

Agreement No. \_\_\_\_\_

**AGREEMENT BETWEEN THE COUNTY OF SAN MATEO AND Athens Insurance Service, Inc.**

This Agreement is entered into this 1st day of July 2022, by and between the County of San Mateo, a political subdivision of the state of California, hereinafter called "County," and Athens Insurance Service, Inc. (DBA Athens Administrators), hereinafter called "Contractor."

\* \* \*

Whereas, pursuant to Section 31000 of the California Government Code, County may contract with independent contractors for the furnishing of such services to or for County or any Department thereof; and

Whereas, it is necessary and desirable that Contractor be retained for the purpose of providing Workers' Compensation claims administration services for the County of San Mateo.

**Now, therefore, it is agreed by the parties to this Agreement as follows:**

**1. Exhibits and Attachments**

The following exhibits and attachments are attached to this Agreement and incorporated into this Agreement by this reference:

Exhibit A—Services

Exhibit B—Payments and Rates

**2. Services to be performed by Contractor**

In consideration of the payments set forth in this Agreement and in Exhibit B, Contractor shall perform services for County in accordance with the terms, conditions, and specifications set forth in this Agreement and in Exhibit A.

**3. Payments**

In consideration of the services provided by Contractor in accordance with all terms, conditions, and specifications set forth in this Agreement and in Exhibit A, County shall make payment to Contractor in twelve (12) equal installments and will be due and payable at the end of each month during the period this Agreement is in force. County reserves the right to withhold payment if County determines that the quantity or quality of the work performed is unacceptable. In no event shall County's total fiscal obligation under this Agreement exceed \$3,043,217.00 in the first three-year term, with two one-year options to extend the agreement, in an amount not to exceed \$1,085,191.00 in year 4 and \$1,122,630.00 in year 5. In the event that the County makes any advance payments, Contractor agrees to refund any amounts in excess of the amount owed by the County at the time of contract termination or expiration. Contractor is not entitled to payment for work not performed as required by this agreement.

**4. Term**

Subject to compliance with all terms and conditions, the term of this Agreement shall be from July 1, 2022, through June 30, 2025 with the option of two (2), one (1) year extensions through June 30, 2027.

**5. Termination**

This Agreement may be terminated by Contractor or by the Director of Human Resources or his/her designee at any time without a requirement of good cause upon thirty (30) days' advance written notice to the other party. Subject to availability of funding, Contractor shall be entitled to receive payment for work/services provided prior to termination of the Agreement. Such payment shall be that prorated portion of the full payment determined by comparing the work/services actually completed to the work/services required by the Agreement.

County may terminate this Agreement or a portion of the services referenced in the Attachments and Exhibits based upon the unavailability of Federal, State, or County funds by providing written notice to Contractor as soon as is reasonably possible after County learns of said unavailability of outside funding. If this Agreement or a portion of the services referenced in the Attachments and Exhibits are terminated, the Contractor may also terminate the agreement in full or in portion providing written notice to the County as soon as is reasonably possible.

County or Contractor may terminate this Agreement for cause. In order to terminate for cause, the terminating party must first give the other party notice of the alleged breach. The terminated party shall have five business days after receipt of such notice to respond and a total of ten calendar days after receipt of such notice to cure the alleged breach. If the terminated party fails to cure the breach within this period, the agreement will be terminated without further action. The option available in this paragraph is separate from the ability to terminate without cause with appropriate notice described above. In the event that County provides notice of an alleged breach pursuant to this section, County may, in extreme circumstances, immediately suspend performance of services and payment under this Agreement pending the resolution of the process described in this paragraph. County has sole discretion to determine what constitutes an extreme circumstance for purposes of this paragraph, and County shall use reasonable judgment in making that determination.

**6. Contract Materials**

At the end of this Agreement, or in the event of termination, all finished or unfinished documents, data, studies, maps, photographs, reports, and other written materials (collectively referred to as "contract materials") prepared by Contractor under this Agreement shall become the property of County and shall be promptly delivered to County. Upon termination, Contractor may make and retain a copy of such contract materials if permitted by law.

**7. Relationship of Parties**

Contractor agrees and understands that the work/services performed under this Agreement are performed as an independent contractor and not as an employee of County and that neither Contractor nor its employees acquire any of the rights, privileges, powers, or advantages of County employees.

