

**CITY OF SANTA ROSA
PROFESSIONAL SERVICES AGREEMENT
WITH LWP CLAIMS SOLUTIONS, INC.
AGREEMENT NUMBER F001424**

This "Agreement" is made as of this ____ day of _____, 2023 [leave date blank until all parties have signed or until Council approves], by and between the City of Santa Rosa, a municipal corporation ("City"), and LWP claims Solutions, Inc., a California Corporation ("Consultant").

R E C I T A L S

- A. City desires to contract with a third party claims administrator to administer the City's Workers' Compensation Claims.
- B. City desires to retain a qualified firm to conduct the services described above in accordance with the Scope of Services as more particularly set forth in Exhibit A to the Agreement.
- C. Consultant represents to City that it is a firm composed of highly trained professionals and is fully qualified to conduct the services described above and render advice to City in connection with said services.
- D. The parties have negotiated upon the terms pursuant to which Consultant will provide such services and have reduced such terms to writing.

AGREEMENT

NOW, THEREFORE, City and Consultant agree as follows:

1. SCOPE OF SERVICES

Consultant shall provide to City the services described in Exhibit A ("Scope of Services") Consultant shall provide these services at the time, place, and in the manner specified in Exhibit A. Exhibit A is attached hereto for the purpose of defining the manner and scope of services to be provided by Consultant and is not intended to, and shall not be construed so as to, modify or expand the terms, conditions or provisions contained in this Agreement. In the event of any conflict between this Agreement and any terms or conditions of any document prepared or provided by Consultant and made a part of this Agreement, including without limitation any document relating to the scope of services or payment therefor, the terms of this Agreement shall control and prevail.

2. COMPENSATION

- a. City shall pay Consultant for services rendered pursuant to this Agreement at the

rates, times and in the manner set forth in Exhibit B. Consultant shall submit monthly statements to City which shall itemize the services performed as of the date of the statement and set forth a progress report, including work accomplished during the period, percent of each task completed, and planned effort for the next period. Invoices shall identify personnel who have worked on the services provided, the number of hours each worked during the period covered by the invoice, the hourly rate for each person, and the percent of the total project completed, consistent with the rates and amounts shown in Exhibit B.

b. The payments prescribed herein shall constitute all compensation to Consultant for all costs of services, including, but not limited to, direct costs of labor of employees engaged by Consultant, travel expenses, telephone charges, copying and reproduction, computer time, and any and all other costs, expenses and charges of Consultant, its agents and employees. In no event shall City be obligated to pay late fees or interest, whether or not such requirements are contained in Consultant's invoice.

c. Notwithstanding any other provision in this Agreement to the contrary, the total maximum compensation to be paid for the satisfactory accomplishment and completion of all services to be performed hereunder shall in no event exceed the sum of three million, four hundred forty eight thousand, one hundred eight dollars and no cents (\$3,448,108). The City's Chief Financial Officer is authorized to pay all proper claims from Charge Number 320303-5371.

3. DOCUMENTATION; RETENTION OF MATERIALS

a. Consultant shall maintain adequate documentation to substantiate all charges as required under Section 2 of this Agreement.

b. Consultant shall keep and maintain full and complete documentation and accounting records concerning all extra or special services performed by it that are compensable by other than an hourly or flat rate and shall make such documents and records available to authorized representatives of City for inspection at any reasonable time.

c. Consultant shall maintain the records and any other records related to the performance of this Agreement and shall allow City access to such records during the performance of this Agreement and for a period of four (4) years after completion of all services hereunder.

4. INDEMNITY

a. Consultant shall, to the fullest extent permitted by law, indemnify, protect, defend and hold harmless City, and its employees, officials and agents ("Indemnified Parties") from all claims, demands, costs or liability (including liability for claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, losses, expenses or costs of any kind, interest, defense costs, and expert witness fees), that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of Consultant, its officers, employees, or agents, in said performance of professional services under this Agreement, excepting only liability arising from the sole negligence, active negligence or intentional misconduct of City.

b. The existence or acceptance by City of any of the insurance policies or coverages described in this Agreement shall not affect or limit any of City's rights under this Section 4, nor shall the limits of such insurance limit the liability of Consultant hereunder. This Section 4 shall not apply to any intellectual property claims, actions, lawsuits or other proceedings subject to the provisions of Section 17(b), below. The provisions of this Section 4 shall survive any expiration or termination of this Agreement.

5. INSURANCE

a. Consultant shall maintain in full force and effect all of the insurance coverage described in, and in accordance with, Attachment One, "Insurance Requirements." Maintenance of the insurance coverage set forth in Attachment One is a material element of this Agreement and a material part of the consideration provided by Consultant in exchange for City's agreement to make the payments prescribed hereunder. Failure by Consultant to (i) maintain or renew coverage, (ii) provide City notice of any changes, modifications, or reductions in coverage, or (iii) provide evidence of renewal, may be treated by City as a material breach of this Agreement by Consultant, whereupon City shall be entitled to all rights and remedies at law or in equity, including but not limited to immediate termination of this Agreement. Notwithstanding the foregoing, any failure by Consultant to maintain required insurance coverage shall not excuse or alleviate Consultant from any of its other duties or obligations under this Agreement. In the event Consultant, with approval of City pursuant to Section 6 below, retains or utilizes any subcontractors or subconsultants in the provision of any services to City under this Agreement, Consultant shall assure that any such subcontractor has first obtained, and shall maintain, all of the insurance coverages set forth in the Insurance Requirements in Attachment One.

b. Consultant agrees that any available insurance proceeds broader than or in excess of the coverages set forth in the Insurance Requirements in Attachment One shall be available to the additional insureds identified therein.

c. Consultant agrees that the insurance coverages and limits provided under this Agreement are the greater of: (i) the coverages and limits specified in Attachment One, or (ii) the broader coverages and maximum limits of coverage of any insurance policy or proceeds available to the name insureds.

6. ASSIGNMENT

Consultant shall not assign any rights or duties under this Agreement to a third party without the express prior written consent of City, in City's sole and absolute discretion. Consultant agrees that the City shall have the right to approve any and all subcontractors and subconsultants to be used by Consultant in the performance of this Agreement before Consultant contracts with or otherwise engages any such subcontractors or subconsultants.

7. NOTICES

Except as otherwise provided in this Agreement, any notice, submittal or communication required or permitted to be served on a party, shall be in writing and may be served by personal delivery to the person or the office of the person identified below. Service may also be made by mail, by placing first-class postage, and addressed as indicated below, and depositing in the United States mail to:

City Representative:

Dominique Blanquie
100 Santa Rosa Ave, Rm 1
Santa Rosa, CA 95404
P:707-543-4656
F:707-543-3035

Consultant Representative:

Judy Adlam
35 Miller Ave #214
Mill Valley, CA 94941
P:415-384-0350
F:415-532-2845

8. INDEPENDENT CONTRACTOR

a. It is understood and agreed that Consultant (including Consultant's employees) is an independent contractor and that no relationship of employer-employee exists between the parties hereto for any purpose whatsoever. Neither Consultant nor Consultant's assigned personnel shall be entitled to any benefits payable to employees of City. City is not required to make any deductions or withholdings from the compensation payable to Consultant under the provisions of this Agreement, and Consultant shall be issued a Form 1099 for its services hereunder. As an independent contractor, Consultant hereby agrees to indemnify and hold City harmless from any and all claims that may be made against City based upon any contention by any of Consultant's employees or by any third party, including but not limited to any state or federal agency, that an employer-employee relationship or a substitute therefor exists for any purpose whatsoever by reason of this Agreement or by reason of the nature and/or performance of any services under this Agreement.

