

**AGREEMENT WITH LWP CLAIMS SOLUTIONS
FOR WORKERS' COMPENSATION THIRD PARTY ADMINISTRATION SERVICES**

This Agreement, made and entered into this day of 19th day of June, 2018 by and between the **CITY OF SAN MATEO**, a municipal corporation existing under the laws of the State of California ("CITY"), and **LWP Claims Solutions**, a Corporation ("CONTRACTOR"), whose address is 35 Miller Ave., #214, Mill Valley, CA. 94941.

RECITALS:

A. CITY desires certain workers' compensation third party administration services hereinafter described.

B. CITY desires to engage CONTRACTOR to provide these workers' compensation third party administration services by reason of its qualifications and experience for performing such services and CONTRACTOR has offered to provide the required services on the terms and in the manner set forth herein.

NOW, THEREFORE, IT IS AGREED as follows:

SECTION 1 - SCOPE OF SERVICES

The scope of services to be performed by CONTRACTOR under this Agreement is as described in Exhibit A to this Agreement, which is attached and incorporated by reference.

SECTION 2 - DUTIES OF CONTRACTOR

CONTRACTOR shall be responsible for the professional quality, technical accuracy and coordination of all work furnished by CONTRACTOR under this Agreement. CONTRACTOR shall, without additional compensation, correct or revise any errors or deficiencies in its work.

CONTRACTOR represents that it is qualified to furnish the services described under this Agreement.

CONTRACTOR shall be responsible for employing or engaging all persons necessary to perform the services of CONTRACTOR.

SECTION 3 - DUTIES OF CITY

CITY shall provide pertinent information regarding its requirements for the project.

CITY shall examine documents submitted by CONTRACTOR and shall render decisions pertaining thereto promptly, to avoid unreasonable delay in the progress of CONTRACTOR'S work.

SECTION 4 - TERM

The services to be performed under this Agreement shall commence on June 19, 2018 and be completed on or about June 30, 2021 with an option to extend for two additional one-year terms at the City's election.

SECTION 5 - PAYMENT

Payment shall be made by CITY only for services rendered and upon submission of a payment request upon completion and CITY approval of the work performed. In consideration for the full performance of the services set forth in Exhibit A, CITY agrees to pay CONTRACTOR a fee pursuant to rates stated in Exhibit B, attached and incorporated by reference.

SECTION 6 - TERMINATION

Without limitation to such rights or remedies as CITY shall otherwise have by law, CITY shall have the right to terminate this Agreement or suspend work on the Project for any reason, upon ten (10) days' written notice to CONTRACTOR. CONTRACTOR agrees to cease all work under this Agreement upon receipt of said written notice.

SECTION 7 - OWNERSHIP OF DOCUMENTS

All documents prepared by CONTRACTOR in the performance of this Agreement are and shall be the property of CITY, whether the project for which they are made is executed or not.

SECTION 8 - CONFIDENTIALITY

All reports and documents prepared by CONTRACTOR in connection with the performance of this Agreement are confidential until released by CITY to the public. CONTRACTOR shall not make any such documents or information available to any individual or organization not employed by CONTRACTOR or CITY without the written consent of CITY before any such release.

SECTION 9 - INTEREST OF CONTRACTOR

CONTRACTOR covenants that it presently has no interest, and shall not acquire any interest, direct or indirect, financial or otherwise, which would conflict in any manner or degree with the performance of the services under this Agreement.

SECTION 10 - CONTRACTOR'S STATUS

It is expressly agreed that in the performance of the services required under this Agreement, CONTRACTOR shall at all times be considered an independent contractor as defined in Labor Code Section 3353, under control of the CITY as to the result of the work but not the means by which the result is accomplished. Nothing herein shall be construed to make CONTRACTOR an agent or employee of CITY while providing services under this Agreement.

