

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



**ITEM: 3.14
(ID # 19162)**

MEETING DATE:
Tuesday, June 21, 2022

FROM : HUMAN RESOURCES:

SUBJECT: HUMAN RESOURCES: Approve the Service Agreement with CorVel Healthcare Corporation for Workers Compensation Medical Bill Review and Managed Care Services for up to \$510,000 annually for five (5) years with two five (5) year renewal options; All Districts. [\$7,650,000 and up to 10% in additional compensation, 100% Workers Compensation and General Liability Fund]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve the Service Agreement with CorVel Healthcare Corporation for Workers Compensation Medical Bill Review and Managed Care Services for up to \$510,000 annually for five (5) years with two five (5) year renewal options for a total of up to \$7,650,000 through June 30, 2037; and
2. Authorize the Chair of the Board to sign three (3) copies of the Agreement, and the Clerk to retain one and return two to Human Resources for distribution; and
3. Authorize the Purchasing Agent, in accordance with Ordinance No. 459, based on the availability of fiscal funding, and approved as to form by County Counsel to: (a) Sign amendments that exercise the options of the agreement including modifications of the statement of work that stay within the intent of the Agreement; and (b) Sign amendments to the compensation provisions that do not exceed ten percent (10%) of the total annual cost.

ACTION:

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Perez, seconded by Supervisor Washington and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Jeffries, Spiegel, Washington, Perez and Hewitt
Nays: None
Absent: None
Date: June 21, 2022
xc: H.R.

Kecia R. Harper
Clerk of the Board

By: Deputy

**SUBMITTAL TO THE BOARD OF SUPERVISORS COUNTY OF RIVERSIDE,
STATE OF CALIFORNIA**

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$ 0	\$ 510,000	\$ 7,650,000	
NET COUNTY COST	\$ 0	\$ 0	\$ 0	
SOURCE OF FUNDS: Workers Comp and General Liability Funds			Budget Adjustment: No	
			For Fiscal Year: 2023-2037	

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

On March 17, 2009 (Agenda Item 3.34), the Board approved an investment in iVOS real time software for Workers Compensation claims management that was necessary to comply with state and federal mandated requirements for electronic filing, to support receipt and retention of protected health information, to integrate and streamline disability management and safety initiatives, and to control litigation costs.

Medical bill review is a step in the Workers Compensation claim process that ensures the amount charged for a medical service is reasonable. With iVOS, medical bills are scanned directly into the system and attached to and stored with the appropriate claim. This iVOS function reduces cost on each individual bill reviewed and saves time in data entry.

These motions seek approval to contract directly with CorVel, a medical bill review provider whose platform integrates with iVOS.

The County already contracts with CorVel to provide state mandated Workers Compensation managed care 24-hour first notice of loss and early intervention, and medical provider network access services. These services are being combined with the additional Medical Bill Review Services, a new single Agreement was created.

Prev. Agn. Ref.: 03/17/09 3.34; 12/04/18 3.33

Impact on Residents and Businesses

For Medical Bill Review, there is no expected impact on citizens or private businesses as these services simply ensure amounts charged for medical service are in accordance with contracted rates.

For Managed Care, these services support the timely care and treatment of injured workers throughout the County so they may return to productive lives both on and off the job and essential services provided by the County are minimally disrupted.

**SUBMITTAL TO THE BOARD OF SUPERVISORS COUNTY OF RIVERSIDE,
STATE OF CALIFORNIA**

Additional Fiscal Information

For Medical Bill Review, the annual spend is an estimated \$360,000. These services result in net savings to the County. During fiscal year 2021 alone, reductions in medical bill costs as a result of review services amounted to \$696,167, of which the County paid \$334,827 in review service fees, for a net savings of \$361,340.

For Managed Care Services, the annual spend is an estimated \$150,000. In 2018 the contract for these services was made for a not to exceed amount of \$50,000. Since then, the number of claims per month has steadily increased along with the workforce of the County. The total estimated annual costs are now as follows:

Description	Monthly Est. Qty.	Rate (ea.)	Monthly Total Est.	Annual Total Est.
Calls/Claims Per Month	188	\$ 50	\$ 9,400	\$ 112,800
MPN	1	\$ 2,000	\$ 2,000	\$ 24,000
OSHA Trigger Notification	1	\$ 500	\$ 500	\$ 6,000
				\$ 142,800

Contract History and Price Reasonableness

For Bill Review:

On July 3, 2007 (Agenda Item 3.20), the Board approved an award to CorVel for Workers Compensation medical provider network access, bill review, and first report of injury services. With the 2009 investment in iVOS, which included bill review from the same provider, the County cancelled its bill review services from CorVel.

Effective August 29, 2014, the County consented to a name change of the iVOS software provider to Ventiv Technology, Inc. Ventiv then subcontracted their bill review services to a third-party vendor - Mitchell International. On December 4, 2018 (Agenda Item 3.33), the Board approved a 5-year extension of the Ventiv Technology agreement.

The Purchasing Department, on behalf of the Human Resources Workers Compensation division, issued Request for Proposal (RFP) #HRARC-086 on September 2, 2021. The notification was sent to five vendors and advertised publicly on the Purchasing website RivcoPRO portal. On September 13, 2021, a pre-proposal meeting was conducted attended by nine potential bidders. Eight responses to the solicitation were received. On January 25, 2022, pre-award demonstrations were provided by the top four bidders. On March 9, 2022, a Request for Clarification and Best and Final Offer was issued to CorVel. They reduced their per bill rate by \$1, saving the County an additional estimated \$22,000 per year and agreed to only charge the duplicate bill fee once no matter how many times they receive the same bill.

The County finds the \$5.95 per bill and flat 15% of savings reasonable considering the County currently pays \$6.50 per bill and between 23 and 28 percent of savings for bill review. CorVel is able to provide lower rates because they have their own proprietary medical provider network.

**SUBMITTAL TO THE BOARD OF SUPERVISORS COUNTY OF RIVERSIDE,
STATE OF CALIFORNIA**

The County expects to save over \$100,000 annually based on the reduced percentage of savings.

For Managed Care Services:

The Purchasing Department, on behalf of the Human Resources Department, issued Request for Proposal (RFP) #HRARC-067 on March 3, 2016. The notification was sent to six (6) vendors and advertised on the County's internet site. Four (4) responses to the solicitation were received. On May 16, 2016, a Request for Clarification was issued and one bidder was found not to meet the County's specifications.

From all responding bidders, costs ranged from \$50 to \$155 per claim, \$2,000 to \$12,000 monthly MPN fee, and \$500 to \$3,500 monthly OSHA Trigger Notification Fee. CorVel Healthcare Corporation was awarded as the lowest responsive responsible bidder and has not raised their fees since.

For the above reasons, approval of the attached Agreement is being requested, which would increase and extend the terms of the preceding agreement for Managed Care Services with CorVel.

ATTACHMENT A. CorVel Agreement 2022


Suzanna Hickley, Assistant Director of Purchasing and Fleet Service

5/25/2022


Cynthia M. Gurzel, Chief Deputy County Counsel

6/6/2022

SERVICE AGREEMENT

for

**WORKERS COMPENSATION MEDICAL BILL REVIEW
AND MANAGED CARE SERVICES**

between

COUNTY OF RIVERSIDE

and

CORVEL HEALTHCARE CORPORATION



TABLE OF CONTENTS

<u>SECTION HEADING</u>	<u>PAGE NUMBER</u>
1. Description of Services.....	3
2. Period of Performance.....	3
3. Compensation.....	3
4. Alteration or Changes to the Agreement	5
5. Termination	5
6. Ownership/Use of Contract Materials and Products	6
7. Conduct of Contractor	7
8. Inspection of Service: Quality Control/Assurance	7
9. Independent Contractor/Employment Eligibility	8
10. Subcontract for Work or Services	9
11. Disputes	9
12. Licensing and Permits	10
13. Use by Other Political Entities	10
14. Non-Discrimination	10
15. Records and Documents	10
16. Confidentiality	10
17. Administration/Contract Liaison.....	11
18. Notices.....	11
19. Force Majeure.....	12
20. EDD Reporting Requirements.....	12
21. Hold Harmless/Indemnification	12
22. Insurance	13
23. General	16
Signature Page.....	18
Exhibit A-Scope of Work.....	19
Exhibit B-Payment Provisions	27
Exhibit C-CareMC License Agreement	29

This Service Agreement is made and entered into this 21 day of JUNE 2022 by and between **CorVel Healthcare Corporation, a California corporation**, (herein referred to as "CONTRACTOR"), and the COUNTY OF RIVERSIDE, a political subdivision of the State of California, (herein referred to as "COUNTY"). COUNTY and CONTRACTOR are collectively referred to herein as the "Parties", and individually as the "Party". The Parties agree as follows:

1. Description of Services

1.1 CONTRACTOR shall provide all services as outlined and specified in Exhibit A, Scope of Work, at the prices stated in Exhibit B, Payment Provisions.

1.2 COUNTY agrees to those conditions in **Exhibit C, CareMC License Agreement**, that do not conflict with the terms of this Agreement. In the event of any conflict between the conditions in Exhibit C and the terms of this Agreement, the terms of this Agreement shall govern and control.

1.3 CONTRACTOR represents that it has the skills, experience, and knowledge necessary to perform under this Agreement and the COUNTY relies upon this representation. CONTRACTOR shall perform to the satisfaction of the COUNTY and in conformance to and consistent with the highest standards of firms/professionals in the same discipline in the State of California.

1.4 CONTRACTOR affirms that it is fully apprised of all of the work to be performed under this Agreement; and the CONTRACTOR agrees it can properly perform this work at the prices stated in Exhibit B. CONTRACTOR is not to perform services or provide products outside of the Agreement.

1.5 Acceptance by the COUNTY of the CONTRACTOR's performance under this Agreement does not operate as a release of CONTRACTOR's responsibility for full compliance with the terms of this Agreement.

2. Period of Performance

2.1 This Agreement shall be effective upon signature of this Agreement by both Parties and continues in effect through **June 30, 2027**, unless terminated earlier, **with two five-year renewal options**. The County also reserves the right to exercise an option to temporarily extend the Agreement term for up to one hundred eighty (180) calendar days, for any reason.

2.2 CONTRACTOR shall commence performance upon signature of this Agreement by both Parties and shall diligently and continuously perform thereafter. The Riverside County Board of Supervisors is the only authority that may obligate the County for a non-cancelable multi-year agreement.