b. It is further understood and agreed by the parties hereto that Consultant, in the performance of Consultant's obligations hereunder, is subject to the control and direction of City as to the designation of tasks to be performed and the results to be accomplished under this Agreement, but not as to the means, methods, or sequence used by Consultant for accomplishing such results. To the extent that Consultant obtains permission to, and does, use City facilities, space, equipment or support services in the performance of this Agreement, this use shall be at the Consultant's sole discretion based on the Consultant's determination that such use will promote Consultant's efficiency and effectiveness. Except as may be specifically provided elsewhere in this Agreement, the City does not require that Consultant use City facilities, equipment or support services or work in City locations in the performance of this Agreement.

c. If, in the performance of this Agreement, any third persons are employed by Consultant, such persons shall be entirely and exclusively under the direction, supervision, and control

of Consultant. Except as may be specifically provided elsewhere in this Agreement, all terms of employment, including hours, wages, working conditions, discipline, hiring, and discharging, or any other terms of employment or requirements of law, shall be determined by Consultant. It is further understood and agreed that Consultant shall issue W-2 or 1099 Forms for income and employment tax purposes, for all of Consultant's assigned personnel and subcontractors.

d. The provisions of this Section 8 shall survive any expiration or termination of this Agreement. Nothing in this Agreement shall be construed to create an exclusive relationship between City and Consultant. Consultant may represent, perform services for, or be employed by such additional persons or companies as Consultant sees fit.

9. ADDITIONAL SERVICES

Changes to the Scope of Services shall be by written amendment to this Agreement and shall be paid on an hourly basis at the rates set forth in Exhibit B, or paid as otherwise agreed upon by the parties in writing prior to the provision of any such additional services.

10. SUCCESSORS AND ASSIGNS

City and Consultant each binds itself, its partners, successors, legal representatives and assigns to the other party to this Agreement and to the partners, successors, legal representatives and assigns of such other party in respect of all promises and agreements contained herein.

11. TERM, SUSPENSION, TERMINATION

a. This Agreement shall become effective on the date that it is made, set forth on the first page of the Agreement, and shall continue in effect until both parties have fully performed their respective obligations under this Agreement, unless sooner terminated as provided herein.

b. City shall have the right at any time to temporarily suspend Consultant's performance hereunder, in whole or in part, by giving a written notice of suspension to Consultant. If City gives such notice of suspension, Consultant shall immediately suspend its activities under this Agreement, as specified in such notice.

c. City shall have the right to terminate this Agreement for convenience at any time by giving a written notice of termination to Consultant. Upon such termination, Consultant shall submit to City an itemized statement of services performed as of the date of termination in accordance with Section 2 of this Agreement. These services may include both completed work and work in progress at the time of termination. City shall pay Consultant for any services for which compensation is owed; provided, however, City shall not in any manner be liable for lost profits that might have been made by Consultant had the Agreement not been terminated or had Consultant completed the services required by this Agreement. Consultant shall promptly deliver to City all documents related to the performance of this Agreement in its possession or control. All such documents shall be the property of City without additional compensation to Consultant.

12. TIME OF PERFORMANCE

The services described herein shall be provided during the period, or in accordance with the schedule, set forth in Exhibit A. Consultant shall complete all the required services and tasks and complete and tender all deliverables to the reasonable satisfaction of City, not later than June 30, 2030.

13. STANDARD OF PERFORMANCE

Consultant shall perform all services performed under this Agreement in the manner and according to the standards currently observed by a competent practitioner of Consultant's profession in California. All products of whatsoever nature that Consultant delivers to City shall be prepared in a professional manner and conform to the standards of quality normally observed by a person currently practicing in Consultant's profession, and shall be provided in accordance with any schedule of performance. Consultant shall assign only competent personnel to perform services under this Agreement. Consultant shall notify City in writing of any changes in Consultant's staff assigned to perform the services under this Agreement prior to any such performance. In the event that City, at any time, desires the removal of any person assigned by Consultant to perform services under this Agreement, because City, in its sole discretion, determines that such person is not performing in accordance with the standards required herein, Consultant shall remove such person immediately upon receiving notice from City of the desire of City for the removal of such person.

14. CONFLICTS OF INTEREST

Consultant covenants that neither it, nor any officer or principal of its firm, has or shall acquire any interest, directly or indirectly, that would conflict in any manner with the interests of City or that would in any way hinder Consultant's performance of services under this Agreement. Consultant further covenants that in the performance of this Agreement, no person having any such interest shall be employed by it as an officer, employee, agent or subcontractor, without the written consent of City. Consultant agrees to avoid conflicts of interest or the appearance of any conflicts of interest with the interests of City at all times during the performance of this Agreement.

15. CONFLICT OF INTEREST REQUIREMENTS

a. **Generally.** The City's Conflict of Interest Code requires that individuals who qualify as "consultants" under the Political Reform Act, California Government Code sections 87200 *et seq.*, comply with the conflict of interest provisions of the Political Reform Act and the City's Conflict of Interest Code, which generally prohibit individuals from making or participating in the making of decisions that will have a material financial effect on their economic interests. The term "consultant" generally includes individuals who make governmental decisions or who serve in a staff capacity.

b. **Conflict of Interest Statements.** The individual(s) who will provide services or perform work pursuant to this Agreement are "consultants" within the meaning of the Political Reform Act and the City's Conflict of Interest Code:

☐ yes ☒ no (check one)

If "yes" is checked by the City, Consultant shall cause the following to occur within 30 days after execution of this Agreement:

- (1) Identify the individuals who will provide services or perform work under this Agreement as "consultants"; and
- (2) Cause these individuals to file with the City Clerk the assuming office statements of economic interests required by the City's Conflict of Interest Code.

Thereafter, throughout the term of the Agreement, Consultant shall cause these individuals to file with the City Clerk annual statements of economic interests, and "leaving office" statements of economic interests, as required by the City's Conflict of Interest Code.

The above statements of economic interests are public records subject to public disclosure under the California Public Records Act. The City may withhold all or a portion of any payment due under this Agreement until all required statements are filed.

16. CONFIDENTIALITY OF CITY INFORMATION

During performance of this Agreement, Consultant may gain access to and use City information regarding inventions, machinery, products, prices, apparatus, costs, discounts, future plans, business affairs, governmental affairs, processes, trade secrets, technical matters, systems, facilities, customer lists, product design, copyright, data, and other vital information (hereafter collectively referred to as "City Information") that are valuable, special and unique assets of the City. Consultant agrees to protect all City Information and treat it as strictly confidential, and further agrees that Consultant shall not at any time, either directly or indirectly, divulge, disclose or communicate in any manner any City Information to any third party without the prior written consent of City. In addition, Consultant shall comply with all City policies governing the use of the City network and technology systems. A violation by Consultant of this Section 16 shall be a material violation of this Agreement and shall justify legal and/or equitable relief.