SECTION 11 - INDEMNITY

CONTRACTOR agrees to hold harmless and indemnify CITY, its elected and appointed officials, employees, and agents from and against any and all claims, loss, liability, damage, and expense arising out of CONTRACTOR's performance of this Agreement, except for those claims arising out of CITY's sole negligence or willful misconduct. CONTRACTOR agrees to defend City, its elected and appointed officials, employees, and agents against any such claims.

SECTION 12 - INSURANCE

Contractor shall procure and maintain for the duration of the contract the insurance specified in Exhibit C to this Agreement

SECTION 13 - NONASSIGNABILITY

Both parties hereto recognize that this Agreement is for the personal services of CONTRACTOR and cannot be transferred, assigned, or subcontracted by CONTRACTOR without the prior written consent of CITY.

SECTION 14 - RELIANCE UPON SKILL OF CONTRACTOR

It is mutually understood and agreed by and between the parties hereto that CONTRACTOR is skilled in the performance of the work agreed to be done under this Agreement and that CITY relies upon the skill of CONTRACTOR to do and perform the work in the most skillful manner, and CONTRACTOR agrees to thus perform the work. The acceptance of CONTRACTOR's work by CITY does not operate as a release of CONTRACTOR from said obligation.

SECTION 15 - WAIVERS

The waiver by either party of any breach or violation of any term, covenant, or condition of this Agreement or of any provisions of any ordinance or law shall not be deemed to be a waiver of such term, covenant, condition, ordinance or law or of any subsequent breach or violation of the same or of any other term, covenant, condition, ordinance or law or of any subsequent breach or violation of the same or of any other term, condition, ordinance, or law. The subsequent acceptance by either party of any fee or other money which may become due hereunder shall not be deemed to be a waiver of any preceding breach or violation by the other party of any term, covenant, or condition of this Agreement or of any applicable law or ordinance.

SECTION 16 - COSTS AND ATTORNEY FEES

Attorney fees in total amount not exceeding \$5000, shall be recoverable as costs (by the filing of a cost bill) by the prevailing party in any action or actions to enforce the provisions of this Agreement. The above \$5000 limit is the total of attorney fees recoverable whether in the trial court, appellate court, or otherwise, and regardless of the number of attorneys, trials, appeals, or actions. It

is the intent of this provision that neither party shall have to pay the other more than \$5000 for attorney fees arising out of an action, or actions to enforce the provisions of this Agreement.

SECTION 17 - NON-DISCRIMINATION

CONTRACTOR warrants that it is an Equal Opportunity Employer and shall comply with applicable regulations governing equal employment opportunity. Neither CONTRACTOR nor any of its subcontractors shall discriminate in the employment of any person because of race, color, national origin, ancestry, physical handicap, medical condition, marital status, sex, or age, unless based upon a bona fide occupational qualification pursuant to the California Fair Employment and Housing Act.

SECTION 18 - MEDIATION

Should any dispute arise out of this Agreement, any party may request that it be submitted to mediation. The parties shall meet in mediation within 30 days of a request. The mediator shall be agreed to by the mediating parties; in the absence of an agreement, the parties shall each submit one name from mediators listed by either the American Arbitration Association, the State Mediation and Conciliation Service, or other agreed-upon service. The mediator shall be selected by a blind draw.

The cost of mediation shall be borne equally by the parties. Neither party shall be deemed the prevailing party. No party shall be permitted to file a legal action without first meeting in mediation and making a good faith attempt to reach a mediated settlement. The mediation process, once commenced by a meeting with the mediator, shall last until agreement is reached by the parties but not more than 60 days, unless the maximum time is extended by the parties.

SECTION 19 - LITIGATION

CONTRACTOR shall testify at CITY's request if litigation is brought against CITY in connection with CONTRACTOR's services under this Agreement. Unless the action is brought by CONTRACTOR, or is based upon CONTRACTOR's wrongdoing, CITY shall compensate CONTRACTOR for preparation for testimony, testimony, and travel at CONTRACTOR's standard hourly rates at the time of actual testimony.