8. **Hold Harmless**

a. **General Hold Harmless**

Contractor shall indemnify and save harmless County and its officers, agents, employees, and servants from all claims, suits, or actions of every name, kind, and description resulting from this Agreement, the performance of any work or services required of Contractor under this Agreement, or payments made pursuant to this Agreement brought for, or on account of, any of the following:

(A) injuries to or death of any person, including Contractor or its employees/officers/agents;

(B) damage to any property of any kind whatsoever and to whomsoever belonging;

(C) any sanctions, penalties, or claims of damages resulting from Contractor's failure to comply, if applicable, with the requirements set forth in the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and all Federal regulations promulgated thereunder, as amended; or

(D) any other loss or cost, including but not limited to that caused by the concurrent active or passive negligence of County and/or its officers, agents, employees, or servants. However, Contractor's duty to indemnify and save harmless under this Section shall not apply to injuries or damage for which County has been found in a court of competent jurisdiction to be solely liable by reason of its own negligence or willful misconduct.

The duty of Contractor to indemnify and save harmless as set forth by this Section shall include the duty to defend as set forth in Section 2778 of the California Civil Code.

9. **Assignability and Subcontracting**

Contractor shall not assign this Agreement or any portion of it to a third party or subcontract with a third party to provide services required by Contractor under this Agreement without the prior written consent of County. Any such assignment or subcontract without County's prior written consent shall give County the right to automatically and immediately terminate this Agreement without penalty or advance notice.

10. **Insurance**

a. **General Requirements**

Contractor shall not commence work or be required to commence work under this Agreement unless and until all insurance required under this Section has been obtained and such insurance has been approved by County’s Risk Management, and Contractor shall use diligence to obtain such insurance and to obtain such approval. Contractor shall furnish County with certificates of insurance evidencing the required coverage, and there shall be a specific contractual liability endorsement extending Contractor’s coverage to include the contractual liability assumed by Contractor pursuant to this Agreement. These certificates shall specify or be endorsed to provide that thirty (30) days’ notice must be given, in writing, to County of any pending change in the limits of liability or of any cancellation or modification of the policy.

**b. Workers’ Compensation and Employer’s Liability Insurance**

Contractor shall have in effect during the entire term of this Agreement workers’ compensation and employer’s liability insurance providing full statutory coverage. In signing this Agreement, Contractor certifies, as required by Section 1861 of the California Labor Code, that (a) it is aware of the provisions of Section 3700 of the California Labor Code, which require every employer to be insured against liability for workers’ compensation or to undertake self-insurance in accordance with the provisions of the Labor Code, and (b) it will comply with such provisions before commencing the performance of work under this Agreement.

**c. Liability Insurance**

Contractor shall take out and maintain during the term of this Agreement such bodily injury liability and property damage liability insurance as shall protect Contractor and all of its employees/officers/agents while performing work covered by this Agreement from any and all claims for damages for bodily injury, including accidental death, as well as any and all claims for property damage which may arise from Contractor’s operations under this Agreement, whether such operations be by Contractor, any subcontractor, anyone directly or indirectly employed by either of them, or an agent of either of them. Such insurance shall be combined single limit bodily injury and property damage for each occurrence and shall not be less than the amounts specified below:

(a) Comprehensive General Liability.....\$1,000,000

(b) Professional Liability.....\$1,000,000

County and its officers, agents, employees, and servants shall be named as additional insured on any such policies of insurance, which shall also contain a provision that (a) the insurance afforded thereby to County and its officers, agents, employees, and servants shall be primary insurance to the full limits of liability of the policy and (b) if the County or its officers, agents, employees, and servants have other insurance against the loss covered by such a policy, such other insurance shall be excess insurance only.

In the event of the breach of any provision of this Section, or in the event any notice is received which indicates any required insurance coverage will be diminished or canceled, County, at its option, may, notwithstanding any other provision of this Agreement to the contrary, immediately

declare a material breach of this Agreement and suspend all further work and payment pursuant to this Agreement.

**11. Compliance With Laws**

All services to be performed by Contractor pursuant to this Agreement shall be performed in accordance with all applicable Federal, State, County, and municipal laws, ordinances, and regulations, including but not limited to the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and the Federal Regulations promulgated thereunder, as amended (if applicable), the Business Associate requirements set forth in Attachment H (if attached), the Americans with Disabilities Act of 1990, as amended, and Section 504 of the Rehabilitation Act of 1973, which prohibits discrimination on the basis of disability in programs and activities receiving any Federal or County financial assistance. Such services shall also be performed in accordance with all applicable ordinances and regulations, including but not limited to appropriate licensure, certification regulations, provisions pertaining to confidentiality of records, and applicable quality assurance regulations. In the event of a conflict between the terms of this Agreement and any applicable State, Federal, County, or municipal law or regulation, the requirements of the applicable law or regulation will take precedence over the requirements set forth in this Agreement.

