



District School Board of Pasco County

20430 Gator Lane • Land O' Lakes, Florida 34638 • 813/794-2221

Heather Fiorentino, Superintendent

www.pasco.k12.fl.us

Department of Purchasing
Kendra Goodman, CPPO, CPPB, Purchasing Agent
813/794-2221 Fax: 813/794-2111
727/774-2221 TDD: 813/794-2484
352/524-2221 e-mail: kgoodman@pasco.k12.fl.us

May 4, 2010

MEMORANDUM

TO: Honorable School Board Members

FROM: Kendra Goodman, CPPO, CPPB, Purchasing Agent *KDG*

SUBJECT: Approval of Contracts: Workers' Compensation, Johns Eastern Co.
Third-Party Liability Claims Administration Services, Preferred Government Claims Solutions
Based on RFP 10-064-AZ

On April 20, 2010, official action (attached) was taken to approve award of the above-referenced RFP to the companies noted above, with permission also given to negotiate contracts with the companies.

The final negotiated contracts are now attached for your approval. Their language has been reviewed and approved by Ms. Nancy Alfonso, Board Attorney. Please see the attached memo from Ms. Mary Tillman, Director of Employee Benefits, Assistance & Risk Management (EBARM) with additional details regarding these contracts.

Board approval is requested at this time, in order to allow for EBARM's expedited transitioning of the services from the incumbent provider, Gallagher Bassett Services, by July 1, 2010. Please contact Mary Tillman or me if you have any questions or concerns.

KDG/az
Attachments



District School Board of Pasco County

7227 Land O' Lakes Boulevard • Land O' Lakes, Florida 34638 • 813/794-2000

Heather Fiorentino, Superintendent

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Employee Benefits, Assistance & Risk Management
Mary Tillman, Director
813/794-2759 Fax: 813/794-2173
727/774-2759 TDD: 813/794-2484
352/524-2759 e-mail: mtillman@pasco.k12.fl.us

DATE: April 26, 2010

TO: Kendra Goodman, Purchasing Agent

FROM: Mary Tillman, Director of Employee Benefits, Assistance & Risk Management

RE: 10-064-AZ Workers' Compensation and Third Party Liability
Claims Administration Services (TPA)

On April 6, 2010, the District School Board voted to accept the evaluation committee's recommendations of Johns Eastern Company, Inc. (JECO) as the highest scoring proposer for Workers' Compensation Claims Administrative Services and Preferred Governmental Claims Solutions (PGCS) as the highest scoring proposer for Third Party Liability Claims Administration Services in response to RFP 10-064-AZ. Claims administration services under these two contracts will begin July 1, 2010. Johns Eastern was selected from ten proposers and PGCS was selected from four proposers, based on scoring of the proposals submitted and interviews with the top finalists.

JECO currently provides TPA services for 62 governmental agencies including 32 school districts in Florida. JECO will provide one nurse and one adjuster on site, which, I believe, will greatly improve services for employees and will assist EBARM staff. JECO provided a rate guarantee at \$735,355 for each of the first three years. The costs for years four and five will be \$799,231 and \$831,200 respectively. Based on JECO's interview, experience and references, I believe that they will work proactively with EBARM staff to improve the District's Workers' Compensation program.

PGCS also provides TPA services for many governmental agencies including Florida school districts. All administrative services under the contract will be provided by PGCS, not by subcontractors. PGCS has also provided a rate guarantee at \$30,750 for each of the first three years. The costs for years four and five will be \$32,750 and \$34,750 respectively. I feel that the experience and expertise brought by PGCS will improve the administration of the District's third party liability program.

If you have any questions or need any additional information, please call me. As always, I appreciate the assistance that I have received from you and your staff during this process.

COPY

AGREEMENT
between
THE DISTRICT SCHOOL BOARD OF PASCO COUNTY, FLORIDA
and
JOHNS EASTERN COMPANY, INC.
for
WORKERS' COMPENSATION CLAIMS ADMINISTRATION SERVICES

THIS AGREEMENT, made and entered into by and between: THE DISTRICT SCHOOL BOARD OF PASCO COUNTY, FLORIDA, a political subdivision of the State of Florida (hereinafter, "DSBPC") and Johns Eastern Company, Inc. (hereinafter, "TPA").

WHEREAS, DSBPC issued a Request for Proposals and addenda, identified as RFP 10-064-AZ (hereinafter collectively "RFP"), which is incorporated by reference herein, for the purpose of receiving proposals for Workers' Compensation And Third Party Liability Claims Administration Services; and

WHEREAS, TPA offered a proposal in response to RFP 10-064-AZ (hereinafter "Proposal"), which is incorporated by reference herein; and

WHEREAS, subsequent to receipt of Proposal by DSBPC, DSBPC and TPA entered into negotiations, which were memorialized by correspondence or other documents (hereinafter collectively "Negotiations"), which are incorporated by reference herein; and

WHEREAS, TPA desires to provide and DSBPC desires to receive Workers' Compensation Claims Administration Services as described under the terms and conditions of this Agreement.

NOW, THEREFORE, IN CONSIDERATION of mutual covenants and conditions set forth herein, the parties agree as follows:

ARTICLE 1 – RECITALS

1.1 **Recitals**. The Parties agree that the foregoing recitals are true and correct and that such recitals are incorporated herein by reference.

ARTICLE 2 – TERM OF AGREEMENT

2.1 **Term of Agreement**. This Agreement is effective as of 12:01 a.m., July 1, 2010 and will continue until 12:01 a.m., July 1, 2013. Per DSBPC policy, the Agreement will be formally renewed annually at the mutual agreement of the parties. The term of the AGREEMENT may, by mutual agreement by DSBPC and TPA, be extended for up to two additional one-year periods.



ARTICLE 3 - COMPENSATION OF TPA

3.1 **Annual Fees.** Annual fees will be as follows:

July 1, 2010 – July 1, 2011	\$735,355
July 1, 2011 – July 1, 2012	\$735,355
July 1, 2012 – July 1, 2013	\$735,355
July 1, 2013 – July 1, 2014	\$799,231
July 1, 2014 – July 1, 2015	\$831,200

Annual fees shown above will be payable in 12 equal monthly installments.

ARTICLE 4 – GENERAL CONDITIONS

4.1 **Claims and Organizations Included.** - In addition to the DSBPC, and as agreed to by the Parties, services are to be provided for any affiliated or subsidiary board, authority, committee, independent agency or other organization (including newly constituted) provided that such affiliated or subsidiary board, authority, committee, independent agency or other organization is either a body politic created by the DSBPC or one in which controlling interest or membership therein is vested in the DSBPC.

4.2 **No Other TPA Compensation For Services Related to Agreement.**

4.2.1 TPA agrees that, except to the extent, if any, specifically authorized under this Agreement, neither TPA, nor any parent, subsidiary, or affiliate of TPA, shall accept any rebates, overrides, administrative fees, or any other compensation of any nature from anyone, including from any subcontractors used by TPA to provide such services, other than the compensation received by TPA from DSBPC related to the services provided by, or on behalf of, TPA under this Agreement.

4.2.2 In the event TPA, or any parent, subsidiary, or affiliate of TPA, does receive any such compensation related to the services provided by, or on behalf of, TPA under this Agreement from anyone other than DSBPC, TPA shall promptly disclose the receipt of any such compensation to DSBPC and shall refund any such amounts received to DSBPC within thirty (30) days of the receipt by TPA.

4.2.3 In the event TPA, or any parent, subsidiary, or affiliate of TPA, is entitled to any such compensation related to the services provided by, or on behalf of, TPA under this Agreement from anyone other than DSBPC, TPA shall promptly disclose the entitlement to any such compensation to DSBPC and shall promptly assign the entitlement to any such compensation to DSBPC.

<p>CONTRACT REVIEWED AND APPROVED:</p> <p><i>Kdy 4-26-10</i></p>
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4.3 **Notice of Change in Compensation.** TPA may not effect any increase of rates or other consideration applicable to this Agreement prior to the later of:

4.3.1 12:01 a.m., July 1, 2013; or

4.3.2 At least one hundred and twenty (120) days after receipt by DSBPC of valid written notice from TPA, stating specifically the amount of change proposed. Mere notice that a change in rates or consideration is proposed, without stating clearly the exact amount, and the effect of the proposed change on the overall consideration of this contract, shall not constitute a valid notice. DSBPC reserves the right to accept or reject this notice, at its sole discretion. The written notice of any change in rates or other change in consideration shall be delivered by certified mail to:

Kendra Goodman, CPPO, CPPB
Purchasing Agent
District School Board of Pasco County
20430 Gator Lane
Land O' Lakes, FL 34638

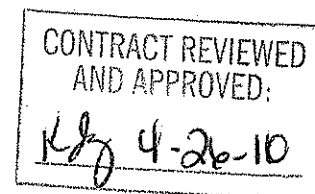
4.4 **Notice of Termination or Adverse Change.**

4.4.1 **Notice by TPA.** TPA shall at give valid written notice to DSBPC at least one hundred and twenty (120) days prior to cancellation, non-renewal, or restriction of TPA's obligations under this Agreement. The written notice of cancellation, non-renewal, or restriction of TPA's obligations under this Agreement shall be delivered by certified mail to:

Kendra Goodman, CPPO, CPPB
Purchasing Agent
District School Board of Pasco County
20430 Gator Lane
Land O' Lakes, FL 34638

4.4.2 **Notice by DSBPC.** This Agreement may be canceled at any time at the request of DSBPC by written notice to TPA stating when thereafter cancellation is to be effective.