SECTION 20 - NOTICES

All notices hereunder shall be given in writing and mailed, postage prepaid, addressed as follows:

To CITY:	<i>Human Resources Department</i>
	<i>City of San Mateo</i>
	<i>330 W 20th Avenue</i>
	<i>San Mateo CA 94403</i>

To CONTRACTOR: *LWP Claims Solutions, Inc.*
Attn: Judy Adlam
35 Miller Ave. #214
Mill Valley, CA 94941

**SECTION 21 - AGREEMENT CONTAINS ALL
UNDERSTANDINGS; AMENDMENT**

This document represents the entire and integrated agreement between CITY and CONTRACTOR and supersedes all prior negotiations, representations, and agreements, either written or oral.

This document may be amended only by written instrument, signed by both CITY and CONTRACTOR.

SECTION 22 - GOVERNING LAW AND VENUE

This Agreement shall be governed by the laws of the State of California and, in the event of litigation, venue will be in the County of San Mateo.

[SIGNATURE PAGE FOLLOWS]

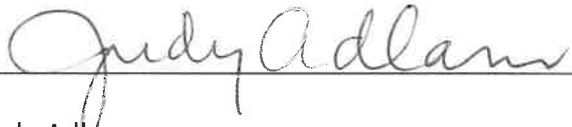
IN WITNESS WHEREOF, CITY OF SAN MATEO and LWP Claims Solutions have executed this Agreement the day and year first above written.

CITY OF SAN MATEO

A handwritten signature in black ink, appearing to read "Larry Patterson", written over a horizontal line.

Larry Patterson
City Manager

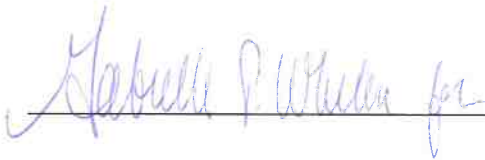
CONSULTANT

A handwritten signature in black ink, appearing to read "Judy Adlam", written over a horizontal line.

Judy Adlam
Its Authorized Agent
President & CEO

If a Corporation, can be either 1) President or 2) Vice President plus an additional corporate officer (i.e., Secretary, Treasurer) who shall sign below.

APPROVED AS TO FORM

A handwritten signature in blue ink, appearing to read "Bahar Abdollahi for", written over a horizontal line.

Bahar Abdollahi
Assistant City Attorney

ADDITIONAL CORPORATE OFFICER
(if necessary per the above)

A handwritten signature in blue ink, appearing to read "SheriLynn Erickson", written over a horizontal line.

SheriLynn Erickson
Treasurer

Attachments:

- Exhibit A: Scope of Services
- Exhibit B: Payment Rates
- Exhibit C: Insurance Requirements

Exhibit A

Workers' Compensation Claims Management Services Terms and Conditions

1. Staffing the Team Properly

LWP will provide qualified and competent staff to adjust claims for the City. In assigning staff LWP will consider:

- Client culture and objectives
- Relevant experience
- Examiner's caseload (both new loss volume and pending)
- Feedback from the client

LWP will inform City of any changes in staff and will work to maintain consistent adjuster assignment.

The City is encouraged to participate in the interview process to ensure we assemble a team that is the right "fit" for the client. The Account Manager will coordinate all services for the City, will attend all claim reviews and will be available for client meetings, training and stewardship meetings.

2. Claims Reporting

Claims will be reported promptly by the City to LWP. LWP will set up a claim and begin the three-point contact process immediately upon receipt of ANY notice of a claim. LWP Examiners are required to make three-point contact on all Indemnity claims within 24 hours of receipt, with the first contact always being the employer. If voice-to-voice contact is not achieved, the Examiner will continue efforts to reach the parties until accomplished.

3. Installing the Programs

LWP has provided a menu of services that are available to the City. LWP will install the services selected and maintain all systems and relationships required to provide requested services.