3. Compensation

3.1 The COUNTY shall pay the CONTRACTOR for services performed, products provided and expenses incurred in accordance with the terms of Exhibit B, Payment Provisions. Maximum payments by COUNTY to CONTRACTOR shall not exceed **\$510,000 (\$360,000 for Bill Review and \$150,000 for**

Managed Care Services) (per fiscal year July 1 through June 30) annually including all expenses. The COUNTY is not responsible for any fees or costs incurred above or beyond the contracted amount and shall have no obligation to purchase any specified amount of services or products. Unless otherwise specifically stated in Exhibit B, COUNTY shall not be responsible for payment of any of CONTRACTOR's expenses related to this Agreement.

3.2 No price increases will be permitted during the first year of this Agreement. All price decreases (for example, if CONTRACTOR offers lower prices to another governmental entity) will automatically be extended to the COUNTY. The COUNTY requires written proof satisfactory to COUNTY of cost increases prior to any approved price adjustment. After the first year of the award, a minimum of 30-days advance notice in writing is required to be considered and approved by COUNTY. No retroactive price adjustments will be considered. Any price increases must be stated in a written amendment to this Agreement. The net dollar amount of profit will remain firm during the period of the Agreement. Annual increases shall not exceed the **percentage change in Consumer Price Index- All Consumers, All Items - Riverside-San Bernardino-Ontario, CA for the immediately preceding twelve (12) month period January through January** and be subject to satisfactory performance review by the COUNTY and approved (if needed) for budget funding by the Board of Supervisors.

3.3 CONTRACTOR shall be paid only in accordance with an invoice submitted to COUNTY by CONTRACTOR within fifteen (15) days from the last day of each calendar month, and COUNTY shall pay the invoice thirty (30) calendar days from the invoice date. Payment shall be made to CONTRACTOR only after services have been rendered or delivery of materials or products, and acceptance has been made by COUNTY (with such acceptance not to be unreasonably withheld or delayed). For this Agreement, send original invoices to:

Riverside County Human Resources
4080 Lemon Street 7th Floor
Riverside, CA 92501
HRFinance@rivco.org

- a) Each invoice shall contain a minimum of the following information: invoice number and date; remittance address; bill-to and ship-to addresses of ordering department/division; Agreement number (**HRARC-95238-001-06/32**); quantities; item descriptions, unit prices, extensions, sales/use tax if applicable, and an invoice total.
- b) Invoices shall be rendered monthly in arrears, unless otherwise stated in Exhibit B.

3.4 The COUNTY obligation for payment of this Agreement beyond the current fiscal year end is contingent upon and limited by the availability of COUNTY funding from which payment can be made. In the State of California, Government agencies are not allowed to pay excess interest and late charges, per Government Code, section 926.10. No legal liability on the part of the COUNTY shall arise for payment beyond June 30 of each calendar year unless funds are made available for such payment. In the event that

such funds are not forthcoming for any reason, COUNTY shall immediately notify CONTRACTOR in writing; and this Agreement shall be deemed terminated, have no further force, and effect.

4. Alteration or Changes to the Agreement

4.1 The Board of Supervisors and the COUNTY Purchasing Agent and/or his or her designee is the only authorized COUNTY representatives who may at any time, by written order, alter this Agreement.

4.2 Any claim by the CONTRACTOR for additional payment related to this Agreement shall be made in writing by the CONTRACTOR within 30 days of when the CONTRACTOR has or should have notice of any actual or claimed change in the work, which results in additional and unanticipated cost to the CONTRACTOR. If the COUNTY Purchasing Agent decides that the facts provide sufficient justification, the COUNTY Purchasing Agent may authorize additional payment to the CONTRACTOR pursuant to the claim. Nothing in this section shall excuse the CONTRACTOR from proceeding with performance of this Agreement even if there has been a change.

5. Termination

5.1. COUNTY may terminate this Agreement without cause upon thirty (30) days written notice served upon the CONTRACTOR stating the extent and effective date of termination.

5.2 CONTRACTOR may, after the first year of this Agreement and upon ninety (90) days written notice to the COUNTY, terminate this Agreement due to documented additional and unanticipated cost to the CONTRACTOR if COUNTY Purchasing Agent and CONTRACTOR are unable to agree upon an equitable adjustment.

5.3 COUNTY may, upon five (5) days written notice terminate this Agreement for CONTRACTOR's default, if CONTRACTOR refuses or fails to comply with the terms of this Agreement or fails to make progress that may endanger performance and does not immediately cure such failure within fifteen (15) business days after receipt of such notice. In the event of such termination, the COUNTY may proceed with the work in any manner deemed proper by COUNTY.

5.4 After receipt of the notice of termination, CONTRACTOR shall:

- (a) Continue with the work in good faith until the date specified in the notice of termination and then stop all work under the Agreement; and
- (b) Transfer to COUNTY and deliver in the manner as directed by COUNTY any materials, reports, or other products which, if the Agreement had been completed or continued, would have been required to be furnished to COUNTY.

5.5 If notice of termination includes a transition close-out period, CONTRACTOR shall:

- (a) Continue delivering services in all geographic areas currently served in Riverside County until notified otherwise; and

- (b) Assist the COUNTY in the orderly transition and transfer of all collaborations and committees to the COUNTY and subsequent Contractor(s); and
- (c) Provide, in a timely manner, all files and information deemed necessary by the COUNTY for use in subsequent contracting activities without additional cost to the COUNTY or the new Contractor(s); and
- (d) Cooperate with the COUNTY during a transition close-out period to ensure orderly and seamless delivery of services.

5.6 After termination, COUNTY shall make payment only for CONTRACTOR's performance up to the date of termination in accordance with this Agreement.

5.7 CONTRACTOR's rights under this Agreement shall terminate (except for fees accrued prior to the date of termination) upon dishonesty or a willful or material breach of this Agreement by CONTRACTOR; or in the event of CONTRACTOR's unwillingness or inability for any reason whatsoever to perform the terms of this Agreement. In such event, CONTRACTOR shall not be entitled to any further compensation under this Agreement.

5.8 If the Agreement is federally or State funded, CONTRACTOR cannot be debarred from the System for Award Management (SAM). CONTRACTOR must notify the COUNTY immediately of a debarment. Reference: System for Award Management (SAM) at <https://www.sam.gov> for Central Contractor Registry (CCR), Federal Agency Registration (FedReg), Online Representations and Certifications Application (ORCA), and Excluded Parties List System (EPLS) (<http://www.epls.gov>) (Executive Order 12549, 7 CFR Part 3017, 45 CFR Part 76, and 44 CFR Part 17). The System for Award Management (SAM) is the Official U.S. Government system that consolidated the capabilities of CCR/FedReg, ORCA, and EPLS.

5.9 The rights and remedies of COUNTY provided in this section shall not be exclusive and are in addition to any other rights and remedies provided by law or this Agreement.

6. Ownership/Use of Contract Deliverables

The CONTRACTOR agrees that all items tangible or intangible produced by CONTRACTOR for which CONTRACTOR has been compensated by COUNTY pursuant to this Agreement and in performance of the services specified in Exhibit A ("Deliverables") shall be the sole property of the COUNTY. The Deliverables exclude pre-existing CONTRACTOR intellectual property. The Deliverables may be used by the COUNTY for any purpose that the COUNTY deems to be appropriate, including, but not limited to, duplication and/or distribution within the COUNTY or to third parties. CONTRACTOR agrees not to release or circulate in whole or part such Deliverables without prior written authorization of the COUNTY.

7. Conduct of Contractor

7.1 The CONTRACTOR covenants that it presently has no interest, including, but not limited to, other projects or contracts, and shall not acquire any such interest, direct or indirect, which would conflict in any manner or degree with CONTRACTOR's performance under this Agreement. The CONTRACTOR further covenants that no person or subcontractor having any such interest shall be employed or retained by CONTRACTOR under this Agreement. The CONTRACTOR agrees to inform the COUNTY of all the CONTRACTOR's interests, if any, which are or may be perceived as incompatible with the COUNTY's interests.

7.2 The CONTRACTOR shall not, under circumstances which could be interpreted as an attempt to influence the recipient in the conduct of his/her duties, accept any gratuity or special favor from individuals or firms with whom the CONTRACTOR is doing business or proposing to do business, in accomplishing the work under this Agreement.

7.3 The CONTRACTOR or its employees shall not offer gifts, gratuity, favors, and entertainment directly or indirectly to COUNTY employees.

8. Inspection of Service; Quality Control/Assurance

8.1 All performance (which includes services, workmanship, materials, supplies and equipment furnished or utilized in the performance of this Agreement) shall be subject to inspection and test by the COUNTY or other regulatory agencies **upon advance notice** at all times. The CONTRACTOR shall provide adequate cooperation to any inspector or other COUNTY representative to permit him/her to determine the CONTRACTOR's conformity with the terms of this Agreement. **It is agreed that COUNTY shall not be allowed access to test, audit or review CONTRACTOR'S systems, systems facilities, or system policies, processes, or procedures.** If any services performed or products provided by CONTRACTOR are not materially in conformance with the terms of this Agreement, the COUNTY shall have the right to require the CONTRACTOR to perform the services or provide the products in conformance with the terms of the Agreement at no additional cost to the COUNTY. When the services to be performed or the products to be provided are of such nature that the difference cannot be corrected, the COUNTY shall have the right to: (1) require the CONTRACTOR immediately to take all necessary steps to ensure future performance in conformity with the terms of the Agreement; and/or (2) reduce the Agreement price to reflect the reduced value of the services performed or products provided. If CONTRACTOR fails to promptly remedy a material defect or to take the necessary action to ensure future performance in conformity with the terms of the Agreement, the COUNTY may terminate this Agreement for default and charge to CONTRACTOR costs incurred by the COUNTY because of the CONTRACTOR's failure to perform.

8.2 CONTRACTOR shall establish adequate procedures for self-monitoring and quality control and assurance to ensure proper performance under this Agreement; and shall permit a COUNTY representative or other regulatory official to monitor, assess, or evaluate CONTRACTOR's performance under this Agreement at any time, upon reasonable notice to the CONTRACTOR.

9. Independent Contractor/Employment Eligibility

9.1 The CONTRACTOR is, for purposes relating to this Agreement, an independent contractor and shall not be deemed an employee of the COUNTY. It is expressly understood and agreed that the CONTRACTOR (including its employees, agents, and subcontractors) shall in no event be entitled to any benefits to which COUNTY employees are entitled, including but not limited to overtime, any retirement benefits, worker's compensation benefits, and injury leave or other leave benefits. There shall be no employer-employee relationship between the Parties; and CONTRACTOR shall hold COUNTY harmless from any and all claims that may be made against COUNTY based upon any contention by a third party that an employer-employee relationship exists by reason of this Agreement. It is further understood and agreed by the Parties that CONTRACTOR in the performance of this Agreement is subject to the control or direction of COUNTY merely as to the results to be accomplished and not as to the means and methods for accomplishing the results.