4.4.3 **Basis of Termination.** In the event of termination of this Agreement for whatever reason, the earned fees shall be computed on a pro rata basis without penalty and TPA shall refund to DSBPC the excess of paid fees or other consideration that were received by TPA within thirty (30) days from the date of termination.



4.5 **Agreement – Document Priority.** In the event of a conflict among the following documents, the order of priority shall be as follows:

- (1) This Agreement
- (2) Negotiations
- (3) Proposal
- (4) RFP

4.6 **Hold Harmless/Indemnification.** TPA shall hold harmless, indemnify and defend the indemnitees (The following shall be deemed to be indemnitees: DSBPC, and its members, officers, employees, and agents) against any claim, action, loss, damage, injury, liability, cost or expense of whatsoever kind or nature including but not by way of limitation, attorney's fees and court costs arising out of bodily injury to persons including death or damage to tangible property arising out of or incidental to the performance of this Agreement (including goods and services provided thereto) by or on behalf of TPA. This section will survive the termination of this Agreement regardless of the cause giving rise to such termination.

4.7 **TPA Insurance Requirements.** Prior to commencement of services under the agreement, this Agreement, TPA obtain and maintain without interruption until completion of all services required under this Agreement, the insurance as outlined below. TPA agrees to furnish a fully completed certificate of insurance naming DSBPC and its members, officers, employees, and agents as additional insured on the General Liability insurance, signed by an authorized representative of the insurer providing such insurance coverages. The insurance coverages and limits shall meet, at a minimum, the following requirements:

4.7.1 **Workers' Compensation/Employer's Liability Insurance.** Such insurance shall be no more restrictive than that provided by the Standard Workers' Compensation Policy, as filed for use in Florida by the National Board on Compensation Insurance, without restrictive endorsements. The minimum amount of coverage (inclusive of any amount provided by an umbrella or excess policy) shall be:

Part One:	"Statutory"	
Part Two:	\$ 1,000,000	Each Accident
	\$ 1,000,000	Disease - Policy Limit
	\$ 1,000,000	Disease - Each Employee

4.7.2 **General Liability Insurance.** Such insurance shall be no more restrictive than that provided by the most recent version of standard Commercial General Liability Form (ISO Form CG 00 01) as filed for use in the State of Florida without any restrictive endorsements other than those required by ISO or the State of Florida those described below. The coverage may include restrictive endorsements which exclude coverage for liability arising out of:

- Mold, fungus, or bacteria
- Terrorism



- Sexual Molestation

The minimum limits (inclusive of amounts provided by an umbrella or excess policy) shall be:

\$ 2,000,000 General Aggregate
\$ 2,000,000 Products/Completed Operations Aggregate
\$ 1,000,000 Personal and Advertising Injury
\$ 1,000,000 Each Occurrence

DSBPC and its members, officers, employees, and agents shall be included as an additional insured on a form no more restrictive than the most recent version of ISO Form CG 20 10 (Additional Insured - Owners, Lessees, or Contractors).

4.7.3 Automobile Liability Insurance. Such insurance shall be no more restrictive than that provided by Section II (Liability Coverage) of the most recent version of standard Business Auto Policy (ISO Form CA 00 01) without any restrictive endorsements, including coverage for liability contractually assumed, and shall cover all owned, non-owned, and hired autos used in connection with the performance of the Contract. The minimum limits (inclusive of any amounts provided by an umbrella or excess policy) shall be:

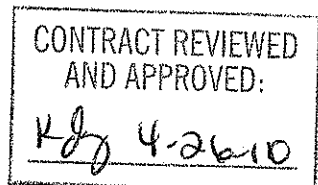
\$ 1,000,000 Each Occurrence - Bodily Injury and Property
Damage Combined

4.7.4 Professional Liability Insurance. Such insurance shall be on a form acceptable to DSBPC and shall cover TPA for those sources of liability arising out of the rendering or failure to render professional services in the performance of the services required in the Agreement including any hold harmless and/or indemnification agreement. Coverage must either be on an occurrence basis; or, if on a claims-made basis, the coverage must respond to all claims reported within three years following the period for which coverage is required and which would have been covered had the coverage been on an occurrence basis. The minimum limits (inclusive of any amounts provided by an umbrella or excess policy) shall be:

\$ 3,000,000 Each Claim/Annual Aggregate

4.7.5 Employee Dishonesty (Fidelity). Such insurance shall be no more restrictive than that provided by the most recent version of standard Commercial Crime Coverage Form (ISO CR 00 21) without restrictive endorsements or on a form acceptable to DSBPC and shall cover TPA and DSBPC against loss caused by the dishonesty of employees of TPA in connection with the Agreement. Coverage will include Employee Theft, Forgery and Alteration, Computer Fraud, and Funds Transfer Fraud. The minimum limits shall be:

\$5,000,000 Each Occurrence



4.7.6 **TPA's Insurance Primary and Non-Contributory.** The insurance provided TPA Company shall apply on a primary basis to, and shall not require contribution from, any other insurance or self-insurance maintained by DSBPC or its members, officers, employees, and agents. Any insurance, or self-insurance, maintained by DSBPC shall be excess of, and shall not contribute with, the insurance provided by TPA.

4.7.7 **TPA's Insurance as Additional Remedy.** Compliance with these insurance requirements shall not limit the liability of TPA. Any remedy provided to DSBPC by the insurance provided by TPA shall be in addition to and not in lieu of any other remedy (including, but not limited to, as an indemnitee of TPA) available to DSBPC under this Agreement or otherwise.

4.7.8 **No Waiver by DSBPC Approval/Disapproval.** Neither approval nor failure to disapprove insurance furnished by the Company shall relieve the Company from responsibility to provide insurance as required by this Contract.

4.8 **Compliance With Laws, Rules, And Regulations.** TPA is responsible for full and complete compliance with all laws, rules, and regulations, including those of the Florida Department of Financial Services, which may be applicable to it. Failure or inability on the part of TPA to comply with such laws, rules, and regulations (including failure to obtain Department of Financial Services approval) shall not relieve TPA from its obligation to perform completely in accordance with this Agreement.

4.9 **Acknowledgement of Adequate Disclosure by DSBPC.** TPA acknowledges and agrees that due care and diligence was exercised in the preparation of the RFP, and all information contained therein was believed by DSBPC to be substantially correct. TPA acknowledges, and accepted prior to making the Proposal, TPA's responsibility for determining the full extent of the exposures to risk and verification of all information in the RFP. Neither DSBPC nor its representatives or consultants shall be responsible for any error or omission in the RFP, or for the failure on the part of TPA to determine the full extent of the exposures. This section will survive the termination of this Agreement regardless of the cause giving rise to such termination.

4.10 **Default.** In the event of default, which may include, but is not limited to non-performance and/or poor performance of this Agreement, TPA shall lose eligibility to transact new business with DSBPC for a period of 14 months from date of termination of this Agreement by DSBPC. If TPA is determined to be ineligible, TPA may request a hearing pursuant to §120.569, Fla. Statute, and DSBPC Board Rule 6Gx13-8C-1.064.

4.11 **Compliance with the Jessica Lunsford Act.** TPA acknowledges and agrees to be in compliance with the "Jessica Lunsford Act." Suppliers conducting business with DSBPC who will (1) be at the school when students are present, or (2) have direct contact with students, or (3) have access to or control of school funds, **must** be Level 2 fingerprinted by DSBPC Human Resources. If any of the above criteria apply to this contract, you **must** have those individuals Level 2 fingerprinted

CONTRACT REVIEWED
AND APPROVED:
Kdy 4-26-10

and screened by the DSBPC Human Resources Department **prior** to commencement of services or work, and must provide a list of employees who will be providing these services. Please contact (813) 794-2521 to arrange for a fingerprinting appointment. Costs associated with this background screening are to borne by the vendor. You may access information regarding this law, which became effective September 1, 2005, by reviewing Sections 1012.32 and 1012.465, Florida Statutes.

4.12 **Public Records**. Each Party shall maintain its own respective records and documents associated with this Agreement in accordance with the records retention requirements applicable to public records. Each Party shall be responsible for compliance with any public documents request served upon it pursuant to Section 119.07, Florida Statutes, and any resultant award of attorneys' fees attributable to the party's non-compliance with that law. This section will survive the termination of this Agreement regardless of the cause giving rise to such termination.

4.13 **Access to Claim Files**. TPA shall provide DSBPC real-time, electronic, internet-based access to all claim files, including all adjuster notes, supervisory notes, field case management notes, diary items, payment records, medical bills and expense bills. The manner in which TPA provides such access shall be consistent with the Proposal as modified, if any, by the Negotiations.

4.14 **Ownership of Claim Files**. DSBPC shall have all right, title, interest, and ownership to all loss statistics and claim files created as a result of the services provided, or to be provided, by TPA under this Agreement. Further, at the sole option of the DSBPC, and upon ten (10) days written notice, TPA, at TPA's sole expense, shall return such files to the DSBPC. At the termination of this Agreement, at the sole expense of TPA, TPA shall provide DSBPC with computer tapes or other computer media containing all of the claim data. Such data shall be made available in a format generally importable into a commonly recognized database for claims administration services.