Further, Contractor certifies that it and all of its subcontractors will adhere to all applicable provisions of Chapter 4.107 of the San Mateo County Ordinance Code, which regulates the use of disposable food service ware. Accordingly, Contractor shall not use any non-recyclable plastic disposable food service ware when providing prepared food on property owned or leased by the County and instead shall use biodegradable, compostable, reusable, or recyclable plastic food service ware on property owned or leased by the County.

Contractor will timely and accurately complete, sign, and submit all necessary documentation of compliance.

**12. Non-Discrimination and Other Requirements**

**a. General Non-discrimination**

No person shall be denied any services provided pursuant to this Agreement (except as limited by the scope of services) on the grounds of race, color, national origin, ancestry, age, disability (physical or mental), sex, sexual orientation, gender identity, marital or domestic partner status, religion, political beliefs or affiliation, familial or parental status (including pregnancy), medical condition (cancer-related), military service, or genetic information.

**b. Equal Employment Opportunity**

Contractor shall ensure equal employment opportunity based on objective standards of recruitment, classification, selection, promotion, compensation, performance evaluation, and management relations for all employees under this Agreement. Contractor's equal employment policies shall be made available to County upon request.

**c. Section 504 of the Rehabilitation Act of 1973**

Contractor shall comply with Section 504 of the Rehabilitation Act of 1973, as amended, which provides that no otherwise qualified individual with a disability shall, solely by reason of a disability, be excluded from the participation in, be denied the benefits of, or be subjected to discrimination in the performance of any services this Agreement. This Section applies only to contractors who are providing services to members of the public under this Agreement.

**d. Compliance with County's Equal Benefits Ordinance**

Contractor shall comply with all laws relating to the provision of benefits to its employees and their spouses or domestic partners, including, but not limited to, such laws prohibiting discrimination in the provision of such benefits on the basis that the spouse or domestic partner of the Contractor's employee is of the same or opposite sex as the employee.

**e. Discrimination Against Individuals with Disabilities**

The nondiscrimination requirements of 41 C.F.R. 60-741.5(a) are incorporated into this Agreement as if fully set forth here, and Contractor and any subcontractor shall abide by the requirements of 41 C.F.R. 60-741.5(a). This regulation prohibits discrimination against qualified individuals on the basis of disability and requires affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified individuals with disabilities.

**f. History of Discrimination**

Contractor certifies that no finding of discrimination has been issued in the past 365 days against Contractor by the Equal Employment Opportunity Commission, the California Department of Fair Employment and Housing, or any other investigative entity. If any finding(s) of discrimination have been issued against Contractor within the past 365 days by the Equal Employment Opportunity Commission, the California Department of Fair Employment and Housing, or other investigative entity, Contractor shall provide County with a written explanation of the outcome(s) or remedy for the discrimination prior to execution of this Agreement. Failure to comply with this Section shall constitute a material breach of this Agreement and subjects the Agreement to immediate termination at the sole option of the County.

**g. Reporting; Violation of Non-discrimination Provisions**

Contractor shall report to the County Executive Officer the filing in any court or with any administrative agency of any complaint or allegation of discrimination on any of the bases prohibited by this Section of the Agreement or the Section titled "Compliance with Laws". Such duty shall include reporting of the filing of any and all charges with the Equal Employment Opportunity Commission, the California Department of Fair Employment and Housing, or any other entity charged with the investigation or adjudication of allegations covered by this subsection within 30 days of such filing, provided that within such 30 days such entity has not notified Contractor that such charges are dismissed or otherwise unfounded. Such notification shall include a general description of the circumstances involved and a general description of

the kind of discrimination alleged (for example, gender-, sexual orientation-, religion-, or race-based discrimination).

Violation of the non-discrimination provisions of this Agreement shall be considered a breach of this Agreement and subject the Contractor to penalties, to be determined by the County Executive Officer, including but not limited to the following:

- i. termination of this Agreement;
- ii. disqualification of the Contractor from being considered for or being awarded a County contract for a period of up to 3 years;
- iii. liquidated damages of \$2,500 per violation; and/or
- iv. imposition of other appropriate contractual and civil remedies and sanctions, as determined by the County Executive Officer.