9.2 CONTRACTOR warrants that it shall make its best effort to fully comply with all federal and state statutes and regulations regarding the employment of aliens and others and to ensure that employees performing work under this Agreement meet the citizenship or alien status requirement set forth in federal statutes and regulations. CONTRACTOR shall obtain, from all employees performing work hereunder, all verification and other documentation of employment eligibility status required by federal or state statutes and regulations including, but not limited to, the Immigration Reform and Control Act of 1986, 8 U.S.C. §1324 et seq., as they currently exist and as they may be hereafter amended. CONTRACTOR shall retain all such documentation for all Covered Individuals, for the period prescribed by the law. "Covered Individuals" are CONTRACTOR's employees performing work under this Agreement.

9.3 Ineligible Person shall be any individual or entity who: Is currently excluded, suspended, debarred or otherwise ineligible to participate in the federal health care programs; or has been convicted of a criminal offense related to the provision of health care items or services and has not been reinstated in the federal health care programs after a period of exclusion, suspension, debarment, or ineligibility.

9.4 CONTRACTOR shall screen prospective Covered Individuals prior to hire or engagement. CONTRACTOR shall not hire or engage any Ineligible Person to provide services directly relative to this Agreement. CONTRACTOR shall screen all current Covered Individuals within sixty (60) days of execution of this Agreement to ensure that they have not become Ineligible Persons unless CONTRACTOR has performed such screening on same Covered Individuals under a separate agreement with COUNTY within

the past six (6) months. Covered Individuals shall be required to disclose to CONTRACTOR immediately any debarment, exclusion or other event that makes the Covered Individual an Ineligible Person. CONTRACTOR shall notify COUNTY within five (5) business days after it becomes aware if a Covered Individual providing services directly relative to this Agreement becomes debarred, excluded or otherwise becomes an Ineligible Person.

9.5 CONTRACTOR acknowledges that Ineligible Persons are precluded from providing federal and state funded health care services by contract with COUNTY in the event that they are currently sanctioned or excluded by a federal or state law enforcement regulatory or licensing agency. If CONTRACTOR becomes aware that a Covered Individual has become an Ineligible Person, CONTRACTOR shall remove such individual from responsibility for, or involvement with, COUNTY business operations related to this Agreement.

9.6 CONTRACTOR shall notify COUNTY within five (5) business days if a Covered Individual or entity is currently excluded, suspended or debarred, or is identified as such after being sanction screened. Such individual or entity shall be promptly removed from participating in any activity associated with this Agreement.

10. Subcontract for Work or Services

No contract shall be made by the CONTRACTOR with any other party for furnishing any of the work or services under this Agreement without the prior written approval of the COUNTY; but this provision shall not require the approval of contracts of employment between the CONTRACTOR and personnel assigned under this Agreement, or for Parties named in the proposal and agreed to under this Agreement.

11. Disputes

11.1 The Parties shall attempt to resolve any disputes amicably at the working level. If that is not successful, the dispute shall be referred to the senior management of the Parties. Any dispute relating to this Agreement, which is not resolved by the Parties, shall be decided by the COUNTY's Purchasing Department's Compliance Contract Officer who shall furnish the decision in writing. The decision of the COUNTY's Compliance Contract Officer shall be final and conclusive unless determined by a court of competent jurisdiction to have been fraudulent, capricious, arbitrary, or so grossly erroneous to imply bad faith. The CONTRACTOR shall proceed diligently with the performance of this Agreement pending the resolution of a dispute.

11.2 Prior to the filing of any legal action related to this Agreement, the Parties shall be obligated to attend a mediation session in Riverside County before a neutral third-party mediator. A second mediation session shall be required if the first session is not successful. The Parties shall equally share the cost of the mediations.

12. Licensing and Permits

CONTRACTOR shall comply with all State or other licensing requirements, including but not limited to California Penal Code section 11102.1, and any applicable provisions of the Business and Professions Code. All licensing requirements shall be met at the time proposals are submitted to the COUNTY. CONTRACTOR warrants that it has all necessary permits, approvals, certificates, waivers and exemptions necessary for performance of this Agreement as required by the laws and regulations of the United States, the State of California, the County of Riverside and all other governmental agencies with jurisdiction, and shall maintain these throughout the term of this Agreement.

13. Use by Other Political Entities

The CONTRACTOR agrees to extend the same pricing, terms, and conditions as stated in this Agreement to each and every political entity, special district, and related non-profit. It is understood that other entities shall make purchases in their own name, make direct payment, and be liable directly to the CONTRACTOR; and COUNTY shall in no way be responsible to CONTRACTOR for other entities' purchases.

14. Non-Discrimination

CONTRACTOR shall not discriminate in the provision of services, allocation of benefits, accommodation in facilities, or employment of personnel on the basis of ethnic group identification, race, religious creed, color, national origin, ancestry, physical handicap, medical condition, marital status or sex in the performance of this Agreement; and, to the extent they shall be found to be applicable hereto, shall comply with the provisions of the California Fair Employment and Housing Act (Gov. Code 12900 et. seq), the Federal Civil Rights Act of 1964 (P.L. 88-352), the Americans with Disabilities Act of 1990 (42 U.S.C. S1210 et seq.) and all other applicable laws or regulations.

15. Records and Documents

CONTRACTOR shall make available, upon written request by any duly authorized Federal, State, or COUNTY agency, a copy of this Agreement and such books, documents and records as are necessary to certify the nature and extent of the CONTRACTOR's costs related to this Agreement. All such books, documents and records shall be maintained by CONTRACTOR for at least five years following termination of this Agreement and be available for audit by the COUNTY. CONTRACTOR shall provide to the COUNTY reports and information related to this Agreement as requested by COUNTY.

16. Confidentiality

16.1 The CONTRACTOR shall not use for personal gain or make other improper use of privileged or confidential information which is acquired in connection with this Agreement. The term "privileged or confidential information" includes but is not limited to: unpublished or sensitive technological or scientific

information; medical, personnel, or security records; anticipated material requirements or pricing/purchasing actions; COUNTY information or data which is not subject to public disclosure; COUNTY operational procedures; and knowledge of selection of contractors, subcontractors or suppliers in advance of official announcement.

16.2 The CONTRACTOR shall protect from unauthorized disclosure names and other identifying information concerning persons receiving services pursuant to this Agreement, except for general statistical information not identifying any person. The CONTRACTOR shall not use such information for any purpose other than carrying out the CONTRACTOR's obligations under this Agreement. The CONTRACTOR shall promptly transmit to the COUNTY all third-party requests for disclosure of such information. The CONTRACTOR shall not disclose, except as otherwise specifically permitted by this Agreement or authorized in advance in writing by the COUNTY, any such information to anyone other than the COUNTY. For purposes of this paragraph, identity shall include, but not be limited to, name, identifying number, symbol, or other identifying particulars assigned to the individual, such as finger or voice print or a photograph.

17. Administration/Contract Liaison

The COUNTY Purchasing Agent, or designee, shall administer this Agreement on behalf of the COUNTY. The Purchasing Department is to serve as the liaison with CONTRACTOR in connection with this Agreement.

18. Notices

All correspondence and notices required or contemplated by this Agreement shall be delivered to the respective Parties at the addresses set forth below and are deemed submitted two days after their deposit in the United States mail, postage prepaid:

COUNTY OF RIVERSIDE

**Riverside County Human Resources
4080 Lemon Street 7th Floor
Riverside, CA 92501
Attn: HR Finance
Email: HRFinance@rivco.org**

CONTRACTOR

**CorVel Healthcare Corporation
1920 Main St, Ste 900
Irvine, CA 92614
Attn: Legal Department
Email: corporate_legal@corvel.com**

and

**CorVel Healthcare Corporation
1851 E First St, Ste 300
Santa Ana, CA 92705
Attn: Sarah Tait, Account Executive
Email: sarah_tait@corvel.com**

19. Force Majeure

If either Party is unable to comply with any provision of this Agreement due to causes beyond its reasonable control, and which could not have been reasonably anticipated, such as acts of God, acts of war, civil disorders, or other similar acts, such Party shall not be held liable for such failure to comply.

20. EDD Reporting Requirements

In order to comply with child support enforcement requirements of the State of California, the COUNTY may be required to submit a Report of Independent Contractor(s) form **DE 542** to the Employment Development Department. The CONTRACTOR agrees to furnish the required data and certifications to the COUNTY within 10 days of notification of award of Agreement when required by the EDD. This data will be transmitted to governmental agencies charged with the establishment and enforcement of child support orders. Failure of the CONTRACTOR to timely submit the data and/or certificates required may result in the contract being awarded to another contractor. In the event a contract has been issued, failure of the CONTRACTOR to comply with all federal and state reporting requirements for child support enforcement or to comply with all lawfully served Wage and Earnings Assignments Orders and Notices of Assignment shall constitute a material breach of Agreement. If CONTRACTOR has any questions concerning this reporting requirement, please call (916) 657-0529. CONTRACTOR should also contact its local Employment Tax Customer Service Office listed in the telephone directory in the State Government section under "Employment Development Department" or access their Internet site at www.edd.ca.gov.

21. Hold Harmless/Indemnification

21.1 CONTRACTOR shall indemnify and hold harmless the County of Riverside, its Agencies, Districts, Special Districts and Departments, their respective directors, officers, Board of Supervisors, elected and appointed officials, employees, agents and representatives (individually and collectively hereinafter referred to as Indemnitees) from any liability, action, claim or damage whatsoever by a third party, based or asserted upon any services of CONTRACTOR, its officers, employees, subcontractors, agents or representatives (individually and collectively hereinafter referred to as Indemnitors) arising out of or in any way relating to performance of this Agreement by Indemnitors, including but not limited to, property damage, bodily injury, or death, or any other element of any kind or nature. CONTRACTOR shall defend, at its sole expense, all costs and fees including, but not limited to, attorney fees, cost of investigation, defense and settlements or awards, the Indemnitees in any claim or action based upon such alleged acts or omissions.

21.2 With respect to any action or claim subject to indemnification herein by CONTRACTOR, CONTRACTOR shall, at its sole cost, have the right to use counsel of its own choice and shall have the right to adjust, settle, or compromise any such action or claim without the prior consent of COUNTY; provided, however, that any such adjustment, settlement or compromise in no manner whatsoever limits or

circumscribes CONTRACTOR's indemnification to Indemnitees as set forth herein. COUNTY shall cooperate in the defense and settlement of any claims, including mitigation efforts.

21.3 CONTRACTOR's obligation hereunder shall be satisfied when CONTRACTOR has provided to COUNTY the appropriate form of dismissal relieving COUNTY from any liability for the action or claim involved.

21.4 The specified insurance limits required in this Agreement shall in no way limit or circumscribe CONTRACTOR'S obligations to indemnify and hold harmless the Indemnitees herein from third-party claims.

