

City of Riviera Beach, FL  
10/1/2016 - 10/1/2017

**PRICING OPTION: LIFE OF PARTNERSHIP**  
**(Based on utilizing GBMCS)**

Services Based on New Arisings	Est. Claim Frequency*	Per Claim Fee*	Projected Service Fee
<b>Workers' Compensation</b>			
Medical Only	45	\$195	\$8,775
Indemnity	19	\$1,368	\$25,992
<b>Total Workers' Compensation:</b>	<b>64</b>		<b>\$34,767</b>
<b>Liability / Property</b>			
Auto/General-Bodily Injury	15	\$1,158	\$17,370
Auto/General-Property Damage	11	\$588	\$6,468
Auto Physical Damage	0	\$281	\$0
Professional Liability	9	\$1,301	\$11,709
<b>Total Liability/Property:</b>	<b>35</b>		<b>\$35,547</b>
<b>Ancillary Services</b>			
Administration / Data Management			\$24,191
Account Management (Designated)			Included
Banking Administration			Included
RMIS - 2 users			Included
Claim Reporting - Telephonic			Included
Claim Reporting - Web or e-Fax			Included
Electronic Incident	3	\$70	\$210
<b>Ancillary Services Total:</b>			<b>\$24,401</b>
<b>Grand Total:</b>			<b>\$94,715</b>

\*This is a 1 year agreement.

\*The per claim rate has increased by 2%.

\*Time and Expense is billed at \$157 per hour.

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**GB MANAGED CARE SERVICES**

SERVICES	CHARGES
<b>Fee Schedule (Bill Review / UCR / System Savings)</b>	20% Savings Per Bill
<b>All Other Savings</b> <ul style="list-style-type: none"> <li>Enhanced Bill Review/Clinical Edits (ESS)</li> <li>Clinical Validation/Nurse Review (CV)</li> <li>Preferred Provider Networks (PPO)</li> <li>Out Of Network (OON)</li> <li>Specialty Networks/ Physical Therapy (PT)</li> </ul>	20 % of Savings 30 % of Savings 30 % of Savings 35 % of Savings 30 % of Savings
<b>Electronic Receipt of Medical Bills</b>	Terms (No Charge)
<b>Telephonic Case Management</b>	\$75 Medical Triage \$290 per Indemnity claim (each 30 days) \$130 per Medical Only claim (one time)
<b>Hospital Certification Program</b>	\$120 Inpatient Pre-Certification
<b>Utilization Review Program</b>	\$105 Outpatient Pre-Certification
<b>UR Physician Review</b>	\$270 per Review
<b>Task Based Field Case Management</b> <ul style="list-style-type: none"> <li>Task 1: One Visit Task</li> <li>Task 2: Two Visit Task</li> <li>Task 3: Labor Market Survey</li> <li>Task 4: Vocational Assessment</li> <li>Task 5: Home Visit</li> </ul>	\$530 per assignment \$705 per assignment \$635 per assignment \$590 per assignment \$660 (\$730 in CA) per assignment
<b>Medical Case Management and Vocational Rehabilitation – Hourly</b>	\$92 per hour plus expenses \$103 per hour – AK, CA, HI, NY
<b>Priority Care 365</b>	\$90 per call
<b>Texas HCN Service Options</b>	Not Applicable

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**GB MANAGED CARE SERVICES**

SERVICES	CHARGES
<b>Other State Service Options:</b> <ul style="list-style-type: none"> <li>California MPN Service Options</li> <li>Illinois PPP Service Option</li> <li>New York PPO Service Option</li> <li>West Virginia MHCP Service Option</li> </ul>	Not Applicable
<b>Medical Cost Projection (MCP) and Clinical Recommendations</b>	\$125 per hour
<b>Pharmacy Benefit Management (PBM) – First Script</b>	Cost of prescriptions – no charge for Bill Review or PPO reductions for PBM transactions
<b>Rx Peer to Peer Review (P2P)</b>	\$290 per review
<b>Rx Drug Utilization Assessment (DUA)</b>	\$575 per DUA.
<b>Return to Work Coordinator (Injury Coordinator)</b>	Coordinator available - additional fee
<b>Durable Medical Equipment (DME) Program- First Script</b>	Cost of medical equipment – no charge for Bill Review or PPO reductions for Prospective DME transactions
<b>Dental Review Program</b>	Charged on a per review basis
<b>OSHA Reporting</b>	Not Applicable
<b>Taxes</b>	All applicable taxes will be added to the service fees where required

Client and GB agree as follows: If another preferred managed care vendor other than Gallagher Bassett Managed Care Services is utilized, an administrative fee may apply in exchange for bona fide administrative services. The administrative services may include, but not be limited to overhead costs for the oversight and management of Managed Care vendors which includes the development and oversight of quality standards, development and maintenance of EDI interfaces and reports, and ensuring proper mandatory state compliance and reporting.