To effectuate the provisions of this Section, the County Executive Officer shall have the authority to offset all or any portion of the amount described in this Section against amounts due to Contractor under this Agreement or any other agreement between Contractor and County.

**h. Compliance with Living Wage Ordinance**

As required by Chapter 2.88 of the San Mateo County Ordinance Code, Contractor certifies all contractor(s) and subcontractor(s) obligated under this contract shall fully comply with the provisions of the County of San Mateo Living Wage Ordinance, including, but not limited to, paying all Covered Employees the current Living Wage and providing notice to all Covered Employees and Subcontractors as required under the Ordinance.

**13. Compliance with County Employee Jury Service Ordinance**

Contractor shall comply with Chapter 2.85 of the County's Ordinance Code, which states that Contractor shall have and adhere to a written policy providing that its employees, to the extent they are full-time employees and live in San Mateo County, shall receive from the Contractor, on an annual basis, no fewer than five days of regular pay for jury service in San Mateo County, with jury pay being provided only for each day of actual jury service. The policy may provide that such employees deposit any fees received for such jury service with Contractor or that the Contractor may deduct from an employee's regular pay the fees received for jury service in San Mateo County. By signing this Agreement, Contractor certifies that it has and adheres to a policy consistent with Chapter 2.85. For purposes of this Section, if Contractor has no employees in San Mateo County, it is sufficient for Contractor to provide the following written statement to County: "For purposes of San Mateo County's jury service ordinance, Contractor certifies that it has no full-time employees who live in San Mateo County. To the extent that it hires any such employees during the term of its Agreement with San Mateo County, Contractor shall adopt a policy that complies with Chapter 2.85 of the County's Ordinance Code." The requirements of Chapter 2.85 do not apply unless this Agreement's total value listed in the Section titled "Payments", exceeds two-hundred thousand dollars (\$200,000); Contractor acknowledges that Chapter 2.85's requirements will apply if this Agreement is amended such that its total value exceeds that threshold amount.

**14. Retention of Records; Right to Monitor and Audit**

(a) Contractor shall maintain all required records relating to services provided under this Agreement for three (3) years after County makes final payment and all other pending matters are closed, and Contractor shall be subject to the examination and/or audit by County, a Federal grantor agency, and the State of California.

(b) Contractor shall comply with all program and fiscal reporting requirements set forth by applicable Federal, State, and local agencies and as required by County.

(c) Contractor agrees upon reasonable notice to provide to County, to any Federal or State department having monitoring or review authority, to County's authorized representative, and/or to any of their respective audit agencies access to and the right to examine all records and documents necessary to determine compliance with relevant Federal, State, and local statutes, rules, and regulations, to determine compliance with this Agreement, and to evaluate the quality, appropriateness, and timeliness of services performed.

**15. Merger Clause; Amendments**

This Agreement, including the Exhibits and Attachments attached to this Agreement and incorporated by reference, constitutes the sole Agreement of the parties to this Agreement and correctly states the rights, duties, and obligations of each party as of this document's date. In the event that any term, condition, provision, requirement, or specification set forth in the body of this Agreement conflicts with or is inconsistent with any term, condition, provision, requirement, or specification in any Exhibit and/or Attachment to this Agreement, the provisions of the body of the Agreement shall prevail. Any prior agreement, promises, negotiations, or representations between the parties not expressly stated in this document are not binding. All subsequent modifications or amendments shall be in writing and signed by the parties.

**16. Controlling Law; Venue**

The validity of this Agreement and of its terms, the rights and duties of the parties under this Agreement, the interpretation of this Agreement, the performance of this Agreement, and any other dispute of any nature arising out of this Agreement shall be governed by the laws of the State of California without regard to its choice of law or conflict of law rules. Any dispute arising out of this Agreement shall be venued either in the San Mateo County Superior Court or in the United States District Court for the Northern District of California.

**17. Notices**

Any notice, request, demand, or other communication required or permitted under this Agreement shall be deemed to be properly given when both: (1) transmitted via facsimile to the telephone number listed below or transmitted via email to the email address listed below; and (2) sent to the physical address listed below by either being deposited in the United States mail, postage prepaid, or deposited for overnight delivery, charges prepaid, with an established overnight courier that provides a tracking number showing confirmation of receipt.