A. The Clinical Component

At LWP, we believe that excellence in clinical management is the best way to shorten disability durations and speed both return-to-work and claims closure. Our track record for excellent outcomes is the result of our focus on aggressive up-front medical treatment, a reliance on evidence-based protocols and very aggressive return-to-work efforts. We subscribe to the sports medicine philosophy of medical treatment. We advocate immediate diagnostics and early aggressive treatment to shorten the treatment timetables and keep the injured worker focused on recovery and return to work. Additionally, we know that passive treatment and delays can also lead to dependence on pain medications and the resulting "disability" syndrome. We are willing to "think outside the box" when treatment alternatives are presented that have a likelihood of a productive return to work.LWP will:

- Work with MPN selected by the City
- Enforce UR guidelines as specified in Special Handling Instructions
- Provide access to our Network Partners to the City

B. Disability Management

LWP is committed to aggressive disability management that is focused on early and sustained Return-to-Work. While an injured worker is disabled, we contact the treating physician no less frequently than every two weeks. During the call, we attempt to coordinate release to full duty or, failing that, a return to modified or alternate work. Our staff is trained to probe for information about what an employee is physically ABLE to do, rather than accepting “unable to return to work” as a status. We focus on activities of daily living to determine whether we can work with the employer to create modified duties based on those abilities.

LWP will assist in fine-tuning existing Return to Work programs including:

- Schedule meetings with Return-to-Work vendors so that they can familiarize themselves with available resources
- Review job descriptions with their designated clinics in order to stress the importance of return-to-work
- Assist in identifying alternative work arrangements and share those techniques used by our other clients

C. Litigation Support

Legal referrals will take place when it is determined that legal assistance is required in order to achieve the best outcome on the claim. Many assignments need only be task specific and, as such, when the requested task is completed defense counsel is to report on the completed task and outline additional recommendations for the adjuster to consider. Further attorney activity may only be completed upon the documented approval of the adjuster.

Common reasons for referral:

- Complete depositions
- Complex issues that require WCAB intervention
- Enforce utilization review determinations
- MPN disputes
- Subrogation matters

LWP will attempt case resolution prior to referral, and will consult with the City before referrals are made.

D. Subrogation Support

The Claims Examiner will be responsible for identifying subrogation potential and working with the City to determine how each case should be handled. At time of investigation, the Examiner will document the investigation and subrogation potential and the Supervisor will review that evaluation to determine whether any further investigation is needed in order to either pursue subrogation, or rule out the possibility of recovery.

Our claims staff receives ongoing training to ensure that there is proper recognition of subrogation potential and techniques for pursuit. Training also includes strategies for coordinating WC and subrogation issues in order to achieve the best outcome for the City.

Once subrogation possibility is identified, the Claims Supervisor will review the subrogation progress at every oversight diary in order to monitor the Examiner’s pursuit.

E. Special Investigations Unit (SIU)

Our approach to SIU is consistent with our approach in all other areas. We do not paint all injured workers with a broad brush. We strive for balance, knowing that fraud must be taken very seriously, yet also recognizing that unfounded accusations and mistrust lead to unnecessary litigation and expense.

Our staff receives regular training in how to identify potential fraud without becoming suspicious of honest and well-meaning injured workers. We utilize a list of Key Fraud Indicators that assist the Examiner in identifying claims that may require additional investigation. Whenever red flags are identified, the Examiner will immediately contact the Employer to discuss and agree on an appropriate plan of action.

On occasion, the SIU investigation raises issues that do not rise to the level of prosecution, but which could still result in expedited return-to-work. Often, surveillance films can be shown to a treating physician that will result in the physician releasing the injured worker to return to modified or full duty. Films that show some moderate activity can be successfully used to prompt a release from care or return to work even if they are not sufficient for an SIU prosecution.

4. Selecting the Best Network

LWP will make available their proprietary Medical Provider network. The network is offered in two forms- one including Kaiser and one excluding Kaiser, with all other features of the networks being identical. Some advantages to our network include:

- Statewide network developed by industry leading network developers
- Providers were carefully chosen based on extensive data that measures outcomes (return-to-work and treatment durations)
- Need for utilization review is significantly reduced by quality of physicians (saving time and expense)
- Significantly deeper discounts than most MPNs
- No access fee (client pays only the PPO % of savings BELOW fee schedule without any separate access fee.)