21.5 In the event there is conflict between this clause and California Civil Code Section 2782, this clause shall be interpreted to comply with Civil Code 2782. Such interpretation shall not relieve the CONTRACTOR from indemnifying the Indemnitees to the fullest extent allowed by law.

22. Insurance

22.1 Without limiting or diminishing the CONTRACTOR'S obligation to indemnify or hold the COUNTY harmless, CONTRACTOR shall procure and maintain or cause to be maintained, at its sole cost and expense, the following insurance coverages during the term of this Agreement. As respects to the insurance section only, the COUNTY herein refers to the County of Riverside, its Agencies, Districts, Special Districts and Departments, their respective directors, officers, Board of Supervisors, employees, elected or appointed officials, agents, or representatives as Additional Insureds.

A. Workers' Compensation: If the CONTRACTOR has employees as defined by the State of California, the CONTRACTOR shall maintain statutory Workers' Compensation Insurance (Coverage A) as prescribed by the laws of the State of California. Policy shall include Employers' Liability (Coverage B) including Occupational Disease with limits not less than \$1,000,000 per person per accident. The policy shall be endorsed to waive subrogation in favor of The County of Riverside.

B. Commercial General Liability: Commercial General Liability insurance coverage, including but not limited to, premises liability, unmodified contractual liability, products and completed operations liability, personal and advertising injury, and cross liability coverage, covering claims which may arise from or out of CONTRACTOR'S performance of its obligations hereunder. Policy shall name the COUNTY as Additional Insured. Policy's limit of liability shall not be less than \$2,000,000 per occurrence combined single limit. If such insurance contains a general aggregate limit, it shall apply separately to this agreement or be no less than two (2) times the occurrence limit.

C. Vehicle Liability: If vehicles or mobile equipment are used in the performance of the obligations under this Agreement, then CONTRACTOR shall maintain liability insurance for all owned, non-owned, or hired vehicles so used in an amount not less than \$1,000,000 per occurrence combined single limit. If such insurance

contains a general aggregate limit, it shall apply separately to this agreement or be no less than two (2) times the occurrence limit. Policy shall name the COUNTY as Additional Insureds.

D. Cyber Liability: CONTRACTOR shall procure and maintain for the duration of the contract insurance against claims for injuries to person or damages to property, which may arise from or in connection with the performance of the work hereunder by the CONTRACTOR, its agents, representatives, or employees. CONTRACTOR shall procure and maintain for the duration of the contract insurance for claims arising out of their services including, but not limited to, loss, damage, theft or other misuse of data, infringement of intellectual property, invasion of privacy and breach of data. CONTRACTOR shall procure and maintain for the duration of the contract Cyber Liability Insurance, with limits not less than \$2,000,000 per occurrence or claim, \$2,000,000 aggregate. Coverage shall be sufficiently broad to respond to the duties and obligations as is undertaken by CONTRACTOR in this Agreement and shall include, but not limited to, claims involving infringement of intellectual property, including, but not limited to, infringement of copyright, trademark, trade dress, invasion of privacy violations, information theft, damage to or destruction of electronic information, release of private information, alteration of electronic information, extortion and network security. The policy shall provide coverage for breach response costs as well as regulatory fines and penalties as well as credit monitoring expenses with limits sufficient to respond to these obligations. If the CONTRACTOR maintains broader coverage and/or higher limits than the minimums shown above, the COUNTY requires and shall be entitled to the broader coverage and/or higher limits maintained by the CONTRACTOR. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the COUNTY. Policy shall name the COUNTY as Additional Insureds.

E. General Insurance Provisions - All lines:

1) Any insurance carrier providing insurance coverage hereunder shall be admitted to the State of California and have an A M BEST rating of not less than A: VIII (A:8) unless such requirements are waived, in writing, by the County Risk Manager. If the County's Risk Manager waives a requirement for a particular insurer, such waiver is only valid for that specific insurer and only for one policy term.

2) The CONTRACTOR must declare its insurance self-insured retention for each coverage required herein. If any such self-insured retention exceeds \$500,000 per occurrence, each such retention shall have the prior written consent of the County Risk Manager before the commencement of operations under this Agreement. Upon notification of self-insured retention unacceptable to the COUNTY, and at the election of the County's Risk Manager, CONTRACTOR'S carriers shall either; 1) reduce or eliminate such self-insured retention as respects this Agreement with the COUNTY, or 2) procure a bond which guarantees payment of losses and related investigations, claims administration, and defense costs and expenses.

3) CONTRACTOR shall cause CONTRACTOR'S insurance carrier(s) to furnish the County of Riverside with either 1) a properly executed original Certificate(s) of Insurance and certified original copies of Endorsements effecting coverage as required herein, and 2) if requested to do so orally or in writing by the County Risk Manager, provide original Certified copies of policies including all Endorsements and all attachments thereto, showing such insurance is in full force and effect. Further, said Certificate(s) and policies of insurance shall contain the covenant of the insurance carrier(s) that thirty (30) days written notice shall be given to the County of Riverside prior to any material modification, cancellation, expiration or reduction in coverage of such insurance. If CONTRACTOR'S insurance carrier(s) policy(ies) does(do) not meet the minimum notice requirement found herein, CONTRACTOR shall cause CONTRACTOR'S insurance carrier(s) to furnish a 30-day Notice of Cancellation Endorsement.

4) In the event of a material modification, cancellation, expiration, or reduction in coverage, this Agreement shall terminate forthwith, unless the County of Riverside receives, prior to such effective date, another properly executed original Certificate of Insurance and original copies of endorsements or certified original policies, including all endorsements and attachments thereto evidencing coverages set forth herein and the insurance required herein is in full force and effect. CONTRACTOR shall not commence operations until the COUNTY has been furnished original Certificate(s) of Insurance and certified original copies of endorsements and if requested, certified original policies of insurance including all endorsements and any and all other attachments as required in this Section. An individual authorized by the insurance carrier shall sign the original endorsements for each policy and the Certificate of Insurance.

5) It is understood and agreed to by the Parties hereto that the CONTRACTOR'S insurance shall be construed as primary insurance, and the COUNTY'S insurance and/or deductibles and/or self-insured retentions or self-insured programs shall not be construed as contributory.

6) If, during the term of this Agreement or any extension thereof, there is a material change in the scope of services; or, there is a material change in the equipment to be used in the performance of the scope of work; or, the term of this Agreement, including any extensions thereof, exceeds five (5) years; the COUNTY reserves the right to adjust the types of insurance and the monetary limits of liability required under this Agreement, if in the County Risk Manager's reasonable judgment, the amount or type of insurance carried by the CONTRACTOR has become inadequate.

7) CONTRACTOR shall pass down the insurance obligations contained herein to all tiers of subcontractors working under this Agreement.

8) The insurance requirements contained in this Agreement may be met with (a) program(s) of self-insurance acceptable to the COUNTY.

9) CONTRACTOR agrees to notify COUNTY of any claim by a third party or any incident or event that may give rise to a claim arising from the performance of this Agreement.

23. General

23.1 CONTRACTOR shall not delegate or assign any interest in this Agreement, whether by operation of law or otherwise, without the prior written consent of COUNTY. Any attempt to delegate or assign any interest herein shall be deemed void and of no force or effect. Except to an affiliate upon written notice by CONTRACTOR to the COUNTY.

23.2 Any waiver by COUNTY of any breach of any one or more of the terms of this Agreement shall not be construed to be a waiver of any subsequent or other breach of the same or of any other term of this Agreement. Failure on the part of COUNTY to require exact, full, and complete compliance with any terms of this Agreement shall not be construed as in any manner changing the terms or preventing COUNTY from enforcement of the terms of this Agreement.

23.3 In the event the CONTRACTOR receives payment under this Agreement, which is later disallowed by COUNTY for nonconformance with the terms of the Agreement, the CONTRACTOR shall promptly refund the disallowed amount to the COUNTY on request; or at its option, the COUNTY may offset the amount disallowed from any payment due to the CONTRACTOR.

23.4 CONTRACTOR shall not provide partial delivery or shipment of services or products unless specifically stated in the Agreement.

23.5 CONTRACTOR shall not provide any services or products subject to any chattel mortgage or under a conditional sales contract or other agreement by which an interest is retained by a third party. The CONTRACTOR warrants that it has good title to all materials or products used by CONTRACTOR or provided to COUNTY pursuant to this Agreement, free from all liens, claims, or encumbrances.

23.6 Nothing in this Agreement shall prohibit the COUNTY from acquiring the same type or equivalent equipment, products, materials or services from other sources, when deemed by the COUNTY to be in its best interest. The COUNTY reserves the right to purchase more or less than the quantities specified in this Agreement.

23.7 The COUNTY agrees to cooperate with the CONTRACTOR in the CONTRACTOR's performance under this Agreement, including, if stated in the Agreement, providing the CONTRACTOR with reasonable facilities and timely access to COUNTY data, information, and personnel.

23.8 CONTRACTOR shall comply with all applicable Federal, State and local laws and regulations. CONTRACTOR will comply with all applicable COUNTY policies and procedures. In the event that there is a conflict between the various laws or regulations that may apply, the CONTRACTOR shall comply with the more restrictive law or regulation.

23.9 CONTRACTOR shall comply with all air pollution control, water pollution, safety and health ordinances, statutes, or regulations, which apply to performance under this Agreement.

23.10 CONTRACTOR shall comply with all requirements of the Occupational Safety and Health Administration (OSHA) standards and codes as set forth by the U.S. Department of Labor and the State of California (Cal/OSHA).

23.11 This Agreement shall be governed by the laws of the State of California. Any legal action related to the performance or interpretation of this Agreement shall be filed only in the Superior Court of the State of California located in Riverside, California, and the Parties waive any provision of law providing for a change of venue to another location. In the event any provision in this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions will nevertheless continue in full force without being impaired or invalidated in any way.

23.12 This Agreement, including any attachments or exhibits, constitutes the entire Agreement of the Parties with respect to its subject matter and supersedes all prior and contemporaneous representations, proposals, discussions and communications, whether oral or in writing. This Agreement may be changed or modified only by a written amendment signed by authorized representatives of both Parties.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the Parties hereto have caused their duly authorized representatives to execute this Agreement.