17. CONSULTANT INFORMATION

a. City shall have full ownership and control, including ownership of any copyrights, of all information prepared, produced, or provided by Consultant pursuant to this Agreement. In this Agreement, the term "information" shall be construed to mean and include: any and all work product, submittals, reports, plans, specifications, and other deliverables consisting of documents, writings, handwritings, typewriting, printing, photostatting, photographing, computer models, and any other computerized data and every other means of recording any form of information, communications, or representation, including letters, works, pictures, drawings, sounds, or symbols, or any combination thereof. Consultant shall not be responsible for any unauthorized modification or use of such information for other than its intended purpose by City.

b. Consultant shall fully defend, indemnify and hold harmless City, its officers and

employees, and each and every one of them, from and against any and all claims, actions, lawsuits or other proceedings alleging that all or any part of the information prepared, produced, or provided by Consultant pursuant to this Agreement infringes upon any third party's trademark, trade name, copyright, patent or other intellectual property rights. City shall make reasonable efforts to notify Consultant not later than ten (10) days after City is served with any such claim, action, lawsuit or other proceeding, provided that City's failure to provide such notice within such time period shall not relieve Consultant of its obligations hereunder, which shall survive any termination or expiration of this Agreement.

c. All proprietary and other information received from Consultant by City, whether received in connection with Consultant's proposal, will be disclosed upon receipt of a request for disclosure, pursuant to the California Public Records Act; provided, however, that, if any information is set apart and clearly marked "trade secret" when it is provided to City, City shall give notice to Consultant of any request for the disclosure of such information. Consultant shall then have five (5) days from the date it receives such notice to enter into an agreement with the City, satisfactory to the City Attorney, providing for the defense of, and complete indemnification and reimbursement for all costs (including plaintiff's attorneys' fees) incurred by City in any legal action to compel the disclosure of such information under the California Public Records Act. Consultant shall have sole responsibility for defense of the actual "trade secret" designation of such information.

d. The parties understand and agree that any failure by Consultant to respond to the notice provided by City and/or to enter into an agreement with City, in accordance with the provisions of subsection c, above, shall constitute a complete waiver by Consultant of any rights regarding the information designated "trade secret" by Consultant, and such information shall be disclosed by City pursuant to applicable procedures required by the Public Records Act.

18. MISCELLANEOUS

a. Entire Agreement. This Agreement contains the entire agreement between the parties. Any and all verbal or written agreements made prior to the date of this Agreement are superseded by this Agreement and shall have no further effect.

b. Modification. No modification or change to the terms of this Agreement will be binding on a party unless in writing and signed by an authorized representative of that party.

c. Compliance with Laws. Consultant shall perform all services described herein in compliance with all applicable federal, state and local laws, rules, regulations, and ordinances, including but not limited to, (i) the Americans with Disabilities Act of 1990 (42 U.S.C. 12101, et seq.) ("ADA"), and any regulations and guidelines issued pursuant to the ADA; and (ii) Labor Code sections 1720, *et seq.*, which require prevailing wages (in accordance with DIR determinations at www.dir.ca.gov) be paid to any employee performing work covered by Labor Code sections 1720 *et seq.* Consultant shall pay to the City when due all business taxes payable by Consultant under the provisions of Chapter 6-04 of the Santa Rosa City Code. The City may deduct any delinquent business taxes, and any penalties and interest added to the delinquent taxes, from its payments to Consultant.

d. Discrimination Prohibited. With respect to the provision of services under this

Agreement, Consultant agrees not to discriminate against any person because of the race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military and veteran status of that person.

e. Governing Law; Venue. This Agreement shall be governed, construed and enforced in accordance with the laws of the State of California. Venue of any litigation arising out of or connected with this Agreement shall lie exclusively in the state trial court in Sonoma County in the State of California, and the parties consent to jurisdiction over their persons and over the subject matter of any such litigation in such court, and consent to service of process issued by such court.

f. Waiver of Rights. Neither City acceptance of, or payment for, any service or performed by Consultant, nor any waiver by either party of any default, breach or condition precedent, shall be construed as a waiver of any provision of this Agreement, nor as a waiver of any other default, breach or condition precedent or any other right hereunder.

g. Incorporation of Attachments and Exhibits. The attachments and exhibits to this Agreement are incorporated and made part of this Agreement, subject to terms and provisions herein contained.

19. AUTHORITY; SIGNATURES REQUIRED FOR CORPORATIONS

Consultant hereby represents and warrants to City that it is (a) a duly organized and validly existing Corporation, formed and in good standing under the laws of the State of California, (b) has the power and authority and the legal right to conduct the business in which it is currently engaged, and (c) has all requisite power and authority and the legal right to consummate the transactions contemplated in this Agreement. Consultant hereby further represents and warrants that this Agreement has been duly authorized, and when executed by the signatory or signatories listed below, shall constitute a valid agreement binding on Consultant in accordance with the terms hereof.

If this Agreement is entered into by a corporation, it shall be signed by two corporate officers, one from each of the following two groups: a) the chairman of the board, president or any vice-president; b) the secretary, any assistant secretary, chief financial officer, or any assistant treasurer. The title of the corporate officer shall be listed under the signature.

20. COUNTERPARTS AND ELECTRONIC SIGNATURES

This Agreement and future documents relating thereto may be executed in two or more counterparts, each of which will be deemed an original and all of which together constitute one Agreement. Counterparts and/or signatures delivered by facsimile, pdf or City-approved electronic means have the same force and effect as the use of a manual signature. Both City and Consultant wish to permit this Agreement and future documents relating thereto to be electronically signed in accordance with applicable federal and California law. Either Party to this Agreement may revoke its permission to use electronic signatures at any time for future documents by providing notice pursuant to the Agreement. The Parties agree that electronic signatures, by their respective signatories are intended to authenticate

such signatures and to give rise to a valid, enforceable, and fully effective Agreement. The City reserves the right to reject any signature that cannot be positively verified by the City as an authentic electronic signature.

Executed as of the day and year first above stated.

CONSULTANT:

Name of Firm: LWP Claims Solutions, Inc

TYPE OF BUSINESS ENTITY (*check one*):

☐ Individual/Sole Proprietor
☐ Partnership
☒ Corporation
☐ Limited Liability Company
☐ Other (please specify: _____)

Signatures of Authorized Persons:

By: _____

Print Name: Judy Adlam

Title: President & CEO

By: _____

Print Name: Sheri Lynn Erickson

Title: CFO

City of Santa Rosa Business Tax Cert. No.

401272

CITY OF SANTA ROSA

a Municipal Corporation

By: _____

Print Name: Maraskeshia Smith

Title: City Manager

APPROVED AS TO FORM:

Office of the City Attorney

ATTEST:

City Clerk

Attachments:

Attachment One - Insurance Requirements
Scope of Services and Compensation

ATTACHMENT ONE INSURANCE REQUIREMENTS FOR PROFESSIONAL SERVICES AGREEMENTS

A. Insurance Policies: Consultant shall, at all times during the terms of this Agreement, maintain and keep in full force and effect, the following policies of insurance with minimum coverage as indicated below and issued by insurers with AM Best ratings of no less than A-:VI or otherwise acceptable to the City.