In the case of County, to:

Name/Title: Tracy Ford, Human Resources Manager, Risk Management  
Address: 455 County Center, 5<sup>th</sup> Floor, Redwood City, CA 94063  
Telephone: 650-363-4612  
Email: tford@smcgov.org

In the case of Contractor, to:

Name/Title: James Jenkins, President  
Address: P.O. Box 696, Concord, CA 94522  
Telephone: 925 826-1100  
Email: jjenkins@athensadmin.com

**18. Electronic Signature**

Both County and Contractor wish to permit this Agreement and future documents relating to this Agreement to be digitally signed in accordance with California law and County's Electronic Signature Administrative Memo. Any party to this Agreement may revoke such agreement to permit electronic signatures at any time in relation to all future documents by providing notice pursuant to this Agreement.

**19. Prevailing Wage**

When applicable, Contractor hereby agrees to pay not less than prevailing rates of wages and be responsible for compliance with all the provisions of the California Labor Code, Article 2- Wages, Chapter 1, Part 7, Division 2, Section 1770 et seq. A copy of the prevailing wage scale established by the Department of Industrial Relations is on file in the office of the Director of Public Works, and available at [www.dir.ca.gov/DLSR](http://www.dir.ca.gov/DLSR) or by phone at 415-703-4774. California Labor Code Section 1776(a) requires each contractor and subcontractor keep accurate payroll records of trades workers on all public works projects and to submit copies of certified payroll records upon request.

Additionally,

- No contractor or subcontractor may be listed on a bid proposal for a public works project (submitted after March 1, 2015) unless registered with the Department of Industrial Relations pursuant to Labor Code section 1725.5 [with limited exceptions from this requirement for bid purposes only under Labor Code section 1771.1(a)].
- No contractor or subcontractor may be awarded a contract for public work on a public works project (awarded on or after April 1, 2015) unless registered with the Department of Industrial Relations pursuant to Labor Code section 1725.5.
- This project is subject to compliance monitoring and enforcement by the Department of Industrial Relations

\* \* \*

In witness of and in agreement with this Agreement's terms, the parties, by their duly authorized representatives, affix their respective signatures:

For Contractor: [**Athens Insurance Service, Inc. (DBA Athens Administrators)**]

3923EF9B79A249F  
*James Jenkins*  
DocuSigned By: James Jenkins  
Contractor Signature

5/12/2022 | 12:37 PM  
Date

James Jenkins  
Contractor Name (please print)

---

COUNTY OF SAN MATEO

By:  
President, Board of Supervisors, San Mateo County

Date:

ATTEST:

By:  
Clerk of Said Board

**Exhibit A**

In consideration of the payments set forth in Exhibit B, Contractor shall provide the following services:

**1.0**

- a. Develop procedures, forms, instructions, schedules and other materials related to claim management, including a procedure manual for Employer's use, within thirty (30) days of the effective date of this Agreement and update such materials as needed.
- b. Provide claim reporting kits including, but not limited to, claim and accident report forms, required notices, and procedural instructions, for distribution by Employer to Employer's staff on or before the effective date of this Agreement, and as needed thereafter.
- c. Provide group education for Employer's management personnel regarding claim management as requested.
- d. Assist Employer's personnel in the development of directives, notices, and other program communication to employees as requested or needed based on Administrators expertise and suggestion.
- e. Provide all forms and supplies necessary for the efficient operation of the Workers' Compensation insurance program, including customized benefit checks bearing Employer's name and logo, and to prepare all legally required forms and documents including but not limited to, 1099 reports to the I.R.S. and any and all other documents and reports now or in the future required by the state or federal government or any other agency associated with Employer's Workers' Compensation program.
- f. Work with County Controller's Office and bank to establish controls.

**2.0** Administrator agrees to administer all claims as follows:

- a. Establish and maintain a claim file, with a diary date not to exceed thirty (30) days, on each active claim upon which indemnity benefits are being paid; A diary system not to exceed sixty (60) days on all other open, active Indemnity claims; and a supervisory review diary not to exceed one-hundred-twenty (120) days, or more often when needed.
- b. Manage timely receipt of all pertinent claim information from Employer providers and other sources.