COUNTY OF RIVERSIDE, a political subdivision of the State of California

By: Jeff Hewitt
Jeff Hewitt, Chair
Board of Supervisors

Dated: JUN 21 2022

CorVel Healthcare Corporation, a California corporation

By: Brandon O'Brien
Brandon O'Brien,
Chief Financial Officer

Dated: 6/1/22

ATTEST:
Kecia R. Harper
Clerk of the Board

By: Zuly Martinez
Deputy

and
By: Richard Schweppe
Richard Schweppe,
Assistant Treasurer

APPROVED AS TO FORM:
County Counsel

By: Synthia M. Gunzel
Synthia M. Gunzel,
Chief Deputy County Counsel

CORPORATE SIGNERS: Pursuant to California Corporations Code Section 313, please provide signature of chairperson of the board, president, or any vice president, and the secretary, any assistant secretary, the chief financial officer, or any assistant treasurer. If providing only one signature, please also provide a resolution or other proof of delegated authority that shows signer can legally bind the corporation.

USE OF ELECTRONIC SIGNATURES: This Agreement may be executed in any number of counterparts, each of which will be an original, but all of which together will constitute one instrument. Each Party of this Agreement agrees to the use of electronic or digital signatures that meet the requirements of the California Uniform Electronic Transactions Act ("the Act") Cal. Civ. Code §§ 1633.1-1633.17), for executing this Agreement. The Parties further agree that the electronic or digital signatures of the Parties included in this Agreement are intended to authenticate this writing and to have the same force and effect as manual signatures. The Act authorizes use of an electronic signature for transactions and contracts among Parties in California, including governmental agencies. For purposes of this section, a digital signature is a type of "electronic signature" as defined in subdivision (i) of Section 1633.2 of the Civil Code.

EXHIBIT A
SCOPE OF WORK

1.0 GENERAL REQUIREMENTS FOR MEDICAL BILL REVIEW

- a. CONTRACTOR will provide a complete medical savings solution for all in-network and out-of-network medical bills that includes PPO management, expert fee negotiations, and professional review.
- b. CONTRACTOR and COUNTY will work together to develop strategies, structure, processes and resources for implementation and ongoing account management. The plan will consist of major implementation categories including staffing, data transfer and conversion, communications, personnel, training and information technology. CONTRACTOR will then develop an account management plan which includes special handling instructions to ensure service delivery is tailored to the exact needs and specifications of the COUNTY. The instructions will be reviewed by COUNTY and CONTRACTOR to ensure there is a complete understanding of program deliverables. CONTRACTOR will assign an account manager that will ensure all components of implementation and service delivery are being delivered and expectations are being met. In order to provide COUNTY with an effective program, CONTRACTOR's account manager will also work with COUNTY to create a tailored procedure for the administration of COUNTY's program. CONTRACTOR will work with COUNTY to ensure implementation does not interrupt productivity or cause disruptions during transition.
- c. CONTRACTOR agrees to proactively participate in continuous process improvement initiatives. CONTRACTOR will tailor its solution to meet COUNTY's specific business objectives and program needs. This includes access to CONTRACTOR's analytics team for data trending and analysis, in order to provide recommendations for further program improvement.
- d. CONTRACTOR shall customize Electronic Data Interfaces (EDI) electronically with, but not limited to, the State reporting system, the Workers' Compensation claims solution, and medical providers.
- e. The CONTRACTOR shall work with and fully cooperate with the COUNTY's current claims management solution: Ventiv Claims Enterprise, formerly iVOS, or any other Workers' Compensation vendors—for creating and maintaining interfaces, including but not limited to, implementation fees, electronic data interface, or scanning fees.

2.0 MEDICAL BILL REVIEW REQUIREMENTS

- a. CONTRACTOR will provide workers' compensation medical bill review services that shall include, but are not limited to:
 - (1) mail intake operations, scanning, indexing, imaging and Optical Character Recognition (OCR) operations,
 - (2) application of the Official Medical Fee Schedule (OMFS) for California Workers' Compensation, manual technical review (i.e. level of service adjustments),
 - (3) application of fair and reasonable standards, Preferred Provider Organization (PPO) discounts, Usual and Customary schedules, negotiated rates, and other pricing services.
- b. CONTRACTOR shall identify and correct fee schedule excesses, duplicate charges (full and partial), and billing infractions, and recognize and unbundle service codes as appropriate.

- c. Invoices for scheduled and non-scheduled services as well as inpatient and outpatient hospital services shall be subject to bill review.
- d. CONTRACTOR shall integrate the recommendations of utilization review and physician review findings into its system to manage utilization according to evidence based guidelines. This integration and data exchange shall include application of prospective utilization review determinations as well as identification of treatment requiring formal application of clinical utilization review. The above applies to all types of billings including, but not limited to: medical, legal, treatment or pharmaceutical billings.
- e. The tentative workflow for bills is expected to be as follows:
 - (1) CONTRACTOR receives bills from COUNTY and within 24 hours identifies bills by such fields as claim number, social security number, and/or claimant name.
 - (2) CONTRACTOR shall review and process all bills within 10 days of receipt and send to COUNTY, via Electronic Data Interface (EDI), the imaged copy of the bill and the preliminary Explanation of Benefits/Explanation of Remittance (EOB/EOR) using an interface to the COUNTY claims management system. The bills must be sent at the line item level to the claims management system.
 - (3) CONTRACTOR shall send a file daily with objection letter image files and EOB/EORs to the COUNTY via EDI.
 - (4) CONTRACTOR shall be responsible for reporting partial payments, reconsidered bills, and full payment status to the State of California via EDI.
- f. CONTRACTOR and COUNTY shall develop procedures for other types of review such as those for Rushes (e.g. advance payment) and Review-Only bills (e.g. settlement negotiation) at no additional cost to the COUNTY.
- g. CONTRACTOR shall develop a procedure to handle bills for a union supported Alternative Dispute Resolution program.
- h. CONTRACTOR shall have the capability to report payment information to the State of California as required by the California Department of Industrial Relations, Division of Workers' Compensation, Workers' Compensation Information System (DWC/WCIS) and provide California Electronic Data Interface reporting of all paid billings of all types as well as zero pay billings as outlined in International Association of Industrial Accident Boards and Commissions, ANSI format 837 (IAIABC 837). Any future EDI requirements for communication such as electronic billing and EOB transmittal shall be included in the CONTRACTOR's base bill review proposal. CONTRACTOR shall have the obligation to audit and reconcile the COUNTY payment record with its records.
- i. CONTRACTOR shall receive from and return files to the COUNTY by Secure File Transfer Protocols (SFTP). The return files should comply with the following – iVOS Bill Review Import Specifications:

iVOS Bill Review Import Specifications (eor_ventiv1)
This document contains the file layouts for importing payment and explanation of review (EOR) information from a bill review company into the iVOS system.
Format name: eor_ventiv1
Numeric fields should be right justified with leading zeroes. The decimal point is implicit for all money fields.
Non-monetary number fields can be left justified, space filled. If no value, space filled.

Character fields should be left justified with trailing spaces.
All dates are YYYYMMDD
Files are to be named using the following naming convention. The xxxx in the descriptions below is to be replaced by any prefix that the bill review company wants to use. iVOS Bill Review takes the name provided for the master file and builds the file names of the other files by replacing the Master with the strings shown.
Bill Header file: xxxx master.txt
Bill Detail file: xxxx detail.txt
Reason Codes file: xxxx reason.txt
State Message file: xxxx state.txt
If the Req/Opt setting for the field is blank, the data in that field is not captured in the iVOS system. The field can be left blank. If data is provided, it is ignored.

- j. CONTRACTOR shall be able to process and receive bills from a variety of sources including, but not limited to, the COUNTY, the provider-submitted electronic format, as well as those processed from the Workers' Compensation Electronic Data Interface (WCEDI) system—without further processing or programming from the COUNTY.
- k. CONTRACTOR shall develop an EDI with the COUNTY's current claims management system for both receipt and delivery of bills submitted for review. Should COUNTY implement a new system, CONTRACTOR shall develop a new EDI at no additional cost to the COUNTY.
- l. CONTRACTOR shall provide customer service and quality control personnel to manage and resolve medical provider re-evaluations, inquiries, and complaints.
- m. CONTRACTOR shall own or lease its bill review software.
- n. CONTRACTOR shall upload five (5) years of COUNTY's payment history data, available from the prior bill review contractor, regardless of amount of data or payment date, at no additional cost to the COUNTY.
- o. CONTRACTOR shall have an auditable comprehensive quality control and quality assurance program.
- p. CONTRACTOR shall provide California Lien Trial Support, providing support for trial preparation and/or in person appearance.

3.0 MEDICAL BILL REVIEW TERMS AND CONDITIONS

3.1 Description of Services

- (a) CONTRACTOR's proprietary bill review program enables an application of the appropriate Standard Fee Schedules or usual and customary values, includes PPO, Technical and Clinical Review, and CERiS, applied to provider bills.

3.2 Definitions

Bill (per Bill): Each transaction of a bill is considered a separate per bill count. CONTRACTOR is able to logically link transactions across logical sequences, but each is its own bill transaction.

Clean/Prepared Bill: When the provider charges are deemed to be an accurate reflection of the services rendered based on the provider's documentation. Network Solutions savings such as Clinical Review and Technical Evaluation and other review types can be applied first to the bill for the bill to qualify for the Prepared Bill status. Once at the prepared bill state Standard Fee Schedule savings can be applied.

Clinical Review: An additional level of review performed by nurses, system, or coding experts to evaluate appropriateness, relatedness of submitted charges with provided documentation.

Implant Analysis: Review of implant charges submitted to a proprietary pricing database and documentation. Implant Analysis results are included as part of Clinical Review.

Line Item Bill Review (LIBR):

Out of Network Line Item Bill Review:

- Original charge data
- U&C review by zip code
- Fee re-bundling and error removal
- Separation of charges by diagnosis/procedure
- Facility to facility cost comparison
- Individual facility chargemaster analysis and price trending

Fair and Reasonable - Universal Chargemaster: The Universal Chargemaster is a compilation of individual hospital line item descriptions from over 85% of the nation's hospitals. It is a virtual thesaurus of hospital billing terms, codes and abbreviations. Specific, unique line item descriptions are defined by the Universal Chargemaster and appropriately compared to the same service or supply for other hospitals in the same geographical area.

Minimum Transaction Fee (MTF): For each bill transaction if the fees on a bill transaction instance do not meet the minimum transaction fee amount, the difference between the fees and the min transaction fee will be automatically added to the fees.

Negotiations: A one time or ongoing agreement with the provider to accept a specific payment amount.

PPO Network Access: A preferred provider organization (PPO) is a medical care arrangement in which medical professionals and facilities provide services at a negotiated/contracted rate. PPO medical and healthcare providers are called preferred providers.

Provider Sendback: Sendbacks occurring when a bill instance does not have enough supporting information from the provider to be a Prepared Bill. The bill is sent back to the provider requesting further information.

Standard Fee Schedule: Savings defined as the amount reduced from the Prepared Bill status to the jurisdictional state fee schedule amounts when those amounts are expressly assigned a specific value, not through reference methodologies developed by a third party or federal agency.