Insurance	Minimum Coverage Limits	Additional Coverage Requirements
1. Commercial general liability	\$ 1 million per occurrence \$ 2 million aggregate	Coverage must be at least as broad as ISO CG 00 01 and must include completed operations coverage. If insurance applies separately to a project/location, aggregate may be equal to per occurrence amount. Coverage may be met by a combination of primary and umbrella or excess insurance but umbrella and excess shall provide coverage at least as broad as specified for underlying coverage. Coverage shall not exclude subsidence.
2. Business auto coverage	\$ 1 million	ISO Form Number CA 00 01 covering any auto (Code 1), or if Consultant has no owned autos, hired, (Code 8) and non-owned autos (Code 9), with limit no less than \$ 1 million per accident for bodily injury and property damage.
3. Professional liability (E&O)	\$ 1 million per claim \$ 1 million aggregate	Consultant shall provide on a policy form appropriate to profession. If on a claims made basis, Insurance must show coverage date prior to start of work and it must be maintained for three years after completion of work.
4. Workers' compensation and employer's liability	\$ 1 million	As required by the State of California, with Statutory Limits and Employer's Liability Insurance with limit of no less than \$ 1 million per accident for bodily injury or disease. The Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of the City for all work performed by the Consultant, its employees, agents and subcontractors.

B. Endorsements:

1. All policies shall provide or be endorsed to provide that coverage shall not be canceled, except after prior written notice has been provided to the City in accordance with the policy provisions.

2. Liability, umbrella and excess policies shall provide or be endorsed to provide the following:
 - a. For any claims related to this project, Consultant's insurance coverage shall be primary and any insurance or self-insurance maintained by City shall be excess of the Consultant's insurance and shall not contribute with it; and,
 - b. **The City of Santa Rosa, its officers, agents, employees and volunteers are to be covered as additional insureds on the CGL policy.** General liability coverage can be provided in the form of an endorsement to Consultant's insurance at least as broad as ISO Form CG 20 10 11 85 or if not available, through the addition of both CG 20 10 and CG 20 37 if a later edition is used.

C. Verification of Coverage and Certificates of Insurance: Consultant shall furnish City with original certificates and endorsements effecting coverage required above. Certificates and endorsements shall make reference to policy numbers. All certificates and endorsements are to be received and approved by the City before work commences and must be in effect for the duration of the Agreement. The City reserves the right to require complete copies of all required policies and endorsements.

D. Other Insurance Provisions:

1. No policy required by this Agreement shall prohibit Consultant from waiving any right of recovery prior to loss. Consultant hereby waives such right with regard to the indemnitees.
2. All insurance coverage amounts provided by Consultant and available or applicable to this Agreement are intended to apply to the full extent of the policies. Nothing contained in this Agreement limits the application of such insurance coverage. Defense costs must be paid in addition to coverage amounts.
3. Policies containing any self-insured retention (SIR) provision shall provide or be endorsed to provide that the SIR may be satisfied by either Consultant or City. Self-insured retentions above \$10,000 must be approved by City. At City's option, Consultant may be required to provide financial guarantees.
4. Sole Proprietors must provide a representation of their Workers' Compensation Insurance exempt status.
5. City reserves the right to modify these insurance requirements while this Agreement is in effect, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.

V. SCOPE OF SERVICES AND EXPECTATIONS

A. Scope and Quality of Service

As the City is currently evaluating its workers' compensation program and considering several options for improving the program, the City requires a TPA that is flexible, adaptable, provides innovative client-specific claims handling solutions, and consistently delivers high-quality customer service to all parties involved in the claims process.

At LWP, we consider ourselves to be the City's partner. We consider the RFP process to be an opportunity to collaborate with you in the reevaluation of your program, including the redesign of any and all services currently being provided.

We believe that LWP distinguishes ourselves from other TPAs based on the level of commitment and urgency we demonstrate in DELIVERING on all our commitments. Commitments are common in this business, but consistent delivery is far less common. By choosing LWP, you have chosen a "partner", rather than an "administrator". Some of the advantages of partnering with LWP are:

Our Unique approach to Account Management – At LWP, we believe that Account Management should be viewed as "management" rather than as a "sales" function. Unlike most in the industry, we do not employ separate Account Managers. Our Director and Claims Managers are our Account Managers. We do this because we believe that this is consistent with our Culture of Accountability.

A client will never hear "they shouldn't have promised that", or "I don't know why they didn't do that." There is no "they" at LWP. The managers who make the promises are the same managers who must deliver on those promises.

Superior Support for Injured Workers – We have proven repeatedly that providing the proper support for the injured worker can serve to ease the process for the injured worker, prevent unnecessary litigation and significantly reduce the overall cost of each claim. We understand that doing the following serves the best interests of both the injured worker AND the employer.

- Thoroughly explain the WC process and benefits
- Expedite Medical treatment and remove the obstacles of UR whenever possible
- Facilitate temporary and permanent modified duty
- Resolve all issues swiftly and fairly

Businessperson mentality- Judicious Use of Resources - We attract clients who are more focused on results than on price. They are clients who recognize that spending an extra dime to save an extra dollar is a sound business decision. That businessperson mentality is also imbedded in our philosophies and staff training. Our Examiners are trained to treat the clients' money as if it were their own. At LWP, we do not believe that more is necessarily better. We believe that Case Managers, Utilization Review, Legal Services and other services can be very effective in the right situations but tend to run up claims costs and impose unnecessary delays when over utilized. At LWP, we look for ways to confine these services to cases where we believe there is a high likelihood of impact.

Additionally, LWP will not engage others to do work that our own staff can do. We will not engage a vendor in pursuit of savings or recoveries that are likely less than the cost of the vendor's work. Plainly stated, we will not spend a dollar to try to save fifty cents.

We are a Customer-Focused WC Claims Specialist - Workers' Compensation is our sole focus. Our resources are not diluted into various products and services. As a privately held specialist, we remain focused on the client, and are not governed by venture capital objectives or by large corporate bureaucracy. We keep our management staff lean and focus our resources on the people who actually do the work each and every day on the front line. We provide resources, guidance and empower professionals to do their jobs. We are client focused, results oriented, and very nimble. Each client receives customized services, tailored to their very specific needs and preferences. We provide what some have now come to see as "good old fashioned" service—with face-to-face contact and dedicated involvement in our clients' businesses.

Good enough is Never Good Enough - Corny, but very relevant. At LWP, we are never satisfied with our own performance, or with our programs or services. We are ALWAYS looking for a better way. We dissect all client feedback and also continually scour the marketplace looking for new and better techniques by which we can improve client results. We continually seek feedback from our clients so that we can further enhance our service delivery, not only for that particular client, but for all our clients. We are never defensive about feedback.

We are versatile and creative - We attract clients with very diverse needs and wants. Because we work with large insurance companies, groups and individual employers, our clients come to us with a mix of relationships (particularly Managed Care and legal) already in place. Although we are very confident in the quality of the programs we have in place and thoroughly vet our own recommended providers, we are also very receptive to working with partners selected by our clients and are adept at adapting our workflows and systems to ensure that our clients can achieve the same outstanding results regardless of their choice of partners.

The proposal needs to include provisions that address Utilization Review and Bill Review services.

LWP offers fully integrated UR and Bill Review programs.

LWP has a proven track record for "doing the right thing", rather than merely "doing things right". Our focus is always on the successful outcome, rather than on the savings that can be generated by a single short-sighted transaction.

We maintain extensive cost-containment programs that are designed to first provide access to the best care available, and secondly, to offer cost savings where available. We review our claims and cost containment results regularly to look for patterns that may allow us to fine tune our Best Practices in order to maximize the impact that cost-containment techniques have in the right situations while minimizing the costs and time that can be spent chasing savings that can be less than the cost of the process. Plainly stated, we will not spend a dollar to try to save fifty cents.