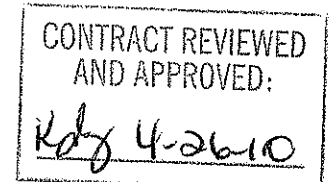
4.15 **Audit Rights**

4.15.1 **Audit of Claim Files and TPA Procedures**. At the sole option of DSBPC, TPA shall agree, at no additional cost to DSBPC, to any audits conducted by DSBPC or DSBPC's designee (hereinafter, "Auditor") of TPA's claim files and procedures as they relate to the services under this Agreement. DSBPC shall have the right to audit during the contract period and for five years following the termination of the Agreement.

4.15.2 **Audit of Records**

4.15.2.1 **Definition**. For the purposes of this Section 4.15.2, the term "Records," shall mean all documentary and electronic records of TPA and TPA's subcontractors that are related to the services performed under this Agreement including, but not be limited to:

- Financial records (including subcontractor invoices to TPA and supporting documents)



- Contracts (including contracts with subcontractors and contracts between subcontractors and others)
- Contractor performance data
- Network and provider agreements
- Cost data

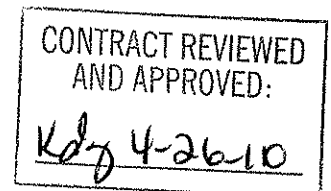
4.15.2.2 **Right to Audit.** At the sole option of DSBPC, TPA shall agree, at no additional cost to DSBPC, to allow Auditor to have access to Records of TPA and Records of TPA's subcontractors for the purposes of reviewing and auditing such Records. Any Records requested for audit or review must be related to the services provided under this Agreement. DSBPC shall have the right to audit Records during the contract period and for five years following the termination of the Agreement.

4.15.2.3 **Proprietary Documents.** To the extent TPA or TPA's subcontractor designates any "Records" requested for audit as "Proprietary Records" (i.e., containing confidential information, trade secrets, or private information), TPA shall be allowed to limit the access of Auditor such that Auditor will only be permitted to review such Proprietary Records in controlled conditions at a TPA chosen location in Pasco County, Florida. With respect to such Proprietary Records, Auditor's rights will be limited to on-premises review of such Records and Auditor will not be permitted to retain copies or make reproductions of such Records. With respect to such Proprietary Records, Auditor is prohibited from publishing summaries of the information contained in Proprietary Records. Such designation of Records as proprietary by TPA or TPA's subcontractor shall only be made to the extent reasonable grounds exist for TPA or TPA's subcontractor to protect the information contained in such Records.

4.16 **TPA Is Independent Contractor.** The Parties agree that TPA is engaged to perform services under this Agreement as an independent contractor, and not as an agent, of DSBPC.

4.17 **Entire Agreement.** This Agreement incorporates and includes all prior negotiations, correspondence, conversations, agreements and understandings applicable to the matters contained herein and the Parties agree that there are no commitments, agreements or understandings concerning the subject matter of this Agreement that are not contained in, or incorporated by reference in, this document. Accordingly, the Parties agree that no deviation from the terms hereof shall be predicated upon any prior representations or agreements, whether oral or written.

4.18 **Amendments.** No modification, amendment, or alteration in the terms or conditions contained herein shall be effective unless contained in a written document prepared with the same or similar formality as this Agreement and executed by each Party hereto.



4.19 **Waiver.** The Parties agree that each requirement, duty and obligation set forth herein is substantial and important to the formation of this Agreement and, therefore, is a material term hereof. Any Party's failure to enforce any provision of this Agreement shall not be deemed a waiver of such provision or modification of this Agreement. A waiver of any breach of a provision of this Agreement shall not be deemed a waiver of any subsequent breach and shall not be construed to be a modification of the terms of this Agreement.

4.20 **Governing Law.** This Agreement shall be interpreted and construed in accordance with and governed by the laws of the State of Florida. Any controversies or legal problems arising out of this Agreement and any action involving the enforcement or interpretation of any rights hereunder shall be submitted to the jurisdiction of the State courts of the Sixth Judicial Circuit of Pasco County, Florida. This section will survive the termination of this Agreement regardless of the cause giving rise to such termination.

4.21 **No Waiver of Sovereign Immunity.** Nothing contained in this Agreement is intended to serve as a waiver of sovereign immunity by DSBPC or any person to which sovereign immunity may be applicable. This section will survive the termination of this Agreement regardless of the cause giving rise to such termination.

4.22 **Non-Discrimination.** TPA shall not discriminate against any person in the performance of the duties, responsibilities and obligations under this Agreement because of race, age, religion, color, gender, national origin, marital status, disability or sexual orientation.

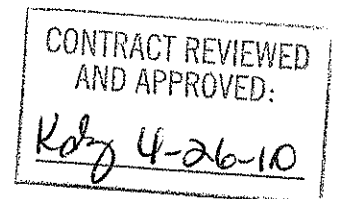
4.23 **Successors.** This Agreement shall be binding upon and shall inure to the benefit of all assigns, transferees and successors in interest of the Parties.

4.24 **Assignment.** Neither this Agreement or any interest herein may be assigned, transferred or encumbered by any party without the prior written consent of the other Party.

4.25 **Notice.** When any of the Parties desire to give notice to the other, such notice must be in writing, sent by U S Mail, postage prepaid, addressed to the Party for whom it is intended at the place last specified. The place for giving notice shall remain such until it is changed by written notice in compliance with the provisions of this paragraph. For the present, the Parties designate the following as the respective places for giving notice:

As to DSBPC

Kendra Goodman, CPPO, CPPB
Purchasing Agent
District School Board of Pasco County
20430 Gator Lane
Land O' Lakes, FL 34638

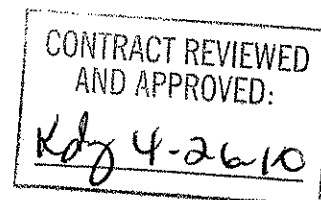


As to TPA

Beverly Adkins, Executive Vice President
Johns Eastern Company, Inc.
P.O. Box 110259
Lakewood Ranch, FL 34211-0004

**ARTICLE 5 – SPECIAL CONDITIONS
FOR WORKERS’ COMPENSATION
CLAIMS ADMINISTRATION SERVICES**

- 5.1 **Service Office** The service office will be the Lakewood Ranch, Florida office of the TPA.
- 5.2 **Minimum Staffing Requirements**. TPA will provide three full time dedicated workers’ compensation adjusters and two full time dedicated case management nurses. One nurse and one adjuster will be located on site at the DSBPC district offices.
- 5.3 **Compliance with Rules of Division of Workers’ Compensation**. TPA shall be responsible for compliance with all rules and regulations promulgated by the various state agencies prescribing the practices and procedures of self-insurer service companies. TPA shall also be responsible for all required EDI DWC reporting. TPA shall reimburse DSBPC for payment of any fines, penalties or assessments assigned by the State of Florida, or other regulatory agency, for failure to comply with such rules and regulations, including EDI reporting, associated with the performance or responsibility of TPA.
- 5.4 **Scope of Services**. Except as otherwise provided in this Agreement, TPA shall, for the duration of this Agreement, provide all of the services described in Attachment A to this Agreement, Scope of Worker’s Compensation Services:
- 5.5 **Obligations Not Terminated By Term of Agreement**. TPA provide service on all claims occurring during, or before, the term of this Agreement and until three (3) months after the termination of this Agreement (including renewals, extensions or replacements thereof), all legally required reports for the contract period rendered, and all required reports to appropriate agencies. The compensation of TPA paid for services during the term of this Agreement includes the full compensation for such continuing obligations and, except as noted herein, no additional consideration shall be due for such obligations which extend beyond the term of this Agreement.
- 5.6 **Performance Reviews**. Except as otherwise provided in this Agreement, TPA and DSBPC agree that periodic Performance Reviews will be conducted in accordance with the processes and guidelines described in Attachment B, Workers’ Compensation Performance Reviews.

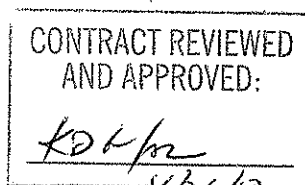


**ATTACHMENT A
WORKERS' COMPENSATION CLAIMS ADMINISTRATION
SCOPE OF SERVICES**

ADMINISTRATIVE SERVICES

TPA will provide the following administrative services:

1. In accordance with state mandated time frames, prepare (with DSBPC's assistance) and file with the appropriate state agencies all applications, bonds, documentation, and data required (if any) for implementation and continuance of the program.
2. In accordance with state mandated time frames, prepare, maintain, and file all records and reports as may be required by legal authorities (state, local, and federal).
3. Prepare, maintain, and file statistical or other records and reports as required by DSBPC's excess insurers. Report claims to DSBPC's excess insurer(s) in accordance with the requirements of the excess insurer(s). Provide a copy of the reports to DSBPC. Follow specific written investigation procedures for any case for which excess Workers' Compensation insurers require specific notification or investigation.
4. In accordance with state mandated time frames, prepare, maintain, and file statistical information required by Workers' Compensation Rating Bureaus or appropriate state agencies, including electronic data interface (EDI) and data necessary for the promulgation of experience modifications.
5. Comply fully with all rules, regulations, guidelines or procedures established by DSBPC and the State of Florida, including EDI.
6. Provide DSBPC, annually, with the latest payroll report from the State of Florida.
7. Recognize that DSBPC will be continuing a Workers' Compensation program which focuses on respecting the injured worker and the medical providers providing care. Proposers must be committed to work collaboratively with DSBPC to effect program changes and enhancements as requested by DSBPC. Proposers must be committed to work collaboratively with the third party liability claims administrator when appropriate.
8. Annually, provide DSBPC with a SAS-70 audit as required by the financial auditors.
9. Prepare and follow provisions specific to DSBPC, for approval by DSBPC, for ensuring that in the event of an emergency, e.g.; hurricane preparedness, including how proposers services will continue, how DSBPC's employees will be paid indemnity in advance, and how they will be instructed on obtaining medical care.