5. Employing Effective Cost Containment Strategies

LWP will judiciously employ Cost Containment Strategies with the goal of increasing successful closure of claims. Through its vendor relationships LWP will provide:

A. Utilization Review

All medical treatment requests will be flagged in our system for immediate review. Once reviewed, the Examiner can approve the treatment (if consistent with our protocols) or can transmit directly to Excel Managed Care, our 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 client's agreement):

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

LWP Examiners are able to approve most straightforward treatment requests, with only 30% of those sent to UR being approved by the nurse. With 70% of those referrals resulting in treatment modifications or non-certifications, it is evident 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)
- In-Patient Surgery (except as listed above)
- Outpatient Surgery (except as listed above)
- Aquatic therapy
- Chiropractic treatments in excess of 16 visits
- Pain Management
- Acupuncture in excess of 6 visits
- Possible Repeat or multiple diagnostic procedures to include x-rays, i.e., magnetic resonance imaging (MRI), computerized axial tomography (CT scan)
- Bone density scans
- Electromyography (EMG) and nerve conduction velocity (NCV) testing
- Trigger point injections
- Joint steroid injections
- Massage therapy
- Dental work
- Durable medical equipment greater than \$1000
- Biofeedback and pain management, initial evaluation and “full” chronic pain management programs
- Home health care/aides physical therapy/aides
- Skilled nursing visits
- Weight loss programs
- Nursing home, skilled nursing facility, convalescent or residential care admissions
- Orthotic devices
- Prolotherapy
- RFTC or cryotherapy/cryoablation of any nerve or joint

B. Nurse Case Management

Nurse case management will be used on a case-by-case basis. We believe that Case Managers can be an invaluable resource in the right situations. But indiscriminate use drives up claim costs while also diluting the nurse’s effectiveness on the right cases. More is not necessarily better.

Field case management is generally reserved for those claims that are more severe or where face-to-face intervention with both the employee and treating doctor will serve to facilitate an early return to work and recovery. Most field case management assignments are task-specific, with the field case manager assigned to attend a medical appointment or meet with an injured worker and their family, after which they close their assignment until/unless requested to take any additional action.

We recommend case management services be implemented when a need is identified, and should end when they are no longer impacting the return to work efforts or ultimate claim outcome. The specific guidelines are tailored to each client to be consistent with their return to work program.

C. Medical Bill Review

At LWP, we believe that the most important component of bill review is identifying the best network for a client. We will provide access to both national and customized networks, and networks can be stacked in order to maximize savings. In order to provide extensive flexibility, we have built an internal system that adds a significant layer of quality control that sits on top of a bill review company's software. By using this approach, we are able to offer our clients a full assortment of network options while still ensuring accuracy of reviews and payments and consistency across networks and providers.

We have a fully integrated interface with MCMC. Bill Review for the City will be provided by MCMC (CareWorks) unless otherwise specified.

D. Medical Provider Network

LWP offers our client's access to a proprietary Medical Provider network that we believe offers a very distinct advantage, both in quality of care and in cost. The network is offered in two forms- one including Kaiser and one excluding Kaiser, with all other features of the networks being identical.

Although we highly recommend these networks, we also work with networks chosen by our clients.

E. Prescription Drug Management

LWP will provide an aggressive, multi-pronged approach to controlling Pharmacy Costs. Our program includes the following:

Pharmacy Benefit Network (PBN) – LWP has a strategic partnership with Optum for pharmacy services. Optum's extensive network and pharmacy cards provide accessibility and ease of use for the injured employees. The network pricing and utilization review allow LWP to monitor medical use and control claim costs for our clients. Features include:

- No prescriptions can be filled in physicians' offices
- First Fill cards provided to employer
- Home Delivery service available
- Brand to generic channeling
- Both network discounts and out-of-network retrospective reviews
- Robust database checks for drug interactions, non-formulary prescriptions, over-utilization and prescriptions filed by multiple physicians