LWP's cost containment program, branded as "SPHERE Solutions," is flexible and can be adapted to meet the unique needs of the client. We offer a menu of services, as well as interfacing with providers

chosen directly by the client. Each service can be customized for each client. All services are offered as part of a bundled program.

Understanding Unit Price vs. Cost

At LWP we believe that limiting unnecessary use of services is the best way to ensure our Examiners are firmly entrenched in the resolution of each claim and our clients enjoy the lowest cost we can provide. In a recent review of UR for a Group not managed by LWP we found that 1,766 referrals to UR were made on 9,000 bills. For the same volume of bills LWP referred 450 bills to UR with 250 peer review assignments being made from that group. An illustration of the difference in total cost follows;

Illustration

Competitor Cost $(1,766 \times 90) + (250 \times 211.50) = \$211,815$

LWP Cost $(450 \times 110) + (250 \times 235) = \$108,250$

LWP Savings = \$103,565

For Nurse Case Manager, Utilization Review and Attorneys, LWP has very low utilization. We do not attempt to make a profit center at the cost of our clients. We believe in adjusters doing the work we contract to do and reasonable oversight charges for limited Case Management and UR.

Utilization Review

One of the distinguishing features of LWP's UR program is our judicious use of UR. As with all other things, LWP does not believe that more is necessarily better. In fact, unnecessary UR can serve to alienate treating physicians and injured workers and drive-up employers' costs. We continually monitor each Examiner's utilization to look for training opportunities. Examiners are encouraged to approve diagnostics and treatment that are very unlikely to be denied or modified. This can even include approving surgeries based on positive objective diagnostic findings. This approach is also consistent with our sports medicine philosophy to ensure aggressive, up-front medical care in order to speed the process from diagnosis to recovery.

At LWP, we continue to evaluate our Utilization Review results and refine our referrals to ensure that we balance the need for accelerating medical care with the need to ensure that unnecessary treatment is prevented or curtailed as quickly as possible. We believe that UR should be used very sparingly, and that claims Examiners can approve significant amounts of medical care, particularly for diagnostic testing and routine care.

All medical treatment requests are flagged in our claims system for immediate review. Once reviewed, the Examiner can approve the treatment (if consistent with our protocols and the client's guidelines) or can transmit directly to the Utilization Review partner. Examiners are encouraged to use the UR services at any time that they have questions or concerns about requested treatment. In the absence of specific concerns, though, our Examiners are permitted to approve the following procedures (subject to clients' agreement):

Examiners are permitted to approve the following procedures (subject to client's agreement):

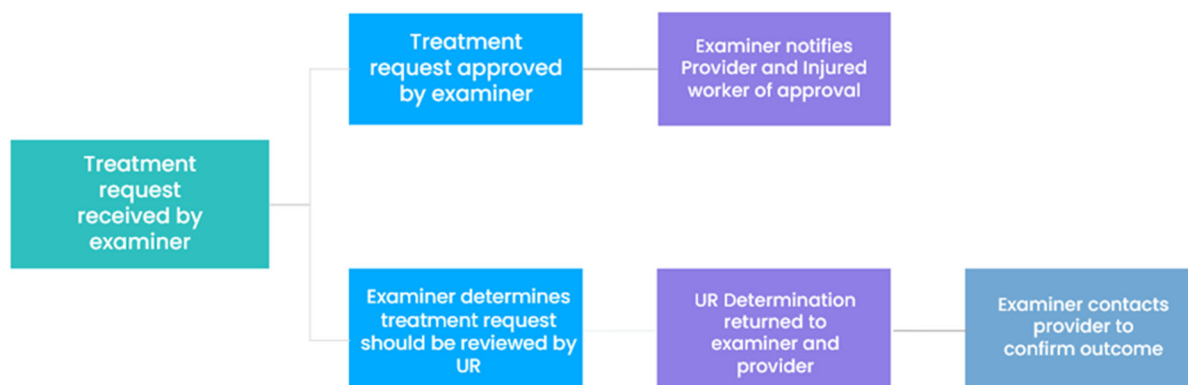
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- Diagnostic Tests Including: X-rays, CT Scans, MRI Scans, EMG's and other tests as deemed appropriate
 - 16 PT/Chiro visits or less for initial request or exacerbation
 - 16 PT visits post-op
 - DME \$1000 or less
 - Specialist referral (including ortho, dentist, dermatologist, general surgeon, etc.)
 - Hernia repair surgery
 - Knee and Shoulder arthroscopic outpatient procedures where objective findings are documented on diagnostic test results such as MRI, CT etc.
 - Non-Opioid Pharmacy requests under \$600
 - Opioids with estimated duration of less than 30-days
 - Initial requests for steroid injections to joints (NOT ESIs)
 - Ultrasling, Polar Care unit for post-op shoulder
 - Home Health Care in documented catastrophic losses
 - Transportation
 - Aquatic Therapy
 - Electromyography (EMG) and nerve conduction velocity (NCV) testing
 - Trigger point injections
 - Joint steroid injections
 - Massage therapy
 - Dental work
 - Home health care/aides physical therapy/aides
 - Skilled nursing visits
 - Nursing home, skilled nursing facility, convalescent or residential care admissions
 - Orthotic device

Because LWP Examiners approve most straightforward treatment requests, our experience has proven that less than 30% of treatment requests that are sent to UR are approved at the nurse level. More than 70% of our referrals are escalated to the physician level and do result in treatment modifications or non-certifications, providing evidence that LWP does not inflate UR costs through unnecessary referrals.

Requests that may warrant a referral to the Utilization Review partner include:

- Physical therapy treatments in excess of 16 visits
- Occupational therapy treatments in excess of 16 visits
- Hospital Admission (for other than surgeries listed above)
- Durable medical equipment greater than \$1000
- Biofeedback and pain management, initial evaluation and “full” chronic pain management programs
- Weight loss programs
- Experimental treatments
- Functional Restoration programs
- Ongoing opioids, antidepressants, and addictive medications
- Compound medications

Following is a flow chart of the process.



Bill Review

LWP has built an integrated approach to Bill Review that leverages our claims technology and our advanced knowledge of bill review pricing and quality control with our partnership with accūro a partner who maintains exceptional bill review software, staff expertise and jurisdictional updates.

Over the years, we have continually refined our internal controls and system edits in order to offer our clients a very substantial added layer of quality control that sits on top of the Bill Review Company’s offerings, offering this combined program through “SPHERE Solutions,” our trade named Managed Care arm.

LWP takes extensive steps to ensure that medical payments are appropriate and timely made. Those steps include:

- Timely use of Utilization Review, where appropriate (LWP’s UR plan allows the Examiner more flexibility to approve treatments without the necessity for UR. We believe that UR can be a valuable tool for evaluating complex treatments, but serves to delay treatment and drive up costs if overused.)
- LWP approves all bills for payment PRIOR to sending to bill review. We do this so that our clients do not incur bill review charges for bills that should legitimately face objections. In
- 2022 we saved our clients more than \$420,000 in bill review fees that were not incurred because LWP filed an objection BEFORE sending the bills to bill review.
- Proprietary bill processing workflows that provide an advanced interface between our claims system and the bill review software.

Our integrated LWP/accūro protocol is as follows:

1. Bill is received in our Sacramento location (via either email, fax, mail or upload from a provider’s FTP site)
2. The bill is scanned on date of receipt and indexed within 24 hours.
3. The image is then presented to the examiner for approval in the claims system.
4. Approved images are uploaded to a secure FTP site for pick-up by accūro. Each file has a descriptor that has the number and image ids included.
5. The bill data is entered into accūro’s ACT bill review system, the system checking against the required data elements and previous bill review history for possible duplication.