IN WITNESS WHEREOF, the parties have made and executed this Agreement on the respective dates under each signature. THE SCHOOL BOARD OF PASCO COUNTY, FLORIDA by and through its Chair, and Johns Eastern Company, Inc., by and through its duly authorized representative.

FOR THE SCHOOL BOARD OF PASCO COUNTY, FLORIDA

By: _____
Superintendent of Schools

On this _____ day of _____, 20__ .

FOR JOHNS EASTERN COMPANY, INC.

By: _____
President

Attest:

By: _____
Secretary

On this _____ day of _____, 20__ .

Board Chair, District School
Board of Pasco County

Date

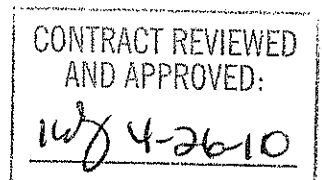
CONTRACT REVIEWED
AND APPROVED:
Kdy 4-26-10

10. Provide advance notice and coordinate in advance with DSBPC any internal audits associated with the Workers' Compensation program.
11. Assist DSBPC with its Return to Work program, including identifying return to work opportunities and appropriate use of outside vendors.

CLAIMS SERVICES

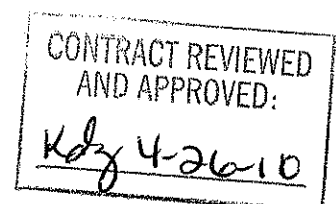
TPA will provide the following claims services:

1. Establish reporting procedures which are compatible with the needs and organizational structure of DSBPC.
2. Provide necessary forms and instructions for use. Such forms are to include appropriate First Reports of Injury with mailing address of primary recipients preprinted thereon.
3. Provide customer service lines with an 813 area code for employees, as well as a toll-free line for employees residing outside the 813 area code.
4. Develop specific service instructions with DSBPC for the handling of DSBPC's claims. Develop specific service instructions with DSBPC for the handling of DSBPC's catastrophic claims.
5. Conduct such investigation into the specifics of each individual report of employee injury as in the exercise of professional judgment would seem necessary. Enhanced efforts shall be taken to identify possible fraudulent claims including recorded statements from claimants and discussions with the claimant's supervisors.
6. Subject to the exercise of professional judgment, accept and settle or deny all reported claims for employee injuries on behalf of DSBPC in accordance with the applicable Workers' Compensation Law or law of damages. When it appears the final value of any claim will exceed a discretionary limit of \$15,000, DSBPC shall be notified and the final decision for settlement shall rest with DSBPC. Any settlement is to include preparation and actuation of all necessary stipulations, compromise, and release agreements.
7. DSBPC may select and employ outside professionals such as surveillance personnel, expert witnesses, and attorneys to assist in the investigation, adjustment, and defense of claims.
 - (a) DSBPC may select specific vendors and pricing schedules for the following services: Legal services, Translation services, Transportation services, Surveillance and Investigation services, Medicare Set-Aside services and Court Reporting services.
 - (b) TPA will review all bills for such services for reasonableness and conformity to any pre-established rates or fees and will adhere to any set pricing schedules.



(c) TPA will work collaboratively with these outside professionals, including data sharing, portals and other methods for sharing information.

8. Review all medical bills and bills for other services for which a claim is being made for reasonableness and conformity to rules, regulations, and legally imposed medical and surgical fee schedules.
9. Prepare and maintain files necessary for legal defense of claims and/or other litigation (such as actions for subrogation, contribution, or indemnity) or other proceedings.
10. Where appropriate or desirable, attend hearings, depositions, mediations, and other proceedings. The adjuster handling the claim file will provide an updated written file note within 48 hours after the hearing, deposition, mediation or other proceeding.
11. At the request of DSBPC, provide a complete copy of all files involving litigation, potential or actual subrogation, or potential or actual recovery from special or second injury funds to the Director of EBARM or the designee thereof.
12. Aggressively pursue all possibilities of subrogation, excess insurance reimbursement, third party liens, contribution or indemnity and/or recovery from special or second injury funds on behalf of DSBPC.
13. Periodically as appropriate, but at least every quarter, review all open cases and complete a strategic action plan in order to assist in the settlement of the cases. Such written reviews shall include a review and verification of outstanding reserves. Participate in quarterly reviews of field case management progress and legal progress. A written summary of the review shall be documented in the open case file and shall be provided to DSBPC within ten working days after the end of the period for which the report is being made.
14. Provide access to rehabilitative services for injured employees including consultation for retraining or reassignment of employees with limited physical performance arising from covered injuries.
15. The supervising adjuster shall meet with DSBPC's Director of EBARM, or the designee thereof, to consult with and refer all questionable or contested cases and those with an estimated value in excess of \$15,000.
16. Aid in communications/coordination with DSBPC's safety and accident prevention program staff as necessary including providing claims data needed to target safety and prevention initiatives.



17. Conduct adequate, timely and complete 24 hour contact in the investigation of claims regardless of exposure (24 hours from first notice to WC management organization, not 24 hours from when adjuster received).
18. Pay vendor bills (attorneys, surveillance, etc.) within 20 days.
19. Develop and follow appropriate written policies when (i) the injured employee requests a second opinion, (ii) medical evaluation is questioned, or (iii) grievance report is filed.
20. Assist, as appropriate, in the scheduling of independent medical examinations.
21. Monitor the purchase of items deemed to be medically necessary for the accommodation of an injured employee and obtain approval from the Director of EBARM for those items with a cost greater than \$10,000.
22. Follow all provisions of Florida Statute in regard to medical benefit entitlement and administration.

FIRST NOTICE OF INJURY SERVICES

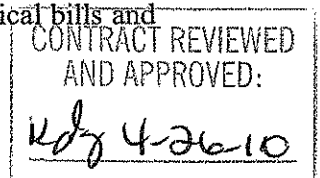
TPA will provide the following administrative services:

1. Provide after hour telephonic claim reporting and intake capabilities. Provide internet based claim reporting and intake capabilities. Send First Notice of Injury to the State of Florida in a timely manner. TPA must accept responsibility for penalties for late notice to the State of Florida when caused by other than the delay of DSBPC.
2. Receive and examine on behalf of DSBPC all reports of employee injury claims. Refer injured workers to appropriate medical services, and as appropriate and based upon pre-established criteria agreed upon by DSBPC. Provide immediate referral to network specialty medical providers for injuries.
3. Coordinate data between first report of injury and claims administration system.
4. The on-line claim security shall permit on-line input of accident reports by DSBPC.

LOSS STATISTICS SERVICES

TPA shall provide DSBPC with the ability to access comprehensive on-line, real-time electronic claim information data, including reporting capabilities, at no additional cost to DSBPC. TPA shall provide DSBPC with regular monthly reports, as agreed upon by the parties, in such a format as is acceptable to DSBPC.

TPA agrees that DSBPC shall have real-time access to all claim files, including all adjuster notes, supervisory notes, field case management notes, diary items, payment records, medical bills and



expense bills in an electronic manner with internet based access available to DSBPC.

NETWORK ACCESS & DEVELOPMENT SERVICES

TPA will provide the following network access and development services:

1. Provide DSBPC access to a provider network that contains appropriate providers. TPA must assure that high quality providers, particularly in key specialties, are encouraged to participate in the network. TPA will work with providers to develop contractual agreements which include preferred appointment setting criteria, reporting and standards to best address the medical and rehabilitative needs of DSBPC injured employees. Key specialties include internists, orthopedics, neurology, neurosurgery, occupational medicine specialties, pulmonology, infectious disease specialists, ear/nose/throat specialists, allergists, psychiatry and psychology. On an annual basis, the TPA and DSBPC will meet and agree upon discounts, types of specialists and key providers to be added to the network.
2. Assist DSBPC in the development of DSBPC specific network of key providers, particularly in key specialties.
3. Provide contracting and credentialing services required to develop DSBPC specific network.
4. Develop and maintain combined directory of customized and traditional providers.
5. Provide peer review and utilization review services, as appropriate.
6. Provide reporting regarding network access, provider costs and outcomes.