Substantive Denials: Sendbacks occur when a bill instance does not have enough supporting information from the provider to be a Prepared Bill. The bill is sent back to the provider requesting further information. If the provider does not provide the necessary supporting information after 90 days of the sendback status all bill savings will be considered Substantive Denial Savings and charged accordingly through an automatic bill instance. If the bill is later submitted through another bill instance with further information from the provider, another review will occur which may reverse all or part of the Substantive Denial savings and fees.

Technical Evaluation: Applicable to bills when reimbursement is not fully addressed in the jurisdictional fee schedule. State regulations may require payment to be made in accordance with payment methodologies developed by a third party (typically the Centers for Medicare and Medicaid Services (CMS)), often with exceptions or special exemptions added by the state.

UCR: "UCR" is defined as :

- Usual – A charge is considered "Usual" if it is the fee that most providers in the area charge for the same service.

- Customary – A charge is considered “Customary” if it is within the range of fees that most providers who practice in the area charge.
- Reasonable – A charge is considered “Reasonable” if it is both usual and customary or if it is justified by the Payor because of complexity. Payor, CONTRACTOR or its designees use a nationally recognized third party database for UCR charges.

In determining UCR prevailing rates, Payors, CONTRACTOR or their designees use either (a) CONTRACTOR’s Enhanced Bill Review database or other nationally recognized databases to provide benchmarks for hospital charges in a hospital Health Care Provider’s geographic area and (b) databases provided by FAIR Health, Inc. or other nationally recognized databases to provide benchmarks for charges by non-hospital Health Care Providers in the applicable geographic area. The UCR prevailing rate is the 80th percentile of the relevant database benchmark for the fees and charges in Provider’s geographic area.

3.3 Delivery of Services

(a) COUNTY’s Obligations

- (i) During the term of this Agreement, unless agreed to otherwise by the Parties in writing, COUNTY shall utilize CONTRACTOR exclusively (even as to COUNTY) for audit, review and repricing services for Bills related to workers’ compensation claims. A breach of the foregoing obligation shall constitute a material breach under this Agreement. Without limiting any other remedies available under law, a breach of the foregoing obligation with respect to PPO (as defined in Schedule 7) Provider Bills will result in immediate termination of all PPO discounts provided by CONTRACTOR.

(b) CONTRACTOR’s Obligations

- (i) CONTRACTOR shall provide Bill Review Services described herein to COUNTY upon receipt of specific requests from COUNTY. In the absence of instructions from COUNTY to the contrary, which CONTRACTOR must approve, Bill Review Services shall be performed as described herein.
- (ii) Bill Review Services shall be completed within a reasonable period of time of CONTRACTOR’s receipt of all necessary billing information from COUNTY (“Complete Billing Information”).
- (iii) To facilitate timely processing CONTRACTOR shall process (A) each Provider Bill within a reasonable period of time and within industry standards after CONTRACTOR’s receipt thereof, and (B) batches of Provider Bills on a daily basis or as volume dictates.
- (iv) CONTRACTOR shall process PPO Provider reimbursements on behalf of COUNTY industry standards from receipt of the corresponding Bill Review Audit analysis from CONTRACTOR.
- (v) CONTRACTOR will be responsible for monitoring, “flagging” and returning to COUNTY duplicate copies of a Bill (“Duplicates”).
- (vi) Any conflicts or complaints from medical providers (“Complaints”) concerning Bill Review Services completed by CONTRACTOR initially will be handled directly by CONTRACTOR. CONTRACTOR will provide an initial response to a Complaint and will send a written response to the complainant that summarizes the nature of the Complaint and the steps CONTRACTOR has taken to resolve it. COUNTY may be asked to interject itself into a Complaint between CONTRACTOR and a medical provider to resolve the Complaint in a manner acceptable to COUNTY and as needed by CONTRACTOR. Notwithstanding the foregoing, COUNTY shall retain full responsibility for payment of all benefits and any other expenses or services required to be paid or provided under applicable policies or state and federal workers’ compensation laws.
- (vii) CONTRACTOR agrees to supply COUNTY in the CONTRACTOR’s standard format a transmission reflecting the results of the Bill Review Services provided hereunder.

- (c) Savings for the Fee schedule or usual and customary service shall be:

- (i) for states having a Standard Fee Schedule: (A) the medical provider's original bill amount; less (B) the billed amount resulting from the allowance based on specified conversion factor(s) multiplied by referenced value(s).
- (ii) for states not having a state mandated Fee Schedule: (A) the medical provider's original bill amount; less (B) the bill amount resulting from UCR.

(d) Scanning Services

- (i) CONTRACTOR will provide Scanning Services and, when appropriate, Optical Character Recognition ("OCR") Services. CONTRACTOR will timely and within industry standards, scan all bills and attached medical notes delivered to CONTRACTOR necessary for providing Bill Review services. Subject to applicable law and obtaining any required authorizations, CONTRACTOR also shall provide Scanning Services for additional claim-related documentation.
- (ii) All material scanned by CONTRACTOR hereunder shall be accessible to COUNTY through CareMC.

3.0 PREFERRED PROVIDER ORGANIZATION (PPO) REQUIREMENTS

- a. CONTRACTOR shall offer a PPO to the COUNTY.
- b. CONTRACTOR shall provide a specialty network of providers to include hospitals, ambulatory surgery centers, medical providers, and all ancillary services with preferred rates that will provide additional savings below the California Official Medical Fee Schedule.
- c. When a PPO discount is not available the CONTRACTOR shall enter into negotiation at no charge to the COUNTY to secure the best possible pricing for the COUNTY.
- d. The physicians that participate in the PPO shall be credentialed and qualified medical providers.
- e. All provider data for CONTRACTOR's ancillary network shall be accurate and up to date. CONTRACTOR shall track all provider-related information in its central National Database (NDB). At the time of initial acceptance into the provider network, all dated licenses and certifications shall be entered into the provider record. Critical alarms shall be set so that the CONTRACTOR's staff is alerted when a provider is due for re-credentialing, license suspension, or revocation.

4.0 MANAGED CARE SERVICES TERMS AND CONDITIONS

4.1 First Notice of Loss and Early Intervention Services

4.1.1. DESCRIPTION OF SERVICES

- (a) First notice of loss services are gathering pertinent information related to a work injury and reporting such information to the appropriate state industrial accident board or commission as required by law ("First Notice of Loss Services" or "FNOL Services").
- (b) Early intervention services are used to identify those cases which meet certain pre-established criteria for immediate referral to case management and treatment intervention ("Early Intervention Services").
- (c) Early Intervention Services may be provided without First Notice of Loss Services if mutually agreed between CONTRACTOR and COUNTY.
- (d) Upon notification of a catastrophic claim from COUNTY, CONTRACTOR shall identify and provide to COUNTY what specific kind of catastrophic claim it is choosing by one of the following:
 - Burn more than 2nd degree
 - Death
 - Hospitalization
 - Exposure to airborne contaminates
 - Amputation

- Malfunction of Equipment
 - Work place violence
- (e) Once CONTRACTOR's FNOL department has identified the kind of catastrophic claim, CONTRACTOR will generate an email directly to COUNTY's Safety Team, notifying COUNTY of the occurrence and the specific kind of catastrophic claim that has occurred. CONTRACTOR shall not be responsible for directly reporting such occurrence directly to OSHA. COUNTY is responsible to report such occurrence to OSHA within twenty-four (24) hours of such occurrence.
- (f) COUNTY agrees to indemnify and hold harmless the CONTRACTOR and their respective directors, officers, employees, agents and representatives from any third-party claims, damages or actions whatsoever, based or asserted upon any negligent act or omission of COUNTY, its Agencies, Districts, Special Districts and Departments, their respective directors, officers, Board of Supervisors, elected and appointed officials, employees, agents and representatives arising out of or in any way relating to this Agreement solely and specifically only to the FNOL Services, including but not limited to any penalties, fees, sanctions, property damage, bodily injury, or death ("Losses"). COUNTY shall defend, at its sole expense, all costs and fees including but not limited to attorney fees, cost of investigation, defense and settlements or awards, CONTRACTOR and their respective directors, officers, employees, agents and representatives in any such claim or action. CONTRACTOR shall not be responsible for any penalties, fees or Losses as a result of OSHA Reporting for catastrophic Claims.

4.1.2. DELIVERY OF FIRST NOTICE OF LOSS SERVICES

- (a) CONTRACTOR shall provide First Notice Services to COUNTY upon receipt by CONTRACTOR of specific requests from COUNTY. Prior to the implementation of CONTRACTOR First Notice Services and as required during the Term of this Agreement, COUNTY shall provide CONTRACTOR with instructions regarding the scope and extent of the First Notice and Early Intervention Services (defined below) to be performed by CONTRACTOR. Absent such instruction, CONTRACTOR First Notice Services shall be performed as described below.
- (b) COUNTY, its insureds, and/or their employees shall initiate First Notice Services by (i) calling CONTRACTOR via a toll free number provided by CONTRACTOR, (ii) entering such information online through CareMC, or (iii) faxing such information to the CONTRACTOR intake specialist. COUNTY or the COUNTY representative making such call, entering such information on CareMC or faxing such information shall provide CONTRACTOR with the information required to complete the First Notice of Loss form required by the applicable state ("Required Information"). Required Information generally includes the following: name/address of claimant, date of incident, description of injuries, social security number, date of birth, employer, salary, and other descriptive information reasonably required by CONTRACTOR, and may include information required by applicable statute (e.g., employer TIN). CONTRACTOR shall (i) provide sufficient staff to handle all incoming calls, and (ii) be prepared to complete First Notice of Loss forms for all applicable states.
- (c) Once the Required Information is gathered by a CONTRACTOR representative, First Notice of Loss forms will be submitted to one of the following, in accordance with COUNTY's instructions: (i) the applicable COUNTY branch claim office, (ii) a central COUNTY location, and/or (iii) the applicable state industrial accident board or commission as required by law. Upon COUNTY's written request, CONTRACTOR will submit the First Notice of Loss form to the applicable employer. To the extent permitted by the applicable state industrial accident board or commission, the Required Information shall be transmitted electronically. Upon CONTRACTOR's request, COUNTY will promptly provide to CONTRACTOR any missing information.
- (d) To the extent required by applicable statute or otherwise agreed in writing by CONTRACTOR, CONTRACTOR will file additional reports on earlier-filed First Notices ("Subsequent Reports").