- c. Determine, on behalf of Employer for each reported employee injury or illness, those benefits, if any that should be paid or rendered under the California Workers' Compensation Laws. Such determination shall include an estimate of future claim payment. Retain outside services with prior approval of Employer, for the investigation and management of the claims. Outside services include but are not limited to:
- AOE/COE Investigators
  - Activities Check/Sub-rosa Investigator;
  - Medical Case Management and Rehabilitation Nurses/Consultants
  - Subrogation Investigators and Experts
- d. Exhibit in each Indemnity claim file good faith efforts to contact all injured workers by telephone within at least twenty-four hours of receipt of claim, and in no event any later than forty-eight hours of receipt of claim, excluding weekends and holidays. Establish phone contact with appropriate Employer department for initial discussion of claims, as needed, within three (3) working days of receipt of claim.
- e. Initiate investigations, subject to approval by Employer, to determine compensability of reported and actual claim status. Employer shall have prior approval of the selection of any investigator used to investigate Employer's claims of industrial injury or illness. Take necessary statements and investigate facts of the case within thirty (30) days receipt of claim, when warranted.
- f. Prepare documentation of cases for litigation and continue to monitor legal counsel representing Employer in legal action(s) and assist counsel as necessary in preparation of litigation. Employer shall select and approve counsel prior to each referral. In addition, Administrator shall promptly provide Employer with copies of all correspondence generated on those claim files which are litigated and shall immediately notify Employer in writing and shall keep Employer closely informed on those claims involving allegations of Serious and Willful Misconduct or alleged violation(s) of California Labor Code Section 132(a). At time of case referral to defense counsel administrator shall prepare a letter of direction to defense counsel outlining work to be done, by whom, and in what time frame. All assignments, instructions and communication with defense counsel must be documented in the claim file and computer note pads. Administrator shall manage defense counsel on an ongoing basis and obtain status reports from defense counsel every sixty (60) days. Administrator shall actively manage litigated files and not perform functions and shall not require defense counsel to perform activities which can be accomplished effectively by claims staff. Examples of required examiner activity on litigated files include by are not limited to:
- Scheduling medical appointments
  - Writing cover letters to doctors
  - Subpoenaing medical records
  - Answering applications
  - Filing and serving requisite documents

Administrator shall obtain defense counsels' written evaluation within sixty (60) days of submission, including evaluation of liability, verdict potential, settlement value, and case strategy.

- g. Disburse payment on behalf of Employer out of the bank trust account funded by Employer, all "Allocated Loss Expenses", which is defined to include all costs incurred on behalf of Employer specifically related to an individual claim, including but not limited to, attorneys, independent adjusters or investigators, expert witnesses, copying records or transcripts, court costs or Appeals Board fees or other costs deemed proper and necessary to represent Employer.
- h. Examine on behalf of Employer all reports of industrial injury or illness relating to Employer's employees or former employees and reported to Administrator and to conduct investigations on such cases by Administrator's salaried employees as in Administrator's judgment is deemed necessary.
- i. Pay compensation, medical expense, "Allocated Loss Expense", and all other benefits as prescribed by law out of funds provided by Employer. Payments made by Administrator without Employer approval, where approval is required elsewhere in this Agreement, shall be the responsibility of the Administrator.
- j. Maintain a claim file on each reported claim which shall be available to Employer at all times for inspection and to conduct, at a time and frequency to be determined by Employer, claim file reviews with Employer at either Employer's or Administrator's offices.
- k. Index Bureau System. On the Employer's behalf, Athens shall subscribe and report to the Index Bureau System related to each claim. The costs of such reports will be allocated to each individual claim file.
- l. Create, reserve and enter required claim data into Administrator's computer system within five (5) working days of receipt of notice of claim from Employer. Enter all payments, reserved revisions, and file closings into the information system within three (3) working days.
- m. Review employer's medical bills and other medical charges and treatment relating to Employer's claims of industrial injury or illness, for causal relationship to all claims of injuries/illness, and reasonableness of treatment prior to payment. Solicit all medical bills, medical reports and records, and documentation of alleged wage loss prior to settlement negotiations.
- n. Make all disability payments and send all notices in a timely manner, abiding by all applicable

provisions of the California Labor Code and California Workers' Compensation Laws, Rules and Regulations.