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### OTHER SERVICES

SERVICES	CHARGES
RMIS - Additional Users	\$1,000 per user
GB International Claims Services	Varies by Country (pricing provided upon request)
Consultative Services	
Loss Control Consulting Services	\$140 per hour
Appraisal Services	TBD
Fraud Prevention – Gallagher Bassett Investigative Services (GBIS)	
Special Fraud Investigations - SIU	\$85 per hour plus expenses
Surveillance Investigations	\$70 per hour plus expenses
Targeted Field Investigations	\$80 per hour plus expenses
Targeted Database Investigations	Rate per report
Gallagher Bassett Litigation Management Program (GBLMP)	
Invoice and Matter Management platform for resolution managers/counsel	2% of net legal invoice (invoice net of disbursements and invoice review savings). Charged as discount off total payment remitted to counsel unless client elects to fund.
5 client licenses for Legal Analytics platform	
Attorney-led invoice compliance review	
Gallagher Bassett Compliance Solutions (GBCS) <i>(The following pricing is for GBCS only. If another vendor is selected, then other pricing applies)</i>	
Workers Compensation Medicare Set-Aside Allocation (WCMSA)	\$2,300 per allocation
Rush Fees (MSA completed within 7 days)	\$450 per case
Revisions:	\$150 per hour (One free revision within six months of submission)
Liability Medicare Set-Aside Allocation (LMSA)	\$2,300 Fee
MSA Submission to CMS	\$850 Fee
Conditional Payment Research (CPR)	\$200 Flat Rate
Conditional Payment Negotiations (CPN)	\$375 Flat Rate
Secure Final Demand for Settlement (SFD)	\$250 Flat Rate
Bundled CP Resolution Services	\$700 Flat Rate
Benefit Coordination & Recovery Contractor Notification	\$45 Flat Rate
Medicare Eligibility Inquiry (MEI)	No Charge
SSDI Verification	\$175 Flat Rate
Release / Settlement Agreement Review	\$250 Flat Rate
Lien Resolution (Advantage Plan, Medicaid, Part D)	\$500 Flat Rate per Lien Resolution
Taxes All applicable taxes will be added to the service fees where required	

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### PROGRAM SPECIFIC TERMS AND CONDITIONS

1. Audit Terms: **Estimate**
  - Estimate - Claims will be reviewed annually and audited at the 18<sup>th</sup> and 24<sup>th</sup> month, and then every 12 months thereafter.
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2. Billing and Payment Terms: Fees will be billed **Monthly** during the calendar year. Fees are payable within 30 days upon receipt of the invoice. Gallagher Bassett reserves the right to charge 1% per month, or the maximum legal rate, on balances unpaid after 30 days.

#### 3. Claim Pricing Terms:

##### LIFE OF PARTNERSHIP:

\*Please see Claim Charges outlined in footnote 7 under Program Specific Terms and Conditions.

Claims will be handled for the life of the partnership with no additional per claim fees. If you should decide to non-renew all or a portion of your program, the existing open files can be handled in one of the following two ways:

- GB would continue to handle the open files at our prevailing rate fees per year per open file.
- GB would return the files to the client (contingent upon Carrier approval) at the client's expense.

**Note:** There will be additional charges for ongoing Data Management (RISX-FACS®), RMIS users, Administration, Banking fees and monthly reports for as long as GB handles claims.

The above fees are subject to Gallagher Bassett's annual non-refundable minimum claim handling fee of \$15,000.

There may be an additional fee charged by the carrier(s) for data transfers as a pass-through to client.  
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4. Account Administration includes the following:
  - Designated Account Manager
  - Detailed Status Reports @ \$50,000
  - Settlement Authority @ \$5,000 (new money)
  - Banking Administration (SIMMS)
  - Four Claim Reviews a Year or One Audit
  - Reserve Alerts @ \$10,000 and subsequent \$5,000 changes
  - Acknowledgement Letter to claimant
5. Data Management includes the following:
  - New Claim Setup
  - Historical Claims
  - Monthly Report by Email or the Website
  - Carrier Report Package by Email or Website
6. Pricing is based on using GB Managed Care (GBMCS) or MedInsights for Bill Review, PPO, out-of-network, utilization review, telephonic case management, MSA and field case management.
7. Claim Charges: The Claim charge is applicable per claim per line of coverage.
  - Example: A client employee during working hours is involved in an automobile accident with another vehicle with two occupants. Both occupants were injured, both cars were damaged and our client employee was injured. The claims handling charges (example only) will be:

Claimant #1 - Auto Liability Bodily Injury	\$1,158
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Claimant #2 - Auto Liability Bodily Injury	\$1,158
Claimant Owner - Auto Liability Property Damage	\$588
Client – Workers' Compensation	\$1,301
Client – Auto Physical Damage	\$281
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	\$3,316

The total GB fee for this one occurrence is \$3,316 to adjust the accident. Specific claim charges by claim by line of coverage are normal practice in our industry.