- (e) Unless agreed to otherwise by the Parties, any questions or concerns from an industrial accident board or commission concerning First Notices of Loss forms completed by CONTRACTOR hereunder will be handled directly by CONTRACTOR. All such inquiries will receive an initial response within the next business day following CONTRACTOR's receipt of the inquiry. CONTRACTOR will keep COUNTY apprised of any inquiries it receives and the response thereto. CONTRACTOR will send a written response to the inquiry within five (5) business days outlining the nature of the inquiry and the resolution of same by CONTRACTOR. A copy of such response will also be sent to the attention of the designated COUNTY representative. COUNTY shall have the right, but not the obligation, at any time, to interject itself into the inquiry between CONTRACTOR and the industrial accident board or commission, and in connection therewith to resolve the inquiry in a manner acceptable to COUNTY at its sole discretion, in which case COUNTY shall defend, indemnify and hold harmless CONTRACTOR from and against any claim, liability, damages or costs arising from COUNTY's handling of such inquiry or the resolution thereof.

4.2 Custom MPN Panel Network Access Services

4.2.1. DESCRIPTION OF SERVICES

(a) CONTRACTOR shall assist COUNTY in the development and management of MPN Panel Network of hospitals, physicians and other health care providers that offer services for the non-exclusive use of COUNTY employees ("MPN Panel Networks"), through the following activities:

1. CONTRACTOR shall provide access to all providers within its Standard MPN Panel Network to COUNTY and COUNTY employees as provided in Schedule 4;
2. If applicable, CONTRACTOR will make commercially reasonable efforts to recruit COUNTY nominated non-network providers into the Custom MPN Panel Network subject to such medical professionals being credentialed by CONTRACTOR;
3. CONTRACTOR shall file with COUNTY's assistance with the state administrative filings for the management of the Custom MPN Panel Network, including filing of the California MPN documents for COUNTY's MPN;
4. CONTRACTOR will provide the formation and management of the Custom MPN Panel Network, including methodologies for provider network inclusion, suspension and termination provisions consistent with all applicable laws in the relevant jurisdiction.
5. COUNTY shall be responsible for all COUNTY MPN Panel Network determinations, including which providers should be included or excluded from its preferred provider network. COUNTY is also responsible for notifying CONTRACTOR which providers should be suspended or terminated from its own preferred provider network consistent with all applicable laws in the relevant jurisdiction and pursuant to CONTRACTOR's Quality Assurance policies and procedures.

4.2.2. DELIVERY OF CUSTOM MPN PANEL NETWORK ACCESS SERVICES

(a) CONTRACTOR shall provide COUNTY with access to MPN Panel Network provided it is the non-exclusive preferred provider organization utilized by COUNTY for workers' compensation claimants. CONTRACTOR may at any time and in its sole discretion terminate any provider to or from the Custom MPN Panel Network(s).

(b) COUNTY agrees that, during the Term of this Agreement, COUNTY will not contract directly or indirectly with Participating Providers made known to COUNTY under this Agreement. Customer may only contract directly with same providers provided it is outside completely of the Services being provided to COUNTY under this Agreement.

(c) COUNTY will make reasonable efforts to channel all Covered Persons to the MPN Panel Participating Providers as are allowed under the laws of that service area or state.

EXHIBIT B
PAYMENT PROVISIONS

1.0 FEES AND CONDITIONS FOR MEDICAL BILL REVIEW

1.1 CONTRACTOR certifies it has carefully examined and understands the full scope and all requirements, specifications, and conditions stated in this Agreement, the Request for Proposal #HRARC-086 and all related exhibits, and the fees are inclusive of all costs, including administration and travel expenses associated with the delivery of services.

1.2 Payments will be based strictly on these agreed upon payment provisions, and expenses not included in the fees below will not be reimbursed.

1.3 COUNTY will pay the following fees for each “bill” reviewed as part of the Bill Review Services:

Category	Rate	Unit of Measure	Comments
Bill Services			
All Bills	\$5.95	per bill	Initial review. Subsequent reviews are priced as a minimum transaction fee at \$4.95. These two fees are not combined.
eBilling Implementation Fee	Included	one-time	No additional charge
eBilling Transaction Fee	Included	per transaction	Per Bill fee or Minimum Transaction Fee applies, no unique fees added for eBilling transactions
PPO Savings	15%	% of Savings	
Printing and Mailing EORs	Included	Included	No additional charge
Complex Bills	15%	% of Savings	Maximum bill review transaction fee of \$12,500.
CA Lien Trial Support	Included	Included	No charge for Bill Review Lien Expert support for conferences or trials. Services outside of the support of Bill Review Expert would be subject to charge through our Stand-Alone Lien Services Program.
Re-evaluations or Appeals	\$4.95	per bill	This fee is not added to the per bill fee it replaces it.
Duplicate Bills	\$4.95	for first duplicate only	CONTRACTOR will only charge duplicate bill fee once no matter how many times a provider sends the same bill.
Implementation Services			
Business Rule Development	Included	Included	No additional charge
Custom Development	Included	Included	Initial transition development done at no additional charge. Costs for future custom requests and the complexity of the request will be discussed with the client as needed.

Training	Included	Included	At no additional charge, training will be coordinated and hosted by CONTRACTOR's assigned Account Manager.
----------	----------	----------	--

2.0 FEES AND CONDITIONS FOR MANAGED CARE SERVICES

Type of Service	Cost
FNOL-Call Center intake	\$50.00 per FNOL, includes 3 copies.
FNOL-CareMC intake	\$30.00 per FNOL, includes 3 copies
MPN Maintenance	\$2,000/month
OSHA Triggers Notification	\$500.00 monthly fee with 25.00 per notification
*Pre-Designation	\$40.00 per pre-designation
MPN Provider add/term request	\$10.00 per change
Account Management Time	\$75.00 per hour with min 20min increments
Medical Access Assistant Services	\$89.00 per call

**Pre-Designation Services includes the following: the response letter to the EE stating we have received it and are validating it with the provider; a letter to the provider ensuring they agree to be pre-designated and qualify to do so; and either a follow-up letter to the EE slating their provider agreed to be pre-designated/denied the pre-designation, or did not qualify to be pre-designated.*

- (2.1) Payments will be based strictly on these agreed upon payment provisions, and expenses not included in the costs above will not be reimbursed.
- (2.3) Fees for Additional Professional Services: If COUNTY requires any additional professional services from CONTRACTOR relating to the Managed Care Services or the CareMC Application, including, but not limited to, integration of the CareMC Application with EDI or other COUNTY systems, COUNTY shall submit a written request to CONTRACTOR for such services. CONTRACTOR shall, in good faith, consider providing such services at its then-current professional services fee rate and standard terms and conditions.
- (2.4) Fees Adjustments for Regulatory Changes or Changes in Business: If, at any time during the Term of this Agreement, regulatory or legislative changes or other business conditions impact CONTRACTOR's business operations and add to or impact CONTRACTOR's costs of providing the Services, CONTRACTOR may (a) increase its fees for one or more Services upon written notice to COUNTY, or (b) terminate this Agreement upon ninety (90) days written notice to COUNTY.

EXHIBIT C
CareMC LICENSE AGREEMENT

This CAREMC LICENSE AGREEMENT (the "CareMC License Agreement") is incorporated by reference into the Service Agreement for Workers Compensation Medical Bill Review and Managed Care Services (the "Master Agreement") to which it is attached. The parties acknowledge and agree that the terms and conditions under which the Managed Care Services are provided by CONTRACTOR and received by COUNTY shall be governed by the Master Agreement (including without limitation all additional Exhibits and applicable Schedules attached thereto), while the terms and conditions under which COUNTY may access and use the Online Services shall be governed by the terms and conditions of this CareMC License Agreement. All defined terms used herein and not otherwise defined shall have the meaning ascribed to such terms in the Master Agreement.

I. ACCESS TO THE CAREMC APPLICATION

A. Registration Information. Prior to accessing the CareMC Application, COUNTY shall provide CONTRACTOR with certain registration information requested therein ("Registration Information"). COUNTY covenants that the Registration Information COUNTY provides will be true, accurate, current and complete and will be updated as necessary to it so.

B. Passwords and Levels of Access. As soon as practicable after the execution of this Agreement, CONTRACTOR shall create a unique username and password for each individual Authorized User identified by COUNTY as requiring access to the Online Services. COUNTY shall then designate two groups of Authorized Users. The first group of Authorized Users ("Restricted Users") shall have access to only the data available on the CareMC Site that relates to claims specific to that Authorized User and such other data that COUNTY specifically requests in writing be accessible to such Authorized User. The second group of Authorized Users ("Non-Restricted Users") shall have access to all data available on the CareMC Site that relates to claims specific to COUNTY. Access by Individual Users and Non-Restricted Users to data available on the CareMC Site shall be subject in all cases to any limitations imposed by applicable law.

C. PHI Data. Authorized Users shall have access to all data available through the CareMC Application, including data that constitutes or contains "protected health information" ("PHI Data") as such term is defined by applicable state and federal privacy statutes, but shall only have access to PHI Data to the extent necessary for COUNTY to render payment on a claim, and then only to those portions or amounts of PHI Data that are determined by CONTRACTOR, in its sole discretion, to be the minimum necessary for COUNTY to render payment on such claim.

D. Security of Passwords. COUNTY acknowledges and agrees that it shall be solely responsible for (i) selecting Authorized Users, (ii) assigning the various levels of authority and access each Authorized User may have to the CareMC Application, Online Services and COUNTY Data, including by determining which Authorized Users shall be Non-Restricted Users, (iii) ensuring that only Authorized Users have access to the passwords provided by CONTRACTOR or changed by Authorized Users, (iv) implementing a system to control, track and account for all passwords, (v) strictly maintaining the confidentiality and integrity of all passwords and levels of authority among Authorized Users, and (vi) ensuring that Authorized Users shall at all times comply with the terms and conditions of this Agreement. COUNTY further agrees that it shall notify CONTRACTOR immediately in writing if the security or integrity of a password has been compromised. CONTRACTOR will provide reasonable cooperation to COUNTY in the event of a security breach. Such support will include but not be limited to suspending service for passwords whose security or integrity has been violated. Passwords may be changed at any time by Authorized Users and must be changed at least once every ninety (90) days.

E. COUNTY Data. Responsibility for ensuring that the content and data provided by or for COUNTY ("COUNTY Data") to be entered into the CareMC Application by CONTRACTOR is accurate and reflects COUNTY's requirements lies solely with COUNTY. All data generated by and through COUNTY's use of

the CareMC Application and Online Services shall reside on CONTRACTOR's server. CONTRACTOR reserves the right to temporarily suspend access to any COUNTY Data that it determines, in its sole discretion, violates the terms and conditions of this CareMC License Agreement or any applicable laws.