- o. Make payments of bills within thirty (30) days of receipt, and assure timely review and payment of all medical bills in accordance with statutory deadlines and requirements.
- p. Acknowledge to Employer all claims reported to Administrator within three (3) working days of receipt of the notice of claim and to notify Employer and injured workers within five (5) working days of the notice of claim to Employer, whether the claim has been accepted, delayed for further investigation, or denied.
- q. Convert all Medical Only Claims to Indemnity Claims status when the paid amount reaches five-thousand (\$5,000) dollars or when the claim remains open in excess of one (1) year.
- r. Recognize and where appropriate investigate all subrogation and/or contribution possibilities, preserving evidence and utilizing appropriate investigators and experts, as needed, after first obtaining Employers permission to engage such investigators/experts. As respects subrogation and contribution cases, any compromise settlements or lien reductions will be discussed with the Employer.
- s. Administrator may receive compensation in connection with outsourced services, either by retaining a portion of expenses charged to the Account, or by receiving fees from preferred providers. The amount that Administrator receives will vary depending upon the preferred provider, and may be calculated based on percentage of savings, percentage of revenue to the provider or Administrators mark-up of provider fees. The amounts retained or received by Administrator in connection with outsourced services are in addition to the basic fees, reimbursable expenses, additional service fees, and the taxes paid to Athens by Company.
- t. MSA Allocations/SCHIP Reporting – Athens has contracted with third party Verisk for Medicare Set Aside allocations and State Children Health Insurance Program (“SCHIP”) reporting efforts. Athens may exclusively utilize the services of Verisk for MSA allocations and SCHIP reporting requirements unless otherwise requested in writing by Employer.
- u. Inflation Protection Clause – In the event that the annual average All Items Consumer Price Index for All Urban Consumers (CPI-U) as published by the Bureau of Labor and Statistics is subject to an inflation rate of greater than 10% above the rate which is published as of the effective date of this agreement the Administrator has the ability to make reasonable adjustments to the fees which are detailed in Section II of this agreement so as to equitably share the effect of inflation between Administrator and Employer. Notice of fee adjustments will be in writing and must be delivered at least (30) days in advance of adjustment.

**3.0** Administrator agrees to monitor relevancy of medical treatment by the following:

- a. Maintain continual contact with medical practitioners in order to monitor claimant treatment process and a timely return to work. Administrator shall make a good faith effort to establish contact with attending physician within twenty-four (24) hours of receipt of injury report and shall make contact with attending physician's office within forty-eight (48) hours of receipt of injury report and shall document such contact in the claim file.
- b. Review and discuss Vocational Rehabilitation Program(s) with Employer prior to its initiation for an individual claimant.
- c. Monitor individual vocational rehabilitation programs to determine appropriateness and progress.

**4.0** Administrator agrees to the following record keeping and reporting requirements:

- a. Provide Employer with monthly reports consisting of:
  - (1) Daily check registers including all claim disbursements made on behalf of Employer.
  - (2) Computerized loss reports in an acceptable format as mutually agreed upon at the effective date of this Agreement, showing descriptive data, details of each month's payments, total payments, reserves and total experience and incurred loss values for each claim.
  - (3) Any and all other reports as required by Employer.
- b. Provide oral claims reports on demand, special specific-focus loss run reports within twenty-four (24) hours and larger or major computer analysis reports within seven (7) working days, excluding weekends and holidays. It is further agreed and understood that should Employer require that Administrator prepare for Employer special reports, which require additional programming costs there may be an additional charge for said reports.

- c. Maintain all records and statistical data on each employee claim of injury or illness, including, but not limited to, a record of each denial, delay, litigated claim and loss, which records and data shall be available upon request by Employer. Employer, at Employer's discretion, may audit all records maintained by Administrator including, but not limited to, all payments made on behalf of Employer. Such audit may incorporate random sampling or other audit procedures suitable to Employer.
- d. Prepare and submit Federal Information Return (Form 1099) by statutory deadline for applicable payments made by Administrator on Employer's behalf, during the term of this Agreement and as specified under Section 1.02. (e) of this Agreement.
- e. Prepare all other reports as necessary to remain in compliance with all Workers' Compensation Laws and other state and federal laws, rules and regulations.
- f. Provide report to Accounting Department of Employer of all payments when made and any other information necessary for Employer to adequately fund the bank trust account. All such payments shall be supported with check payment detail and monthly summary report showing all payees, payment amounts and dates of payment.
- g. Provide for Employer the ability to be on-line with Administrator's computer system. This system will provide Employer with all financial and statistical data relating to Employer's workers' compensation claims, together with narrative topical "notepad" reports, on each individual claim. This system will also include electronic mail service between Administrator and Employer; the ability to electronically transmit 5020's (Employer's First Report of Industrial Injury/Illness); OSHA Log generation; and complete report generation capabilities.
- h. Special reports, new reports and data feeds can also be requested. They are subject to a cost per quote at a rate per project or per hour once the scope has been agreed upon.