6. Once cleared for processing, each line of the provider bill is input for compliance to the fee schedule and sent to audit for accuracy of the coding. It is noteworthy that accūrō does not auto-adjudicate bills. Every bill is reviewed by a human...a trained, certified bill reviewer.
7. When the bill is determined to be correct, it is pended and transmitted to all affiliate networks for possible further contracted network reductions.
8. Once a bill is returned from the Networks, the accūrō bill reviewer finalizes the reductions, processes an EOR and sends a file back to LWP in a daily electronic feed, which is posted to a secure FTP site.
9. Once a bill (with the corresponding EOR) is returned from the bill review software, it automatically uploads to our Check Validation queue, where it must pass through a series of automated and manual checks to verify accuracy and appropriateness. Those checks include a systematic check to ensure the following:
 - Bill has been approved by the Examiner
 - Payment is being made on the correct claim
 - Provider has valid W9 on file
 - There are no overlapping or duplicate payments that have been missed by the bill review software (as checked by procedure code, provider and dates of service)
 - Check does not exceed client's special funds threshold
 - Client does not have special payment procedures
10. Once all verifications are completed (some are automated and some require claims experts verify), system will issue a check. EOR will print along with the check.

Through our partnership with accūrō, the client will have access to all major PPOs, They update networks continually as well as updating fee schedule changes immediately upon release.

Additionally, LWP has partnered with several specialty PPOs (including Optum for Pharmacy Benefit Network, One Call and HomeLink networks for Physical Therapy, and others) to deliver the best possible services at the best possible prices.

Prior to the start of service, the TPA will assist the City with developing appropriate claims administration guidelines. While the guidelines should be specific to address City needs and expectations, it is anticipated that these guidelines will largely be similar to other agencies whose current excess coverage is placed through CSAC-EIA. While specific guidelines and requirements will be established prior to the start of service, some current expectations and requirements are outlined below for the purpose of informing the Proposal preparation and pricing.

As your current partner, our services have been customized to meet your previous specifications. We are happy to review all and to suggest additional and or modified services that may now be of interest.

LWP is very familiar with PRISM (formerly CSAC-EIA) guidelines, as we support a number of the excess clients (including the City of Santa Rosa) and also support entities in their PRISM Primary WC program as well.

B. General Requirements and Expectations

The TPA will perform all services required to supervise and administer a self-insured workers' compensation program for the City, and to act as the City's representative in matters relating to the City's obligations under the workers' compensation laws of the State of California. The TPA must be a recognized claims administrator of self-insured workers' compensation programs licensed to do such business in California. The TPA must also have an office located in Northern California that will be the primary handling location for the City's account.

LWP has a proven track record for disciplined execution. We have documented those practices that we are confident facilitate achievement of outstanding results. We measure and monitor our examiners' performance to be sure that the agreed Best Practices are utilized. We know that the difference between excellence and mediocrity is in the blocking and tackling that occurs each and every day. Yet, we also recognize that even tried and true techniques are not always the best course for any particular claim. Our examiners are empowered to evaluate the circumstances of a claim and to consider an alternate course of action that is likely to lead to a better result for a particular claim. We want our examiners to "do the right thing," rather than merely "doing things right." If at any time, the examiner proposes an alternative strategy, this will be discussed with the client prior to embarking on an alternative path.

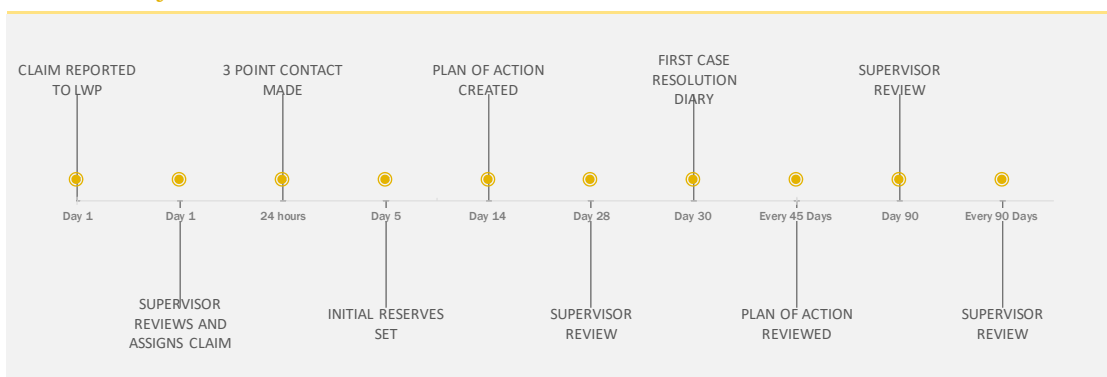
At LWP, we recognize that our core responsibility is to investigate, adjust and settle claims. LWP has extensive protocols to ensure that we determine eligibility for, and then process both medical and indemnity benefits in a timely manner.

LWP's contact is focused on determining what activities the employee is ABLE to perform. We do not accept "unable to work" as a status. We look for the activities that CAN be performed, including activities of daily living. We then work with the Employer to determine whether temporary modified work can be available to keep the employee at work.

Included in our core responsibility is timely payment of benefits and notices to employees. Through careful hiring and training practices working hand in a hand with a claims system specifically designed to move claims toward conclusion while complying with all regulations we are able to effectively meet this responsibility. Our unique approach to supervision and management also ensure compliance with the California Labor Code.

LWP will manage the claims according to our client-specific handling guidelines, with the understanding that the life of an indemnity claim can be represented by the graph below;

Indemnity Claim Timeline

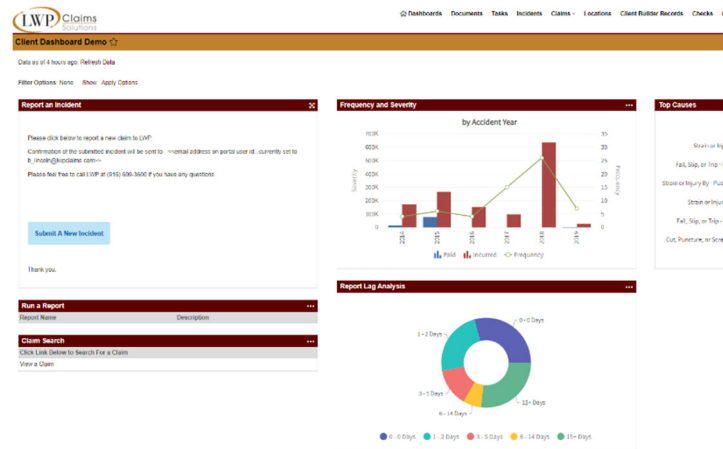


The City requires the ability to electronically view the progress of any of their claims. It is anticipated that the City will require access for 3 staff members.

LWP utilizes Origami Risk, a modern, browser-based Risk Management Information System for both Claims Adjusting, Document Management and for reporting and client interface. Origami is a highly secure, highly configurable system that offers LWP and our clients access to state of the art technology, and secure and flexible reporting capabilities. Because all customization is done through configuration, Origami can deliver a full complement of enhancements every eight weeks that are automatically incorporated into LWP's platform without any need for custom development. Our ability to respond quickly to customer needs is something that we pride ourselves on and Origami Risk is an intuitive, configurable platform that allows us to retain that focus.