F. COUNTY Representations. COUNTY represents that (i) it has the legal authority to provide the COUNTY Data to CONTRACTOR hereunder, and (ii) it is fully aware and knowledgeable of and shall comply with its duties and responsibilities with respect to the privacy and confidentiality of medical records and protected health information under applicable federal and state laws, including but not limited to those imposed by applicable state and federal privacy statutes. Upon written notice to COUNTY, CONTRACTOR may modify or temporarily suspend COUNTY's access to and use of the CareMC Application, Online Services and/or CareMC Site as necessary to comply with any law or regulation.

2. LICENSE AND RESTRICTIONS

A. Limited License. Subject to the terms and conditions of this CareMC License Agreement, CONTRACTOR grants to COUNTY during the License Term (as defined in Section 5A below) a limited, non-exclusive, non-transferable, non-sublicensable license to access and use, and allow Authorized Users to access and use, the CareMC Application via the CareMC Site solely for COUNTY's own internal business use and operations. COUNTY shall access and use the CareMC Application in accordance with the user's guides and online instruction provided to COUNTY by CONTRACTOR ("Documentation") and all applicable laws, statutes, rules and regulations.

B. Restrictions. COUNTY shall not, and shall not allow Authorized Users or any third party to (i) rent, lease, re-license or otherwise provide access to the CareMC Application or Online Services to any third party, (ii) alter, modify or create derivative works of the CareMC Application, (iii) use any reverse compilation, decompilation or disassembly techniques or similar methods to determine any design structure, concepts and construction method of the CareMC Application or replicate the functionality of the CareMC Application for any purpose, or (iv) copy the CareMC Application or any content, materials, information and other data provided by CONTRACTOR on the CareMC Site or used in providing the Online Services ("CONTRACTOR Content") and/or Documentation without CONTRACTOR's prior written consent.

C. Third Parties. COUNTY shall not allow any third party to have access to the CareMC Application or Online Services without prior written consent of CONTRACTOR and ensuring that (i) such third party enters into a legally enforceable written agreement with CONTRACTOR, or (ii) such third party enters into a legally enforceable written agreement with COUNTY consistent with the terms of this CareMC License Agreement and which shall include terms at least as protective of CONTRACTOR as the following Sections of this CareMC License Agreement: Sections 1 A-IF, 2B, 20, 3B, and 4A-4D.

D. Ownership and Changes. CONTRACTOR owns and shall retain all right, title and interest in and to the CareMC Application, Documentation, CareMC Site, Online Services, CONTRACTOR Content and any intellectual property rights inherent therein or arising therefrom. In addition to CONTRACTOR's rights in the individual elements of the CONTRACTOR Content, CONTRACTOR owns a copyright in the selection, coordination, arrangement and enhancement of the CONTRACTOR Content. Neither COUNTY nor any Authorized User shall obtain any ownership rights, express or implied, or any other rights other than those expressly set forth herein in the CareMC Application, Documentation or CONTRACTOR Content. CONTRACTOR reserves the right, at any time in its sole discretion and without liability to COUNTY, to delete or change features of the CareMC Application, CareMC Site or Online Services provided such changes do not materially alter the functionality of the CareMC Application.

E. Compliance Monitoring and Audits. CONTRACTOR may monitor and perform remote audits of COUNTY's use of the CareMC Application and CareMC Site for the purpose of verifying that COUNTY and Authorized Users are using the CareMC Application in compliance with the terms of this CareMC License Agreement. CONTRACTOR reserves the right to temporarily suspend COUNTY's or any Authorized User's access to the CareMC Application in the event COUNTY or such Authorized User engages in, or CONTRACTOR in good faith suspects is engaged in, any unauthorized conduct. To the extent

CONTRACTOR requires access to COUNTY's facilities to conduct an audit hereunder, COUNTY agrees to provide such access upon reasonable advanced notice and during COUNTY's regular business hours.

3. INFRASTRUCTURE, MAINTENANCE AND SUPPORT

A. CONTRACTOR Infrastructure Obligations. Subject to COUNTY's compliance with the terms and conditions of this CareMC License Agreement, CONTRACTOR shall be responsible for providing and maintaining the hardware, software and other equipment required to host the CareMC Application for COUNTY ("CareMC Infrastructure"). The CareMC Infrastructure is subject to modification by CONTRACTOR from time to time for purposes such as adding new functionality, maximizing operating efficiency and upgrading hardware, provided such modifications shall not in the aggregate degrade the performance of the Online Services utilized by COUNTY. COUNTY acknowledges and agrees that such modifications may require changes to COUNTY's Internet access and/or telecommunications infrastructure to maintain COUNTY's desired level of performance. CONTRACTOR shall give COUNTY reasonable prior written notice of any required modifications.

B. COUNTY Infrastructure Obligations. Except for the CareMC Infrastructure, which will be provided by CONTRACTOR, COUNTY shall be responsible for obtaining and maintaining all hardware, software, equipment, Internet access and/or telecommunications services and other items or services furnished by third party vendors or providers ("Third Party Providers") required to enable COUNTY to access and use the CareMC Application and CareMC Site as contemplated hereunder.

C. Support. CONTRACTOR will provide general support regarding questions on the CareMC Application via email and by telephone from Monday through Friday between the hours of 5:00 a.m. and 6:00 p.m. Pacific Standard Time, excluding holidays.

D. Scheduled Maintenance. CONTRACTOR will use reasonable efforts to (i) perform any scheduled downtime outside of COUNTY's normal business hours, (ii) notify COUNTY of all scheduled downtimes at least seventy-two (72) hours in advance, and (iii) perform software updates to the CareMC Application with minimal disruption to COUNTY's use of the Online Services.

E. System Monitoring. CONTRACTOR will use reasonable efforts to continuously monitor its web servers and database servers to ensure that they are functioning properly.

F. Security. CONTRACTOR will implement and use reasonable efforts to maintain secure systems through the use of firewalls, virtual private networks (VPN) and other security technologies. Any security violations that affect the data of COUNTY will be promptly reported to COUNTY.

G. Disaster Recovery and Backup. CONTRACTOR will use reasonable efforts to perform nightly backups of essential data on its web servers and database servers. CONTRACTOR has implemented third party backup and restoration technology to enable high speed recovery of data. CONTRACTOR utilizes redundant load balanced Win 2000 servers for 24x7, 365 day access, except for regularly scheduled system maintenance and upgrade processes. SQL Server databases are hosted on clustered servers offering fall-over capability, redundant communication links, and load balanced application servers. Backup tapes are restored into a test environment not less than quarterly to confirm validity of backups. The CareMC Site has redundant inbound Internet and Intranet connectivity.

4. APPLICATION SPECIFIC DISCLAIMERS

A. Disclaimers. TO THE EXTENT ALLOWED BY APPLICABLE LAW, EXCEPT FOR THE LIMITED WARRANTIES DESCRIBED IN THE MASTER AGREEMENT, CONTRACTOR MAKES NO OTHER WARRANTIES, EXPRESS, IMPLIED OR STATUTORY, AND EXPRESSLY DISCLAIMS ANY IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, GOOD TITLE, SATISFACTORY QUALITY AND NONINFRINGEMENT.

B. Internet Usage. COUNTY acknowledges that the Internet is essentially an unregulated, insecure and unreliable environment, and that the ability of COUNTY to access and use the CareMC Application is dependent on the Internet and hardware, software and services provided by various Third Party Providers.

CONTRACTOR SHALL NOT BE RESPONSIBLE FOR COUNTY'S INABILITY TO ACCESS OR USE THE CAREMC APPLICATION TO THE EXTENT CAUSED BY FAILURES OR INTERRUPTIONS OF ANY HARDWARE, SOFTWARE OR SERVICES PROVIDED BY COUNTY OR THIRD PARTY PROVIDERS.

C. CareMC Application. COUNTY ACKNOWLEDGES AND AGREES THAT CONTRACTOR DOES NOT WARRANT THAT THE CAREMC APPLICATION OR ONLINE SERVICES ARE ERROR FREE, THAT COUNTY WILL BE ABLE TO ACCESS OR USE THE CAREMC APPLICATION OR ONLINE SERVICES WITHOUT PROBLEMS OR INTERRUPTIONS, OR THAT THE CAREMC SITE AND CAREMC APPLICATION ARE NOT SUSCEPTIBLE TO INTRUSION, ATTACK OR COMPUTER VIRUS INFECTION.

D. Network Intrusions. COUNTY AGREES THAT CONTRACTOR WILL NOT BE LIABLE FOR DAMAGES ARISING FROM ANY BREACH, UNAUTHORIZED ACCESS TO, MISUSE OF, OR INTRUSION INTO, COUNTY DATA RESIDING ON CONTRACTOR'S SERVER(S) OR ANY NETWORK USED BY COUNTY TO THE EXTENT SUCH DAMAGES WERE BEYOND CONTRACTOR'S REASONABLE CONTROL.

5. LICENSE TERM AND TERMINATION

A. License Term. This CareMC License Agreement shall be effective as of the Effective Date and, unless terminated earlier as provided below, shall automatically terminate upon expiration or termination of the Master Agreement (the term of this CareMC License Agreement, the "License Term").

B. Termination for Convenience. Either Party shall have the right to terminate this CareMC License Agreement for any reason or for no reason, upon ninety (90) days written notice to the other Party.

C. Termination for Cause. This CareMC License Agreement may be terminated by either Party for cause as follows: (i) upon thirty (30) days written notice if the other Party breaches or defaults under any material provision of this Agreement and does not cure such breach prior to the end of such thirty (30) day period, (ii) effective immediately and without notice if the other Party ceases to do business, or otherwise terminates its business operations, except as a result of an assignment, as permitted under the terms and conditions of this CareMC License Agreement, or (iii) effective immediately and without notice if the other Party becomes insolvent or seeks protection under any bankruptcy, receivership, trust deed, creditors arrangement, composition or comparable proceeding, or if any such proceeding is instituted against the other (and not dismissed within ninety (90) days).

D. Effect of Termination. Expiration or termination of this CareMC License Agreement shall have the following effects: (i) CONTRACTOR shall provide COUNTY with any proprietary data belonging to COUNTY, in the current format in which it is stored at CONTRACTOR at the termination of this CareMC License Agreement, (ii) all licenses granted under this CareMC License Agreement shall terminate immediately, (iii) all rights to use the CareMC Application and Online Services shall cease immediately, and (iv) each Party shall promptly return all information, documents, manuals and other materials belonging to the other Party related to this CareMC License Agreement, whether in printed or electronic form, including without limitation all confidential information of the other Party then currently in its possession, provided each Party may retain one (1) copy of such materials for archival purposes.

E. Survival. Except to the extent expressly provided to the contrary herein or in the Master Agreement, any right of action for breach of the CareMC License Agreement prior to termination, and the following provisions shall survive the termination of this CareMC License Agreement: Sections I B-F, 2B, 2D, 4 and 5E