Opiate Drug Screening – Through our strategic partnership with Optum, we access their relationships with Drug Screening services. It is our practice to require the prescribing physician to administer drug screening tests based on established protocols. We test for therapeutic levels of the prescribed drugs and require the

testing firm to provide results to the treating physician. We have found the range of results to include:

- Proper utilization of drug at therapeutic level
- Absence of prescribed drug (triggering a non-renewal of the drug)
- Presence of illicit drugs

Peer-to-Peer Physician Intervention - LWP has partnered with PRIUM to offer peer-to-peer physician coaching for treating physicians who are uncomfortable with the wean-down and detox process. They focus on educating physicians on safe methods of weaning, utilizing drug replacement strategies and detox methods.

F. Expedited Diagnostic Testing

For diagnostic services, LWP currently has a strategic partnership with One Call Medical. The benefits of this arrangement are twofold –

- (1) Preferential expedited appointments to speed diagnosis and treatment and
- (2) Reduced fees for these services. Most tests can be scheduled within 24 hours to avoid the protracted delays that interfere with return-to-work and healing. There is no separate pricing for this program. Charges will be no higher than fee schedule, without any additional administrative charge.

Upon receipt of referral, One Call Medical will contact the injured employee to schedule the diagnostic test at a network facility. Reports are sent to the claims examiner immediately following the diagnostic test.

G. Durable Medical Goods

LWP has strategic partnerships with both One Call and with Optum for Durable Medical Goods. Both provide discounted prices for durable goods and by channeling through these providers we have the ability to track utilization.

H. Transportation and Translation Program/Network

LWP has built transportation and translation services into our PBN. By doing so, we have gained control over costs in areas that are frequently abused. We are able to easily arrange for needed services at very competitive rates.

I. Physical Therapy

LWP has formed a strategic partnership with Align Networks (a division of One Call Medical) to offer access to their Physical Therapy Network. The benefits of utilizing a network are:

- Removes the financial incentive for physicians to over-prescribe, since the therapy will be performed at a facility in which the physician has no financial interest
- Consistency of reporting
- Discounted fees (16% below fee schedule)

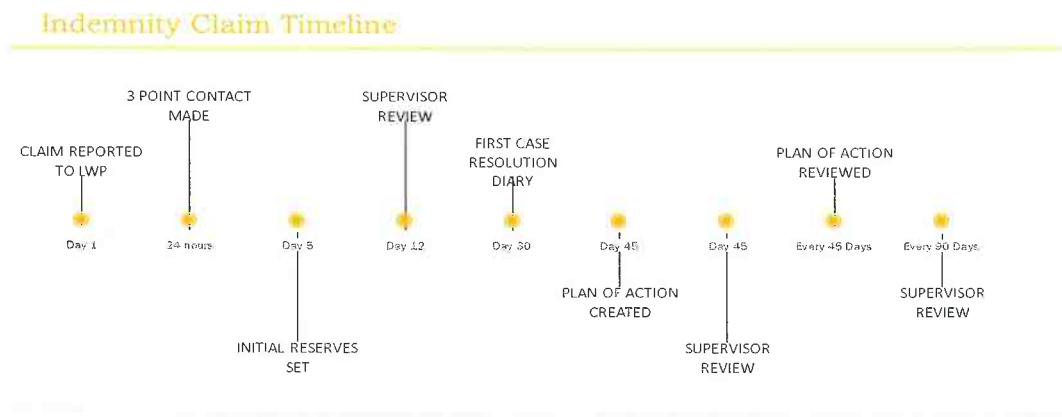
J. Clinic Management Program

LWP's managers work directly with medical clinics to improve their reporting practices when needed. We visit the business managers at those clinics to reinforce the necessity of providing timely and comprehensive

reports that address our very specific requirements, including our requirement to comment on allowable activities of daily living when reporting any work restrictions.