LWP offers clients access to the Origami system, allowing the client to do the following:

- Report claims to LWP online
- View a customized dashboard with metrics relevant to the client
- View individual claims details (including financials and adjuster notes)
- Run reports



No special equipment is required to access our browser based system. We include access for 4 City users in our pricing, noting that the City currently utilizes access for three users.

The City will have final approval for all claim services, case management services, and/or ancillary services utilized, including but not limited to defense attorneys, nurse case managers, vocational experts, utilization review, bill review, and investigative firms. It will be the TPA's responsibility to ensure that utilization review, bill review, and/or managed care services adhere to all of the requirements and deadlines as mandated by the State Labor Code, DWC, and all other applicable state and federal laws and regulations.

Agreed

1. Staffing

We require dedicated claims staffing. All dedicated examiners should only be accountable for the city.

We have offered an option for two dedicated Sr. Examiners, as well as offering the option to continue with the current staffing model, which includes one Fully dedicated Sr Examiner, one Overflow Sr. Examiner and a partially dedicated Medical Only/Future Medical Examiner.

The two options we've presented in the pricing proposal are:

Our current staffing model is:

Staffing Proposal 1- This proposal utilizes our current staffing model, with one fully dedicated Sr. Examiner, one overflow Sr. Examiner and a non-dedicated Medical Only/Future Medical Examiner.

Current Staffing

1 Account Manager – partially dedicated
1 Claims Supervisor – partially dedicated
1 Sr. Claims Examiner – fully dedicated
1 Sr. Claims Examiner- partially dedicated
1 MO/Future Medical Examiner - partially dedicated
1 Claims Assistant – partially dedicated]

Additional support (to include mail room, scanning, check printing, bill payment, trust fund replenishment and balancing and loss reporting) will be provided by our Centralized Services Team)

The current staffing model is by far the most cost-effective model and we are happy to continue with that model.

We offer an alternative model in response to the specific factors noted in the RFP, those factors being the request for:

- Fully Dedicated Examiners
- Indemnity Examiners that manage all claims for any injured worker. This will move some Medical Only and Future Medical claims to the Indemnity Examiners, causing the need for more Indemnity examiner capacity.
- A firm cap of 125 Indemnity claims (with FM and MO claims calculated as ½ Indemnity)

Staffing Proposal 2-

1 Account Manager – partially dedicated
1 Claims Supervisor – partially dedicated
2 Sr. Claims Examiners – fully dedicated
1 MO/Future Medical Examiner - partially dedicated
1 Claims Assistant – partially dedicated]

Additional support (to include mail room, scanning, check printing, bill payment, trust fund replenishment and balancing and loss reporting) will be provided by our Centralized Services Team)

Note that this Staffing model will still require a non-dedicated MO/FM Examiner to manage a small number of claims that cannot be accommodated without two caseloads capped at 125.

The City expects qualified and experienced senior adjusters to handle its indemnity claims. Indemnity adjusters should have at least five (5) years of technical claim adjusting experience within the California jurisdiction and at least two (2) years of experience with public safety and Labor Code 4850 benefits. All adjusters on the City of Santa Rosa should be state certified to administer self-insured workers' compensation claims (i.e., SIP certification).

LWP currently has two Sr. Examiners managing claims for the City, one fully dedicated and one managing some overflow claims. Both have more than the specified experience requirements.

We offer our hiring guidelines to demonstrate our understanding of the requirements, and to assure the City that we can successfully recruit a qualified Examiner if the City opts to add the second dedicated Sr. Examiner.

Sr. Examiners adjust the Indemnity claims under the supervision of the claims supervisor. Authorities are set commensurate with the City guidelines and our joint assessment of each person's performance. When identifying candidates to recommend to the City, our standards are be:

- Minimum of 5 years Adjusting Experience
- 3 years' Experience managing claims for Municipalities (including 4850)
- Licensed Self-Insured Administrator
- State Certified Examiner Status
- Receptivity to the City's program needs
- Must be able to meet LWP's stringent performance standards (exceptional communications, time management and critical thinking skills required)
- Candidate must successfully pass LWP's background checks (credit and criminal)

As the City anticipates a dynamic partnership with the TPA staff assigned to its claims, the city would appreciate involvement in the selection of the staff assigned to its account. The City's expectation is that claims will be handled by permanent staff; frequent changes in adjusters or any use of temporary adjusters would be considered unacceptable.

First, the City is notified any time there is a planned or unplanned absence and/or a resignation.

We use a buddy system to provide seamless backup for all examiners. Examiners are paired based on complimentary work schedules and similarity of caseload. In staffing the City unit, we will ensure that all staff schedules (including PTO) are arranged to ensure at least one member of the unit is available to the City on every business day throughout the term of our relationship.

Additionally, in the case of any vacancies or absences, we do not utilize temporary adjusters. Instead, we utilize a team of volunteers to take on management of a number of claims each and adjust them in addition to their regular assignment. They are paid overtime (if non-exempt) or bonuses (if exempt). This approach allows us to fill a temporary void with an examiner that is already trained in LWP's method of claim handling and already has the skills to continue moving the City's claims to effective closure. Participation is voluntary and cannot distract from the claims under the examiners care. We will also utilize the assistance of our Assistant Claims Manager to both oversee the project team and to assist with selected claims.

Although turnover at LWP has been lower than most of our competitors have experienced, we did lose the Sr. Examiner that supported the City. This did result in our utilization of the program team approach noted above, whereby we utilized the services of volunteers

2. Communication

The City places a high value on TPA responsiveness and communication with the City, injured workers, and medical providers to facilitate the claims process. The City expects to be kept informed and involved in any significant claim developments or decisions, with adjusters promptly requesting City authority, where required. The City expects a response from TPA staff within one business day (with same-day responses preferred) to any calls, messages, and/or emails from the City or injured workers. Likewise, three-point contact must be attempted within one (1) business day of receipt of all claims.

We expect to continue having frequent communications with the City of Santa Rosa's Risk Management team and staff. We feel that it is very important to involve our clients in both routine and high level issues to ensure the maximum level of claims management is being provided. Successful claim outcomes can be traced very specifically to teamwork between the employer and the administrator.

All telephone calls will be returned within 24 hours, with calls from injured workers returned same day, and generally within an hour or two. Each contact attempt is documented in the notepad.

We communicate with our clients through a combination of email, telephone and face-to-face means. You and your staff are welcome to reach out at any time to our Claims Supervisor, the Claims Manager, Vice President of Claims and the President/CEO. All will be available to assist with issues, large and small. Additionally, we expect to provide regular reports that detail the status of various issues. You can expect regular calls from our management and meetings at whatever frequency is preferable to you.

At LWP, we recognize that ongoing communications with injured workers is a key ingredient in avoiding litigation, returning employees to work and resolving claims quickly. Keeping injured workers informed of the process, their rights and what to expect significantly increases the likelihood of a successful outcome. We are committed to:

- listening first
- providing relevant, timely and appropriate communication to the Injured Worker
- addressing any concerns raised by the Injured Worker
- contacting the Injured Worker at least every two weeks while off work

- encouraging the Employer to stay in contact with the Injured Worker
- encouraging a prompt recovery

We view the employee as an extension of our Client and make every effort to extend the same level of customer service to the injured worker that we provide our designated contact for the client. All calls from the Injured Worker are returned the same day.