8. This material is the proprietary, confidential property of Gallagher Bassett Services, Inc. It has been provided to you for the sole purpose of considering a quote for claims administration services. It is not to be duplicated or shared in any form with anyone other than the individuals of such prospective client that have a business need to know the information. It must be destroyed or returned to Gallagher Bassett Services, Inc. after its intended use.
9. Gallagher Bassett Services, Inc. will not pay a fee, commission, or rebate to any party for the privilege of presenting our proposal or in order to secure the awarding of any program to Gallagher Bassett Services.

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### **GENERAL CONTRACT TERMS AND CONDITIONS**

1. Independent resolution managers for Catastrophes - If applicable, following any significant Property loss as a result of a single event (i.e., hurricane, tornado, flood, earthquake, etc), GB reserves the right to retain outside resources (resolution managers) when appropriate and those fees will be paid as an Allocated Expense off the file.
2. Material Change - GB reserves the right to modify its fees upon sixty (60) days prior notice to CLIENT if:
  - a. It is determined that the historical data upon which GB's fees and service charges developed were based upon erroneous, obsolete or insufficient information, or that a change in CLIENT's business will materially change the nature and/or volume of its business or claims as contemplated at the inception of the Agreement
  - b. During the term of the Agreement, legislative and/or regulatory requirements materially impact or change the scope of GB's services or responsibilities
3. Taxes - All applicable taxes will be added to the service fees where required
4. Allocated Expenses: Shall be your responsibility and shall include, but not be limited to:
  - Legal Fees
  - Medical Examinations
  - Professional Photographs
  - Travel made at client's request
  - Costs for witness statements
  - Court reports
  - Medical records
  - Accident reconstruction
  - Experts' rehabilitation costs
  - Chemist
  - Fees for service of process
  - Collection cost payable to third parties on subrogation
  - Architects, contractors
  - Engineer
  - Any other similar cost, fee or expense reasonably chargeable to the investigation, negotiation, settlement or defense of a claim or loss which must have the explicit prior approval of the client
  - Police, fire, coroner, weather, or other such reports
  - Property damage appraisals
  - SIU, surveillance and sub rosa investigation
  - Official documents and transcripts
  - Pre- and post-judgment interest paid
  - Outside Investigation
  - Subrogation at 15% of gross recovery
  - Index Bureau Reporting (Include MO)
  - Second Injury Fund Recovery
  - Data Intelligence Self-Service Reports
  - Managed Care - Managed Care services may include, but are not limited to:
    - i. Preferred provider organization networks
    - ii. Utilization review services
    - iii. Automated state fee scheduling
    - iv. Light duty/return-to-work programs
    - v. Medical case management and Vocational rehabilitation network
    - vi. Prospective injury management services
    - vii. Hospital bill audit services

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## **DEFINITIONS**

### **Workers Compensation - Medical Only Claims**

A medical only claim is a work-related Claim that meets the following criteria: (i) payments for either indemnity or vocational rehabilitation were not required, (ii) the Claim has not become contested or in suit, (iii) investigation to determine compensability or subrogation requirements was not required, (iv) no loss notices, captioned reports, client meetings (other than routine meetings where the claim is listed and noted) or settlement authority approvals were required, and (v) payments on the Claim have not exceeded \$2,500.

### **Workers Compensation - Indemnity Claims**

An indemnity claim is a Workers Compensation claim that is not a Medical Only Claim.

### **Incident - Electronic and Manual**

An Incident is a loss reported electronically through ClaimLine and/or the Web, or set up manually at the branch. GB will review the Incident and make a courtesy call [if necessary] to determine if it is a claim or Incident. GB will have full discretion in the determination and handling of these Incidents and/or their conversion into claim status.

### **Liability Claims**

Investigate, evaluate and adjudicate all third-party claims for which you may be legally obligated. Third-party claims will be managed and administered in accordance with our product guidelines.

### **Property Claims**

Investigate, evaluate and adjudicate all first-party claims which you report involving damage or loss of real or personal property. First-party claims will be managed and administered in accordance with our product guidelines.