MEDICAL BILL REVIEW AND AUDIT SERVICES

TPA will provide the following medical bill review and audit services:

1. For Medical Bill Review:
 - (a) Promptly review medical/surgical bills (in and out of network) for accuracy including, but not limited to, as they relate to the following:
 - (i) Duplicate billings
 - (ii) Unbundling of charges
 - (iii) Upcoding of charges
 - (iv) Approval and appropriate precertification.
 - (b) Review all medical bills that:
 - (i) Are not subject to fee schedule coding
 - (ii) Are for services not specifically addressed in the fee schedule
 - (iii) Need an in-depth medical interpretation of the rules and regulations
 - (iv) In the exercise of professional judgment, specifically warrant review.

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AND APPROVED:

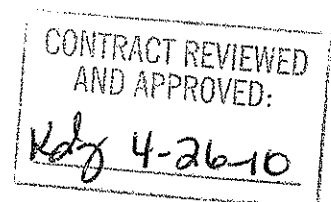
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- (c) Process, pay and mail bills within 20 days of receipt.
- 2. Reimburse DSBPC for any overpayments made in the bill review process, within 30 days of identification of overpayment. Reimburse DSBPC for any penalties and/or interest associated with inaccurate payments.
- 3. For Medical Auditing Services:
 - (a) Audit in-network and out-network hospital/provider bills
 - (i) Exceeding \$25,000
 - (ii) Others at TPA's discretion or specific request by DSBPC for accuracy and appropriateness
 - (b) Develop and follow written policies on how late charges, no show charges and special payment arrangements are to be handled
- 4. Develop and provide communication materials to explain the policies and procedures of the Medical Bill Review and Audit Services to:
 - (a) DSBPC
 - (b) Medical providers
- 5. Develop and follow written grievance procedures for provider concerns.

PHARMACEUTICAL MANAGEMENT SERVICES

TPA shall recommend a prescription benefit management (PBM) vendor which:

- 1. Provide DSBPC injured workers access to a pharmacy network of local and national pharmacies with agreed upon discounted prices for drugs. Provide DSBPC injured workers with communication materials, including pharmacy cards, to assure proper information is available for prompt dispensing of and proper coding and billing of pharmaceuticals.
- 2. Provide DSBPC with pharmacy specific reporting on a monthly basis of generic/brand utilization, network penetration, narcotic usage and other detailed reports as agreed between the parties.
- 3. Develop appropriate utilization review procedures in real time to assure dispensed drugs are appropriate for injury, timely dispensing and concurrent review for medical interactions.



**ATTACHMENT B
WORKERS' COMPENSATION CLAIMS ADMINISTRATION SERVICES
PERFORMANCE REVIEWS**

The TPA and DSBPC agree that Performance Reviews will be conducted after the first six months of operations. Each Performance Review will involve Claim File Reviews and an overall Program Management Review. Performance Reviews will be conducted by Director of EBARM, or the designee thereof.

In the Claim File Review process, for each claim file that is reviewed, the reviewer will assign a score from 0 to 100 based upon the criteria outlined in this Attachment B. At the conclusion of reviewing all selected claim files, an average score for all claim files reviewed will be calculated. In the Program Management Review process, a separate single score between 0 and 100 will be calculated.

The average score for the Claim File Reviews will account for 75% of the overall scoring for the Performance Review. The total score for the Program Management Review will account for 25% of the overall scoring for the Performance Review. As an example, if the average Claim File Review score is 86 points and the Program Management Review score is 70, the total score will be calculated as follows:

Claim File Review average	86 points times 75% weight =	64.5 points
Program Management Review	70 points times 25% weight =	<u>17.5 points</u>
Total Weighted Review Points		82.0 points

The penalties/rewards will be based upon the Total Weighted Review Points.

DSBPC will perform two Performance Reviews for the first annual period of the contract. The initial review will be after the TPA has been providing services for six (6) months. Each review will occur approximately 1-2 months after the conclusion of the performance period. The following chart outlines the expected review schedule. After the first year, Performance Reviews will occur annually, however, DSBPC will retain the right, at DSBPC's sole discretion, to perform such reviews at any time.

Performance Review	Performance Period	Total Weighted Review Points	Penalty/Bonus
1	July 1, 2010 – December 31, 2010	80	NA
2	January 1, 2011 – June 30, 2011	80	1%
3	July 1, 2011 June 30, 2012	90	1%
4	July 1, 2012 June 30, 2013	95	1%
5	July 1, 2013 June 30, 2014	95	1%
6	July 1, 2014 June 30, 2015	95	1%

CONTRACT REVIEWED
 AND APPROVED:
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Failure to perform at or above expected levels for the Performance Reviews will result in a financial penalty of 1% of the amount that was charged by the TPA for the performance period. Any financial penalties will be credited to future amounts invoiced by the TPA to DSBPC.

The Performance Reviews will measure objective performance standards which are easily identified and measured. After each Performance Review is performed, the TPA will meet with the DSBPC Director of EBARM and/or designee to discuss initial evaluation results. The TPA will be given an opportunity to factually rebut the initial findings. Thereafter, a final tally of the review results will be prepared.

The initial Performance Review will be for information and educational purposes only and no penalties will be imposed. A minimum Total Weighted Review Points of 80 is expected in the first annual period of the contract. The minimum Total Weighted Review Points is raised to 90 on the second annual period, and 95 for annual periods thereafter. Failure to meet these average compliance expectations will result in the penalty noted above.

CLAIM FILE REVIEWS

The Claim File Review will include 50 randomly selected claim files. The make-up of the files selected for each review will be at least 50% open files. At least 50% of the selected files will have recent (within performance period) dates of injury and remaining selected files will have dates of injury prior to the beginning of the performance period.

Each claim will generate a score from 1 to 100 points. All timeliness standards of performance are stated in business, not calendar, days. In any instances where a standard is not applicable to a particular claim file, the file will be awarded the appropriate point(s) for that standard. Only transactions that are paid or processed during the performance period will be subject to scoring.

MEDICAL MANAGEMENT/CONTROL – 33 Points

1. Bill Payment (13 Points)

The TPA will review bills, invoices, and other claims for payment submitted by health care providers to identify proper authorization, over utilization, underutilization and billing errors and will adjudicate/pay those bills and mail (postmark) payments within 20 days. Bills will be properly coded.

2. Medical Plan of Action (5 Points)

A written medical plan of action must be established jointly between the adjuster and, as appropriate, supervisor or case manager within 10 days of the TPA's knowledge of the claim. Quarterly updates of the written medical plan of action must be done. The medical plan of action must include, as appropriate, the medical resources required (field nurse case manager, specialist referral, transportation, attendant care, etc.), the diagnosis, prognosis, proposed treatment plan, anticipated MMI and stay-at-work or return-to-work plan.



3. Timely Care/Treatment (5 Points)

Medical appointments with specialists must take place within 7 days of a request for specialist care by an authorized party and appropriate to the diagnosis. If appointment with appropriate specialist is not available within 7 days of request/referral, file must document reasonable attempts to procure such appointment.

4. Quality Referral Process (5 Points)

The TPA must provide a substantive and written cover letter and chronologically arranged medical records to any independent medical examiner at least 5 days prior to an independent medical examination appointment date.

5. Stay-at-Work/Return-to-Work Communication (5 Points)

The DSBPC Workers' Compensation Coordinator must be notified in writing, on the same business day of the TPA's knowledge that an employee has been given limitations/restrictions or other altered duty status.

CLAIMS MANAGEMENT – 33 Points

1. Claim Receipt, Screening and Assignment (4 Points)

Appropriate claim and medical resources are assigned to maximize effectiveness in benefits delivery and claim resolution in accordance with mutually agreed upon (DSBPC and TPA) criteria.

2. Timely Reporting, Quality Contact (4 Points)

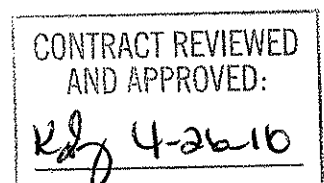
Adjuster will make timely (within one day), appropriate, and meaningful contact with the injured employee, employer, and physician. File will document this contact. If contact is not made, file will document attempts at contact. Documentation will include, but not be limited to, documentation of compensability, mechanism of injury, medical necessity of medical care, orientation of the injured worker, duty status, as well as evidence of meaningful medical, educational, vocational and societal background information relevant to the ability of the injured employee to return to his or her usual occupation.

3. Recovery Activity (4 Points)

All possible avenues of subrogation/recovery will be thoroughly explored with appropriate follow-up diaries.

4. Action Plan (4 Points)

The file will include a current written Action Plan at all times. Action Plan will be updated, at minimum, every quarter or more often when changes occur. File documentation will include a clear understanding by adjuster direction, strategy and "who" is going to do "what" to ensure successful result. End result desired or expected will be clearly documented.



3. Indemnity Payments (10 Points)

Determination of the injured employee's proper average weekly wage and compensation rate must be made within 10 days of the TPA's knowledge of any claim where a wage statement is required by Statute/Administrative Code. Thereafter, timely indemnity payments will be documented.

4. Expense Payments (10 Points)

Appropriate use/management of support resources will be reviewed. This will include the use of all vendors/resources enlisted and paid as an allocated loss adjustment expense (ALAE) or a legal expense such as defense counsel, surveillance, translators, Medicare set-aside services, transportation services, etc. To the extent a preferred panel of providers of these services has been established by DSBPC, use of preferred providers and contracted rates will be reviewed.