6. Disciplined Execution of Best Practices

LWP will manage the claims according to special handling guidelines established by the City. We anticipate the life of an indemnity claim to be represented by the graph below;



LWP will set up a claim and begin the three-point contact process immediately upon receipt of ANY notice of a claim. LWP Examiners are required to make three-point contact on all Indemnity claims within 24 hours of receipt, with the first contact always being the employer. If voice-to-voice contact is not achieved, the Examiner will continue efforts to reach the parties until accomplished.

Once the three point contact is completed the claim begins a cycle of processing that is continually focused towards closure.



During the initial case evaluation and no later than five business days from the date the claim is originally reported to us, the Claims Examiner establishes a reserve that reflects the likely cost of the case based on the available factual and medical information. Subsequent reserve changes are made within five business days of receipt of any additional information supporting a reserve adjustment. It is our philosophy to ensure that the reserves represent the likely outcome based on available information. The Examiner will review reserves every 30 days in addition to reevaluating them every time new information is received.

7. Ongoing Communications and Program Refinements

LWP will meet all established standards for communication. All requirements will be documented in the City's Special Handling Guidelines.

Account Manager: LWP will offer a fully qualified Claims Manager to act as Account Manager. In that role, the Manager will be available at any time to discuss issues and coordinate communications. Although the client is encouraged to communicate directly with our Examiner and Supervisor, this Manager will also be available to coordinate that communication at any time. The account coordinator will also attend claim reviews and will provide stewardship reports regularly.

Client Access and Reporting: Agreed upon reports will be provided to the City according to the established timeline. At a minimum monthly loss runs will be emailed within 5 business days of month end to all parties requested by the City.

Client Access

Online access will be provided for up to 4 users.

Customized reports prepared by LWP staff

Any custom reports requested by the City will be created by LWP in a timely manner.

Quarterly Claim Reviews: We recommend quarterly claim reviews to discuss trends and individual claims. We recommend face-to-face meetings whenever possible, but will be happy to arrange telephonic reviews, if preferred by the client.

Semi-Annual Stewardship Meetings: LWP recommends semi-annual Stewardship meetings to discuss trends and observations. During those meetings, we will present program overview reports along with our qualitative analysis of loss trends, opportunities to improve outcomes and suggestions for additional tools and programs. These meetings are in addition to the regularly scheduled claim reviews, but can be conducted simultaneously, if preferred by the client.

EXHIBIT B

PAYMENT RATES

Pricing	
Claims Administration	
Annual fee- Fully dedicated Sr Examiner handling all claims	
Year 1	\$243,322
Year 2	\$249,405
Year 3	\$255,640
Year 4 (Optional)	\$262,031
Year 5 (Optional)	\$268,582
Services Included in Claims Administration Fee	
Claims Administration	Designated Account Manager
On-Line System Access	Litigation Management
Loss Reporting	Trust Accounting
Access to Ad Hoc Reporting	Preparation and filing of 1099's
On-Line 5020 Reporting	Reporting to Excess Carriers
Preparation of SIP Reports	Subrogation
Claim Review Meetings	Swat Team Claim Intake
Bill Review	Fee
Standard Medical Bill Review Fee	\$8.00 per bill plus PPO Reduction
Schedule Reductions	
Inpatient hospital and Ambulatory Surgery Center	\$500 per bill plus PPO Reduction
PPO Reduction	24% of Reduction below Fee Schedule
Bills not subject to Fee Schedule	24% of Reduction
Case Management	
Telephonic Case Management	\$102 per hour
Field Case Management	\$108 per hour + incidentals (including mileage, phone, tolls, parking, etc.)
Utilization Review	
Tier 1 - Nurse Review	\$110 Flat Fee
<i>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.</i>	

Tier 2 - Physician Review**\$235 plus nurse charge***Includes 3 medical request in a single review.***Pharmacy Review****\$385 plus nurse charge***Includes unlimited medical request in a single review.***Other Fees**