Three point contacts are made within 24 hours of claim receipt. In cases where the employee is losing time from work, the injured worker is contacted no less frequently than every 30 days, although more frequent contact is very common.

It is our philosophy to maintain contact with injured workers who are not temporarily disabled, although we do not prescribe a set schedule. At LWP, we understand that communication is the key to litigation prevention, and therefore, err on the side of making more contacts than are necessary, rather than under-communicating.

All correspondence from the injured worker will be responded to within 3 business days, with all phone calls returned within 1 business day, generally within a couple of hours, at the most.

During contact with claimants that will be receiving temporary disability benefits (including salary continuation and 4850), claimants shall be placed on notice that they are required to report to the adjuster any income earned while receiving TD benefits, as this can impact the benefit amount due. The claim file must reflect whether the claimant was put on notice of the requirement to report concurrent employment.

Agreed

The City provides salary continuation for 4850 benefits. The City also offers a salary continuation program to injured workers on temporary disability, in which the City issues salary continuation payments until sick leave is depleted. Once sick leave is depleted or if the injured worker declines salary continuation, the TPA will then start issuing temporary disability payments to the injured worker. The City will require close coordination with the TPA regarding benefits paid and benefits due.

LWP has extensive experience managing claims for clients whose employees are subject to LC 4850 benefits, as well as other salary continuation programs.

We currently interface with the City's payroll department, issuing vouchers during salary continuation periods, and then switching to issuing temporary disability payments once continuation benefits are no longer available to the injured worker.

3. Medical Coordination

The City actively seeks to provide modified duty for injured workers with work restrictions. As most injured workers are capable of at least some physical activity evidenced by their ability to attend medical appointments, the City expects adjusters to encourage medical providers outline

VII. PRICING

Provide a cost proposal that includes a summary of all fees, detailing services related to such fees, including full disclosure of sub-contractor fees associated with claim services to be provided through the TPA. The City will consider any pricing options you wish to submit for the specified contract period.

If more than one pricing alternative is available, describe each option in detail, including any flat-rate options.

Pricing options should include 1) Administration of all City claims, including existing claims prior to the service agreement date and new claims incurred after the effective date of the service agreement.

When possible/available, provide pricing options for unbundled services and any optional services that may be of benefit to the City. If your company provides an unbundling option, please describe the services and fees charged in the areas of allocated claim expenses, including but not limited to; bill review, utilization review, prescription drug programs, managed care/preferred provider, or other provider networks.

LWP offers the following pricing proposal for the City of Santa Rosa. You will note that we have offered two options based on our commitment of offer dedicated examiners with the ability to combine all claims for an employee under the management of one examiner.

Both pricing options assume use of LWP's bill review. Because bill review required a 3way data interface (LWP, the bill review partner and our clearinghouse), unbundling bill review is quite complex. Should the City be interested in unbundling bill review, we are happy to provide unbundled claims management pricing and also the cost for any additional data feeds required.

The City can unbundle any other services without incurring a different pricing structure.

Proposed Pricing

Claims Administration - Life of Contract Claims Administration and Managed Care

Staffing- 2 Dedicated Sr Examiners

Year 1	\$450,000
Year 2	\$463,500
Year 3	\$477,405
Year 4 (Optional)	\$491,727
Year 5 (Optional)	\$506,479
Year 6 (Optional)	\$521,673
Year 7 (Optional)	\$537,324

Services will be billed monthly at 1/12th of annual fee.

Services Included in Claims Administration Fee

Claims Administration

Designated Account Manager

Claim Review Meetings
Reporting to Reinsurer

Litigation Management

Additional Services

Annual Administration Fee	\$7,500
Bank Charges (one Account)	Included
Storage Fees	Included
On-Line 5020 Reporting	Included
Loss Reports	Included
On-Line System Access	Included
Trust Accounting	Included
Preparation and filing of 1099's	Included
Preparation of SIP reports	Included
FROI/SROI Reporting	Included
Medicare Reporting	Included
Ebill	Included

A. Specific charges/pricing requested:

Describe any charges and/or pricing related to the following services, including available options for services and pricing:

1. **Bill Review:** If available, provide pricing options for bill review services, including flat rate by bill, flat-rate by line-item, and any additional pricing options.

Bill Review	Fee
Standard Medical Bill Review Fee Schedule	\$9.00 per bill plus PPO Reduction
Reductions	
Inpatient or outpatient hospital or surgery center	\$300 per bill plus PPO Reduction
PPO Reduction	24% of Reduction below Fee Schedule 27% Anthem Only
Bills not subject to Fee Schedule	24% of Reduction

2. Utilization Review

Utilization Review

Adjuster Review	No Charge
Tier 1 - Nurse Review	\$120 Flat Fee

Includes 3 medical request in a single review, set up, phone calls to physician, email notices to adjuster and letters to all parties including network providers. Fee applies to reviews approved by nurse or escalated to physician.

Tier 2 - Physician Review	\$235 plus nurse charge
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Includes 3 medical request in a single review.

Pharmacy Review	\$385 plus nurse charge
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Includes unlimited medical request in a single review.

- 3. Provider networks and services, which may include PPOs; PBMs; DME providers; medical case management (including telephonic nurse case management, field nurse case management, and/or physician advisor); and ancillary services including diagnostic imaging, DME supplies, copy service, translation, and transportation**

Case Management

Telephonic Case Management	\$102 per hour
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Field Case Management	\$108 per hour + incidentals (including mileage, phone, tolls, parking, etc.)
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Medical Provider Network Access (LWP Network)

PPO fee for savings below fee schedule and negotiations	24%
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There is no separate charge for medical provider access to LWP's proprietary network. Percentage of savings below fee schedule is the only charge.

Specialized Network Access

(bill review charges do not apply)

Durable Medical Goods	\$5 per bill network access fee
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Expedited Diagnostic Testing	\$5 per bill network access fee
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Physical Therapy Network	\$5 per bill network access fee
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Pharmacy Benefit Network	\$5 per bill network access fee
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These charges apply only if LWP's programs are utilized.

- 4. MMSEA Section 111 reporting and requirements**

Included in annual Admin fee

- 5. OSHA reporting and requirements**

No separate charge

- 6. Standard monthly loss reports, standard annual loss reports, regularly scheduled customized reports, and ad hoc reports**

Included in annual Admin fee

- 7. Claim system levels of access and use**

Included in annual Admin fee

8. Any additional required services

All services included in pricing proposal

9. Any additional optional services

Other Services	Fee
Investigation	
Field Investigation	\$88 per hour
SIU related work	\$98 per hour
Indexing	
Index and OFAC Reporting	\$21 per claim
Subrogation	
Subrogation	15% of gross recovery
<i>Fee shall not apply to cases where file is referred to subrogation attorney for handling, and shall apply only to cases where recovery is negotiated by LWP staff. Fee shall still apply to cases where counsel is employed ONLY to draft releases, but where LWP did all negotiations.</i>	
Lien Resolution	
Liens negotiated by LWP Staff	15% of reduction
<i>Charge does not apply to liens negotiated by defense counsel. Additional fees that may be incurred for liens negotiated directly by defense counsel will be charged to the file as an expense. Charge does not apply to liens that are negotiated as a result of a dispute over a fee schedule and/or a PPO reduction.</i>	
LWP makes every effort not to change pricing. Ancillary Services pricing guaranteed for 18 months. Prices subject to increase thereafter with advance notice.	