. Preparing and issuing benefit notices, if applicable.
- G. Arranging for medical treatment and medical services from clinics, facilities,

pharmacies, hospitals, specialists, and other vendors as necessary.

- H. Performing all utilization review services; communicating decisions to approve, modify, delay or deny medical treatment in accordance with State law.
- I. Auditing and reviewing all medical bills and paying all properly adjusted medical bills in a timely and accurate manner.
- J. Paying mileage or medical reimbursements to injured workers.
- K. Auditing and paying legal expenses.
- L. Obtaining settlement authority and negotiating settlement on appropriate claims (subject to City approval).
- M. Closing claim files when appropriate to do so.

7. OBLIGATIONS OF THE CITY: The CITY shall:

- A. Submit all information and reports of work incidents and work injuries to the FIRM in a timely manner not to exceed 24 hours of the CITY's knowledge of the incident or injury. Should the information/reports result in a non-claim file, a claim file will not be created or billed for as described herein.
- B. Respond to the FIRM's requests for information and authority within five days of such requests.
- C. Provide information that is accurate and is in a form specified by the FIRM.
- D. Grant settlement authority to the FIRM in advance of WCAB, Rehabilitation, and legal hearings, or be available by phone or in person during same.

8. CHECKING ACCOUNT: The CITY and the FIRM agree that:

- A. The CITY shall establish and maintain a checking account from which all Workers' Compensation benefits and expenses are to be paid.
- B. The FIRM shall prepare checks and issue those checks directly to payees without delay.
- C. The FIRM shall sign checks with a facsimile signature or manually.
- D. The FIRM shall secure checks in a locked area accessible to a limited number of personnel.
- E. The CITY shall maintain an adequate balance in their checking account to meet all Workers' Compensation obligations without delay.

- F. The checking account may be used to pay penalties in which case the FIRM shall reimburse the CITY within fifteen (15) working days for any amount of the penalty which the FIRM caused. FIRM shall establish and strictly follow procedures to ensure the secure storage, processing, accounting, and issuance of claims checks written on behalf of ITY.

9. **ELECTRONIC DATA PROCESSING:** The FIRM shall provide the CITY with electronic data processing services, including online access to claims management system that will allow for the production of loss experience and transaction reports within ten (10) days following the close of each calendar month.

10. **REGULATORY REPORTING:** The FIRM shall prepare all reports required by State and Federal regulatory agencies (if any) in connection with the Program, including the Self-Insurer's Annual Report required by the Department of Self-Insurance Plans.

11. **RECORDS:** The FIRM shall establish and maintain electronic claim files, claim logs, transaction documents and all other records associated with the Program. These records shall be the property of the CITY. Unless this Agreement is cancelled, closed hard files, if any, shall be stored by the FIRM for five (5) years from date of closure and shall thereafter become the responsibility of the CITY. Upon cancellation of this Agreement, the CITY shall be responsible for maintaining and storing all data, records, etc. The FIRM shall not dispose of or destroy hard files, if any, without the prior, written authorization of the CITY. The FIRM shall provide to CITY, at no additional cost, within ten (10) business days of the date of termination of the resulting Agreement, all claims, reports, files and an electronic copy of City's self-insured Workers' Compensation program in a computer program compatible with the new administrator's computer system. FIRM shall destroy all claim records by shredding at the direction of CITY. There will be no additional cost to CITY for destruction of claim records. FIRM shall provide and preview with CITY a list of all records and/or files proposed for destruction.



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