PROGRAM MANAGEMENT REVIEW

REPORTING & COMMUNICATIONS – 20 Points

1. Quarterly Meetings (5 Points)

The TPA will establish and conduct quarterly meetings with the Director of EBARM, or designee, to review progress of the program, review financial indicators of the program, and to discuss any open issues. Meetings will, as appropriate, include sub-contractors of the TPA involved in the program. Agendas will be developed in advance of the meetings and minutes of meetings will be kept.

2. Monthly & Quarterly Reportings (10 Points)

DSBPC and the TPA will develop a written listing of reports to be provided by the TPA to DSBPC. The written listing of reports will include information regarding the timing of reports and distributions of reports.

3. Reporting and Reimbursement of State of Florida penalties (5 Points)

The TPA will provide quarterly reporting to DSBPC of all penalties paid by the TPA to the State of Florida. Report will include documentation of the reason for the penalty and describe the responsibility. The TPA will promptly reimburse DSBPC for penalties for which the TPA actions are responsible.

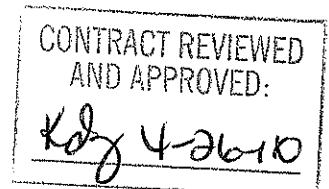
STAFFING – 20 Points

1. Caseloads (10 Points)

Average assigned caseloads for adjusters will not exceed 150 open claim files.

2. Total Staffing (10 Points)

Total staffing for the service office will meet or exceed contractually agreed figures.



5. Communication (4 Points)

Evidence/documentation of routine and effective communication between all interested parties involved in the claim: adjuster, nurse case manager, physicians and other health care providers, employer, employee, legal counsel, etc.

6. Litigation Management (4 Points)

Evidence of proactive litigation activity and plan (i.e. claim management not “abandoned” to defense counsel) should be documented and readily evident from the claim file. File will reflect timely response to all legal filings, legal correspondence and proceedings. File will include evidence of a litigation action plan from defense counsel.

7. Documentation (5 Points)

Claim file documentation must be meaningful and self-explanatory. A “The file must speak for itself” standard will kept at all times. Actionable events (new information, transactions, correspondence and communication, actions, etc.) must be documented in real-time (i.e. same day).

8. Supervisor, Manager Involvement (4 Points)

Appropriate supervisory/management involvement will be documented in claim file. Supervisory/management directives will include initial assignment, involvement in evaluating and reserving, involvement in strategic planning and disposition of claim.

FINANCIAL MANAGEMENT – 34 Points

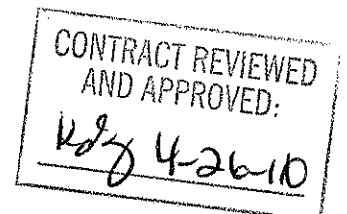
1. Reserves (4 Points)

A comprehensive reserve worksheet must be prepared and be included as part of the claim file within the following intervals:

- a. Within 10 days of the TPA’s knowledge of a claim,
- b. Within 90 days of the TPA’s knowledge of a claim,
- c. At 6 month intervals thereafter, as long as a claim remains open, and
- d. At any time where in the TPA’s professional judgment, a claim event has occurred requiring a reserve increase or decrease.

2. Medical Payments (10 Points)

Medical reimbursement made on behalf of DSBPC must be in accordance with contracted rates or the Florida Fee Schedule. Medical reimbursement includes reimbursements for physician office visits, surgeries, pharmaceuticals, physical therapy, and other medical treatments. A random sampling of medical reimbursements paid for each claim file will be reviewed.



PROVIDER NETWORK DEVELOPMENT – 20 Points

1. Provider Contracting (5 Points)

The TPA will provide a contracting mechanism and credentialing for custom DSBPC specific agreements with key providers to develop a quality medical network for injured workers.

2. Directory (10 Points)

The TPA will provide an updated directory for use by DSBPC staff, adjusters and providers of custom and traditional network providers.

3. Annual Goals (5 Points)

On an annual basis, the TPA and DSBPC will meet and agree upon discounts, types of specialists and key providers to be added to the network.

EXCESS INSURANCE – 20 Points

1. Reporting (5 Points)

TPA will provide documentation of compliance with all reporting requirements of excess insurers.

2. Documentation of appropriate communications with excess insurers (5 Points)

All claim files with total incurred experience projections exceeding the self-insured retention for date of injury will document appropriate communication with excess insurance. All required and appropriate information will be provided to excess insurers.

3. Prompt reimbursement of excess insurance (10 Points)

The TPA will file for reimbursement from excess insurer for each claim file when total payments exceed self-insured retention. Initial filing for reimbursement will occur within 30 days of when total payments exceeded self-insured retention. The TPA will follow up with excess insurer every 30 days until all excess insurance reimbursements have been received by DSBPC.

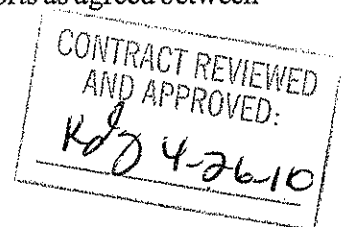
PRESCRIPTION PROGRAM – 20 Points

1. Application of Agreed Upon Discounts (10 Points)

Reprice pharmaceuticals dispensed in provider/physician offices to agreed upon discounted prices.

2. Prescription Reporting (10 Points)

Provide DSBPC with pharmacy specific reporting on a monthly basis of generic/brand utilization, network penetration, narcotic usage and other detailed reports as agreed between the parties.





AGREEMENT
 between
 THE DISTRICT SCHOOL BOARD OF PASCO COUNTY, FLORIDA
 and
 JOHNS EASTERN COMPANY, INC.
 for
 WORKERS' COMPENSATION CLAIMS ADMINISTRATION SERVICES

THIS AGREEMENT, made and entered into by and between: THE DISTRICT SCHOOL BOARD OF PASCO COUNTY, FLORIDA, a political subdivision of the State of Florida (hereinafter, "DSBPC") and Johns Eastern Company, Inc. (hereinafter, "TPA").

WHEREAS, DSBPC issued a Request for Proposals and addenda, identified as RFP 10-064-AZ (hereinafter collectively "RFP"), which is incorporated by reference herein, for the purpose of receiving proposals for Workers' Compensation And Third Party Liability Claims Administration Services; and

WHEREAS, TPA offered a proposal in response to RFP 10-064-AZ (hereinafter "Proposal"), which is incorporated by reference herein; and

WHEREAS, subsequent to receipt of Proposal by DSBPC, DSBPC and TPA entered into negotiations, which were memorialized by correspondence or other documents (hereinafter collectively "Negotiations"), which are incorporated by reference herein; and

WHEREAS, TPA desires to provide and DSBPC desires to receive Workers' Compensation Claims Administration Services as described under the terms and conditions of this Agreement.

NOW, THEREFORE, IN CONSIDERATION of mutual covenants and conditions set forth herein, the parties agree as follows:

ARTICLE 1 – RECITALS

1.1 **Recitals.** The Parties agree that the foregoing recitals are true and correct and that such recitals are incorporated herein by reference.

ARTICLE 2 – TERM OF AGREEMENT

2.1 **Term of Agreement.** This Agreement is effective as of 12:01 a.m., July 1, 2010 and will continue until 12:01 a.m., July 1, 2013. Per DSBPC policy, the Agreement will be formally renewed annually at the mutual agreement of the parties. The term of the AGREEMENT may, by mutual agreement by DSBPC and TPA, be extended for up to two additional one-year periods.

CONTRACT REVIEWED
 AND APPROVED:
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ARTICLE 3 - COMPENSATION OF TPA

3.1 **Annual Fees.** Annual fees will be as follows:

July 1, 2010 – July 1, 2011	\$735,355
July 1, 2011 – July 1, 2012	\$735,355
July 1, 2012 – July 1, 2013	\$735,355
July 1, 2013 – July 1, 2014	\$799,231
July 1, 2014 – July 1, 2015	\$831,200

Annual fees shown above will be payable in 12 equal monthly installments.

ARTICLE 4 – GENERAL CONDITIONS

4.1 **Claims and Organizations Included.** - In addition to the DSBPC, and as agreed to by the Parties, services are to be provided for any affiliated or subsidiary board, authority, committee, independent agency or other organization (including newly constituted) provided that such affiliated or subsidiary board, authority, committee, independent agency or other organization is either a body politic created by the DSBPC or one in which controlling interest or membership therein is vested in the DSBPC.

4.2 **No Other TPA Compensation For Services Related to Agreement.**

4.2.1 TPA agrees that, except to the extent, if any, specifically authorized under this Agreement, neither TPA, nor any parent, subsidiary, or affiliate of TPA, shall accept any rebates, overrides, administrative fees, or any other compensation of any nature from anyone, including from any subcontractors used by TPA to provide such services, other than the compensation received by TPA from DSBPC related to the services provided by, or on behalf of, TPA under this Agreement.

4.2.2 In the event TPA, or any parent, subsidiary, or affiliate of TPA, does receive any such compensation related to the services provided by, or on behalf of, TPA under this Agreement from anyone other than DSBPC, TPA shall promptly disclose the receipt of any such compensation to DSBPC and shall refund any such amounts received to DSBPC within thirty (30) days of the receipt by TPA.