RMIS Access	No Charge
Transition Services	
Data Intake	\$5,000
Claims Triage	No Charge
Ebill	\$1 per bill (if submitted by provider through clearinghouse)
Index and OFAC Reporting (ISO Fee passed through)	\$10.25 per report (2018 ISO Rate)
Bank Fees	Actual bank fees will be the responsibility of the client
Storage Fee	No Charge

Specialized Network Access (bill review charges do not apply)

Pharmacy Benefit Network	\$4 per bill network access fee
Durable Medical Goods	\$4 per bill network access fee
Expedited Diagnostic Testing	\$4 per bill network access fee
Physical Therapy Network	\$4 per bill network access fee

*This charge applies only if LWP's programs are utilized.***Other Services****Fee****Medical Provider Network Access (bill review charges do not apply)**

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.***Medicare Reporting****No Charge****Investigation**

Field Investigation	\$88 per hour
SIU related work	\$98 per hour

Managed Care Provider Feeds

Applies to feeds which LWP does not already
maintain

\$3,000

Other Charges

Liens Negotiated by LWP Staff

10% of savings achieved below fee
schedule

LWP makes every effort not to change pricing. Pricing guarantee for 18 months. Price
subject to increase thereafter with advance notice.

EXHIBIT C

INSURANCE REQUIREMENTS

MINIMUM SCOPE OF INSURANCE

Coverage shall be at least as broad as:

1. **Commercial General Liability (CGL):** Insurance Services Office (ISO) Form CG 00 01 12 07 covering CGL on an "occurrence" basis, including products-completed operations, personal & advertising injury, with limits no less than **\$2,000,000** per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.
2. **Automobile Liability:** ISO Form Number CA 00 01 covering any auto (Code 1), or if Contractor has no owned autos, hired, (Code 8) and non-owned autos (Code 9), with limit no less than **\$1,000,000** per accident for bodily injury and property damage.
3. **Workers' Compensation:** as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limit of no less than **\$1,000,000** per accident for bodily injury or disease.

If the contractor maintains higher limits than the minimums shown above, the City requires and shall be entitled to coverage for the higher limits maintained by the contractor.

Other Insurance Provisions

The insurance policies are to contain, or be endorsed to contain, the following provisions:

Additional Insured Status

The City, its elected and appointed officials, employees, and agents are to be covered as insureds on the auto policy for liability arising out of automobiles owned, leased, hired or borrowed by or on behalf of the Contractor; and on the CGL policy with respect to liability arising out of work or operations performed by or on behalf of the Contractor including materials, parts or equipment furnished in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to the Contractor's insurance (at least as broad as ISO Form CG 20 10, 11 85 or both CG 20 10 and CG 20 37 forms if later revisions used).

Primary Coverage

For any claims related to this contract, the **Contractor's insurance coverage shall be primary** insurance as respects the City, its elected and appointed officials, employees, and agents. Any insurance or self-insurance maintained by the City, its elected and appointed officials, employees, or agents shall be excess of the Contractor's insurance and shall not contribute with it.

Notice of Cancellation

Each insurance policy required above shall provide that **coverage shall not be canceled, except after thirty (30) days' prior written notice** (10 days for non-payment) has been given to the City.

Waiver of Subrogation

Contractor hereby grants to City a waiver of any right to subrogation which any insurer of said Contractor may acquire against the City by virtue of the payment of any loss under such insurance. Contractor agrees to obtain any endorsement that may be necessary to effect this waiver of subrogation, but this provision applies regardless of whether or not the City has received a waiver of subrogation endorsement from the insurer.

Deductibles and Self-Insured Retentions

Any deductibles or self-insured retentions must be declared to and approved by the City. The City may require the Contractor to purchase coverage with a lower deductible or retention or provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention.

Acceptability of Insurers

Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII, unless otherwise acceptable to the City.

Verification of Coverage

Contractor shall furnish the City with original certificates and amendatory endorsements or copies of the applicable policy language effecting coverage required by this clause. All certificates and endorsements are to be received and approved by the City before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the Contractor's obligation to provide them. The City reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.