**Exhibit B**

In consideration of the services provided by Contractor described in Exhibit A and subject to the terms of the Agreement, County shall pay Contractor based on the following fee schedule and terms:

## Fees

| <b>Program Year</b>   | <b>Flat Annual Fee</b> |
|-----------------------|------------------------|
| 7/1/2022 - 6/30/2023  | \$980,200              |
| 7/1/2023 - 6/30/2024  | \$1,014,017            |
| 7/1/2024 - 6/30/2025  | \$1,049,000            |
| <b>Optional Years</b> |                        |
| 7/1/2025 - 6/30/2026  | \$1,085,191            |
| 7/1/2026 - 6/30/2027  | \$1,122,630            |

## Staffing

| <b>Position</b>               |                                  |
|-------------------------------|----------------------------------|
| Supervisor                    | 1 Fully Dedicated                |
| Senior Claim Examiner         | 3 Fully Dedicated + 1 Designated |
| Future Medical Claim Examiner | 1 Fully Dedicated                |
| Assistant Claim Examiner      | 2 Fully Dedicated                |

## Pricing Notes:

1. Pricing contemplates Athens providing both claim administration and managed care services.
2. Pricing contemplates annual new claim volume of: Indemnity – 357 & Medical Only 133
3. Pricing contemplates the takeover of the following open historical claims of Indemnity – 299, Future Medical – 287 and Medical Only – 6.
4. **Claim Volume Protection Clause:** For pricing development, Athens has assumed a new annual indemnity claim volume of 357 claims. In the event that the County exceeds this number during a single program year Athens will charge \$500 per indemnity claim reported beyond 357.

**Additional Services**

|   |          |
|---|----------|
| Annual Administration Fee   | \$5,000  |
| <i>Administration -includes mgmt. of (1) bank account, addtl. accounts at \$600 per month</i> | Included |
| <i>Data Management</i>  | Included |
| <i>Account Management</i>   | Included |
| <i>Claim Reporting (web, fax, telephonic)</i>   | Included |
| <i>Dash Board Risk Management Web Site</i>  | Included |
| <i>On-Line System Access</i>  | Included |
| <i>Annual Stewardship Report</i>  | Included |
| <i>Electronic Delivery of Monthly Loss Runs</i>   | Included |

**Medical Bill Review**

|  |  |
|--|--|
| Medical Fee Schedule Reduction (OMFS)<br><i>(Includes: Medical, Pharmacy and Supplies)</i> | \$8.50 Per Bill                        |
| Hospital In and Out Patient Fee Schedule Reductions  | \$600.00 Per Bill<br>23.00% of Savings |
| Duplicate Bills  | No Charge                              |

**Utilization Review, Case Management and Physician Review**

|   |                |
|---|----------------|
| <i>Concurrent, Prospective and Retrospective review</i> | \$145 Flat Fee |
| UR appeals: Peer to Peer                                | \$300 Per Hour |
| Authorization Review                                    | \$40 Flat Rate |

**Case Management**

|   |                |
|---|----------------|
| <i>Telephonic Nurse Case Management</i> | \$145 Flat Fee |
| Field Case Management                   | \$300 Per Hour |
| <i>Authorization Only</i>               | \$40 Flat Rate |

**Peer Review**

|                              |                |
|------------------------------|----------------|
| <i>Physician Peer Review</i> | \$300 Flat Fee |
| Records Review               | \$250/Hour     |

**Additional Related Services**

|  |                       |
|--|-----------------------|
| Pharmacy Benefits Management (PBM)                                       | \$5.00/Bill           |
| Pharmacy Drug Review   | \$125/Hour            |
| Central Index Bureau & First and Subsequent Report of Incident Reporting | \$25 Per              |
| Claim Reporting  | Included              |
| Predictive Modeling  | Included              |
| MPN (Blue Cross)   | \$5.00/Bill           |
| Nurse Triage   | \$150/Claim           |
| Subrogation Recovery   | 15% of Gross Recovery |
| CMS Reporting (utilizing Franco Signor)                                  | Included              |
| New Loss Text Messaging to Injured Workers                               | Included              |