4.2.3 In the event TPA, or any parent, subsidiary, or affiliate of TPA, is entitled to any such compensation related to the services provided by, or on behalf of, TPA under this Agreement from anyone other than DSBPC, TPA shall promptly disclose the entitlement to any such compensation to DSBPC and shall promptly assign the entitlement to any such compensation to DSBPC.



4.5 **Agreement – Document Priority.** In the event of a conflict among the following documents, the order of priority shall be as follows:

- (1) This Agreement
- (2) Negotiations
- (3) Proposal
- (4) RFP

4.6 **Hold Harmless/Indemnification.** TPA shall hold harmless, indemnify and defend the indemnitees (The following shall be deemed to be indemnitees: DSBPC, and its members, officers, employees, and agents) against any claim, action, loss, damage, injury, liability, cost or expense of whatsoever kind or nature including but not by way of limitation, attorney's fees and court costs arising out of bodily injury to persons including death or damage to tangible property arising out of or incidental to the performance of this Agreement (including goods and services provided thereto) by or on behalf of TPA. This section will survive the termination of this Agreement regardless of the cause giving rise to such termination.

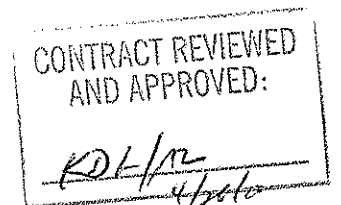
4.7 **TPA Insurance Requirements.** Prior to commencement of services under the agreement, this Agreement, TPA obtain and maintain without interruption until completion of all services required under this Agreement, the insurance as outlined below. TPA agrees to furnish a fully completed certificate of insurance naming DSBPC and its members, officers, employees, and agents as additional insured on the General Liability insurance, signed by an authorized representative of the insurer providing such insurance coverages. The insurance coverages and limits shall meet, at a minimum, the following requirements:

4.7.1 **Workers' Compensation/Employer's Liability Insurance.** Such insurance shall be no more restrictive than that provided by the Standard Workers' Compensation Policy, as filed for use in Florida by the National Board on Compensation Insurance, without restrictive endorsements. The minimum amount of coverage (inclusive of any amount provided by an umbrella or excess policy) shall be:

Part One:	"Statutory"	
Part Two:	\$ 1,000,000	Each Accident
	\$ 1,000,000	Disease - Policy Limit
	\$ 1,000,000	Disease - Each Employee

4.7.2 **General Liability Insurance.** Such insurance shall be no more restrictive than that provided by the most recent version of standard Commercial General Liability Form (ISO Form CG 00 01) as filed for use in the State of Florida without any restrictive endorsements other than those required by ISO or the State of Florida those described below. The coverage may include restrictive endorsements which exclude coverage for liability arising out of:

- Mold, fungus, or bacteria
- Terrorism



4.3 **Notice of Change in Compensation.** TPA may not effect any increase of rates or other consideration applicable to this Agreement prior to the later of:

4.3.1 12:01 a.m., July 1, 2013; or

4.3.2 At least one hundred and twenty (120) days after receipt by DSBPC of valid written notice from TPA, stating specifically the amount of change proposed. Mere notice that a change in rates or consideration is proposed, without stating clearly the exact amount, and the effect of the proposed change on the overall consideration of this contract, shall not constitute a valid notice. DSBPC reserves the right to accept or reject this notice, at its sole discretion. The written notice of any change in rates or other change in consideration shall be delivered by certified mail to:

Kendra Goodman, CPPO, CPPB
Purchasing Agent
District School Board of Pasco County
20430 Gator Lane
Land O' Lakes, FL 34638

4.4 **Notice of Termination or Adverse Change.**

4.4.1 **Notice by TPA.** TPA shall at give valid written notice to DSBPC at least one hundred and twenty (120) days prior to cancellation, non-renewal, or restriction of TPA's obligations under this Agreement. The written notice of cancellation, non-renewal, or restriction of TPA's obligations under this Agreement shall be delivered by certified mail to:

Kendra Goodman, CPPO, CPPB
Purchasing Agent
District School Board of Pasco County
20430 Gator Lane
Land O' Lakes, FL 34638

4.4.2 **Notice by DSBPC.** This Agreement may be canceled at any time at the request of DSBPC by written notice to TPA stating when thereafter cancellation is to be effective.

4.4.3 **Basis of Termination.** In the event of termination of this Agreement for whatever reason, the earned fees shall be computed on a pro rata basis without penalty and TPA shall refund to DSBPC the excess of paid fees or other consideration that were received by TPA within thirty (30) days from the date of termination.



- Sexual Molestation

The minimum limits (inclusive of amounts provided by an umbrella or excess policy) shall be:

- \$ 2,000,000 General Aggregate
- \$ 2,000,000 Products/Completed Operations Aggregate
- \$ 1,000,000 Personal and Advertising Injury
- \$ 1,000,000 Each Occurrence

DSBPC and its members, officers, employees, and agents shall be included as an additional insured on a form no more restrictive than the most recent version of ISO Form CG 20 10 (Additional Insured - Owners, Lessees, or Contractors).

4.7.3 Automobile Liability Insurance. Such insurance shall be no more restrictive than that provided by Section II (Liability Coverage) of the most recent version of standard Business Auto Policy (ISO Form CA 00 01) without any restrictive endorsements, including coverage for liability contractually assumed, and shall cover all owned, non-owned, and hired autos used in connection with the performance of the Contract. The minimum limits (inclusive of any amounts provided by an umbrella or excess policy) shall be:

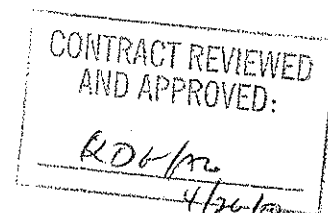
- \$ 1,000,000 Each Occurrence - Bodily Injury and Property Damage Combined

4.7.4 Professional Liability Insurance. Such insurance shall be on a form acceptable to DSBPC and shall cover TPA for those sources of liability arising out of the rendering or failure to render professional services in the performance of the services required in the Agreement including any hold harmless and/or indemnification agreement. Coverage must either be on an occurrence basis; or, if on a claims-made basis, the coverage must respond to all claims reported within three years following the period for which coverage is required and which would have been covered had the coverage been on an occurrence basis. The minimum limits (inclusive of any amounts provided by an umbrella or excess policy) shall be:

- \$ 3,000,000 Each Claim/Annual Aggregate

4.7.5 Employee Dishonesty (Fidelity). Such insurance shall be no more restrictive than that provided by the most recent version of standard Commercial Crime Coverage Form (ISO CR 00 21) without restrictive endorsements or on a form acceptable to DSBPC and shall cover TPA and DSBPC against loss caused by the dishonesty of employees of TPA in connection with the Agreement. Coverage will include Employee Theft, Forgery and Alteration, Computer Fraud, and Funds Transfer Fraud. The minimum limits shall be:

- \$5,000,000 Each Occurrence



4.7.6 **TPA's Insurance Primary and Non-Contributory.** The insurance provided TPA Company shall apply on a primary basis to, and shall not require contribution from, any other insurance or self-insurance maintained by DSBPC or its members, officers, employees, and agents. Any insurance, or self-insurance, maintained by DSBPC shall be excess of, and shall not contribute with, the insurance provided by TPA.

4.7.7 **TPA's Insurance as Additional Remedy.** Compliance with these insurance requirements shall not limit the liability of TPA. Any remedy provided to DSBPC by the insurance provided by TPA shall be in addition to and not in lieu of any other remedy (including, but not limited to, as an indemnitee of TPA) available to DSBPC under this Agreement or otherwise.

4.7.8 **No Waiver by DSBPC Approval/Disapproval.** Neither approval nor failure to disapprove insurance furnished by the Company shall relieve the Company from responsibility to provide insurance as required by this Contract.

4.8 **Compliance With Laws, Rules, And Regulations.** TPA is responsible for full and complete compliance with all laws, rules, and regulations, including those of the Florida Department of Financial Services, which may be applicable to it. Failure or inability on the part of TPA to comply with such laws, rules, and regulations (including failure to obtain Department of Financial Services approval) shall not relieve TPA from its obligation to perform completely in accordance with this Agreement.

4.9 **Acknowledgement of Adequate Disclosure by DSBPC.** TPA acknowledges and agrees that due care and diligence was exercised in the preparation of the RFP, and all information contained therein was believed by DSBPC to be substantially correct. TPA acknowledges, and accepted prior to making the Proposal, TPA's responsibility for determining the full extent of the exposures to risk and verification of all information in the RFP. Neither DSBPC nor its representatives or consultants shall be responsible for any error or omission in the RFP, or for the failure on the part of TPA to determine the full extent of the exposures. This section will survive the termination of this Agreement regardless of the cause giving rise to such termination.

4.10 **Default.** In the event of default, which may include, but is not limited to non-performance and/or poor performance of this Agreement, TPA shall lose eligibility to transact new business with DSBPC for a period of 14 months from date of termination of this Agreement by DSBPC. If TPA is determined to be ineligible, TPA may request a hearing pursuant to §120.569, Fla. Statute, and DSBPC Board Rule 6Gx13-8C-1.064.

4.11 **Compliance with the Jessica Lunsford Act.** TPA acknowledges and agrees to be in compliance with the "Jessica Lunsford Act." Suppliers conducting business with DSBPC who will (1) be at the school when students are present, or (2) have direct contact with students, or (3) have access to or control of school funds, **must** be Level 2 fingerprinted by DSBPC Human Resources. If any of the above criteria apply to this contract, you **must** have those individuals Level 2 fingerprinted

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and screened by the DSBPC Human Resources Department **prior** to commencement of services or work, and must provide a list of employees who will be providing these services. Please contact (813) 794-2521 to arrange for a fingerprinting appointment. Costs associated with this background screening are to borne by the vendor. You may access information regarding this law, which became effective September 1, 2005, by reviewing Sections 1012.32 and 1012.465, Florida Statutes.

4.12 **Public Records.** Each Party shall maintain its own respective records and documents associated with this Agreement in accordance with the records retention requirements applicable to public records. Each Party shall be responsible for compliance with any public documents request served upon it pursuant to Section 119.07, Florida Statutes, and any resultant award of attorneys' fees attributable to the party's non-compliance with that law. This section will survive the termination of this Agreement regardless of the cause giving rise to such termination.

4.13 **Access to Claim Files.** TPA shall provide DSBPC real-time, electronic, internet-based access to all claim files, including all adjuster notes, supervisory notes, field case management notes, diary items, payment records, medical bills and expense bills. The manner in which TPA provides such access shall be consistent with the Proposal as modified, if any, by the Negotiations.

4.14 **Ownership of Claim Files.** DSBPC shall have all right, title, interest, and ownership to all loss statistics and claim files created as a result of the services provided, or to be provided, by TPA under this Agreement. Further, at the sole option of the DSBPC, and upon ten (10) days written notice, TPA, at TPA's sole expense, shall return such files to the DSBPC. At the termination of this Agreement, at the sole expense of TPA, TPA shall provide DSBPC with computer tapes or other computer media containing all of the claim data. Such data shall be made available in a format generally importable into a commonly recognized database for claims administration services.

4.15 **Audit Rights**

4.15.1 **Audit of Claim Files and TPA Procedures.** At the sole option of DSBPC, TPA shall agree, at no additional cost to DSBPC, to any audits conducted by DSBPC or DSBPC's designee (hereinafter, "Auditor") of TPA's claim files and procedures as they relate to the services under this Agreement. DSBPC shall have the right to audit during the contract period and for five years following the termination of the Agreement.

4.15.2 **Audit of Records**

4.15.2.1 **Definition.** For the purposes of this Section 4.15.2, the term "Records," shall mean all documentary and electronic records of TPA and TPA's subcontractors that are related to the services performed under this Agreement including, but not be limited to:

- Financial records (including subcontractor invoices to TPA and supporting documents)



- Contracts (including contracts with subcontractors and contracts between subcontractors and others)
- Contractor performance data
- Network and provider agreements
- Cost data

4.15.2.2 **Right to Audit.** At the sole option of DSBPC, TPA shall agree, at no additional cost to DSBPC, to allow Auditor to have access to Records of TPA and Records of TPA's subcontractors for the purposes of reviewing and auditing such Records. Any Records requested for audit or review must be related to the services provided under this Agreement. DSBPC shall have the right to audit Records during the contract period and for five years following the termination of the Agreement.

4.15.2.3 **Proprietary Documents.** To the extent TPA or TPA's subcontractor designates any "Records" requested for audit as "Proprietary Records" (i.e., containing confidential information, trade secrets, or private information), TPA shall be allowed to limit the access of Auditor such that Auditor will only be permitted to review such Proprietary Records in controlled conditions at a TPA chosen location in Pasco County, Florida. With respect to such Proprietary Records, Auditor's rights will be limited to on-premises review of such Records and Auditor will not be permitted to retain copies or make reproductions of such Records. With respect to such Proprietary Records, Auditor is prohibited from publishing summaries of the information contained in Proprietary Records. Such designation of Records as proprietary by TPA or TPA's subcontractor shall only be made to the extent reasonable grounds exist for TPA or TPA's subcontractor to protect the information contained in such Records.

4.16 **TPA Is Independent Contractor.** The Parties agree that TPA is engaged to perform services under this Agreement as an independent contractor, and not as an agent, of DSBPC.

4.17 **Entire Agreement.** This Agreement incorporates and includes all prior negotiations, correspondence, conversations, agreements and understandings applicable to the matters contained herein and the Parties agree that there are no commitments, agreements or understandings concerning the subject matter of this Agreement that are not contained in, or incorporated by reference in, this document. Accordingly, the Parties agree that no deviation from the terms hereof shall be predicated upon any prior representations or agreements, whether oral or written.

4.18 **Amendments.** No modification, amendment, or alteration in the terms or conditions contained herein shall be effective unless contained in a written document prepared with the same or similar formality as this Agreement and executed by each Party hereto.



4.19 **Waiver.** The Parties agree that each requirement, duty and obligation set forth herein is substantial and important to the formation of this Agreement and, therefore, is a material term hereof. Any Party's failure to enforce any provision of this Agreement shall not be deemed a waiver of such provision or modification of this Agreement. A waiver of any breach of a provision of this Agreement shall not be deemed a waiver of any subsequent breach and shall not be construed to be a modification of the terms of this Agreement.

4.20 **Governing Law.** This Agreement shall be interpreted and construed in accordance with and governed by the laws of the State of Florida. Any controversies or legal problems arising out of this Agreement and any action involving the enforcement or interpretation of any rights hereunder shall be submitted to the jurisdiction of the State courts of the Sixth Judicial Circuit of Pasco County, Florida. This section will survive the termination of this Agreement regardless of the cause giving rise to such termination.

4.21 **No Waiver of Sovereign Immunity.** Nothing contained in this Agreement is intended to serve as a waiver of sovereign immunity by DSBPC or any person to which sovereign immunity may be applicable. This section will survive the termination of this Agreement regardless of the cause giving rise to such termination.

4.22 **Non-Discrimination.** TPA shall not discriminate against any person in the performance of the duties, responsibilities and obligations under this Agreement because of race, age, religion, color, gender, national origin, marital status, disability or sexual orientation.

4.23 **Successors.** This Agreement shall be binding upon and shall inure to the benefit of all assigns, transferees and successors in interest of the Parties.

4.24 **Assignment.** Neither this Agreement or any interest herein may be assigned, transferred or encumbered by any party without the prior written consent of the other Party.

4.25 **Notice.** When any of the Parties desire to give notice to the other, such notice must be in writing, sent by U S Mail, postage prepaid, addressed to the Party for whom it is intended at the place last specified. The place for giving notice shall remain such until it is changed by written notice in compliance with the provisions of this paragraph. For the present, the Parties designate the following as the respective places for giving notice:

As to DSBPC

Kendra Goodman, CPPO, CPPB
Purchasing Agent
District School Board of Pasco County
20430 Gator Lane
Land O' Lakes, FL 34638

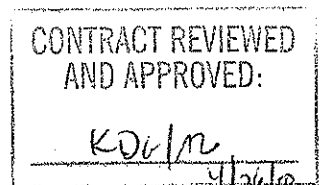


As to TPA

Beverly Adkins, Executive Vice President
Johns Eastern Company, Inc.
P.O. Box 110259
Lakewood Ranch, FL 34211-0004

**ARTICLE 5 – SPECIAL CONDITIONS
FOR WORKERS’ COMPENSATION
CLAIMS ADMINISTRATION SERVICES**

- 5.1 **Service Office** The service office will be the Lakewood Ranch, Florida office of the TPA.
- 5.2 **Minimum Staffing Requirements**. TPA will provide three full time dedicated workers’ compensation adjusters and two full time dedicated case management nurses. One nurse and one adjuster will be located on site at the DSBPC district offices.
- 5.3 **Compliance with Rules of Division of Workers’ Compensation**. TPA shall be responsible for compliance with all rules and regulations promulgated by the various state agencies prescribing the practices and procedures of self-insurer service companies. TPA shall also be responsible for all required EDI DWC reporting. TPA shall reimburse DSBPC for payment of any fines, penalties or assessments assigned by the State of Florida, or other regulatory agency, for failure to comply with such rules and regulations, including EDI reporting, associated with the performance or responsibility of TPA.
- 5.4 **Scope of Services**. Except as otherwise provided in this Agreement, TPA shall, for the duration of this Agreement, provide all of the services described in Attachment A to this Agreement, Scope of Worker’s Compensation Services:
- 5.5 **Obligations Not Terminated By Term of Agreement**. TPA provide service on all claims occurring during, or before, the term of this Agreement and until three (3) months after the termination of this Agreement (including renewals, extensions or replacements thereof), all legally required reports for the contract period rendered, and all required reports to appropriate agencies. The compensation of TPA paid for services during the term of this Agreement includes the full compensation for such continuing obligations and, except as noted herein, no additional consideration shall be due for such obligations which extend beyond the term of this Agreement.
- 5.6 **Performance Reviews**. Except as otherwise provided in this Agreement, TPA and DSBPC agree that periodic Performance Reviews will be conducted in accordance with the processes and guidelines described in Attachment B, Workers’ Compensation Performance Reviews.

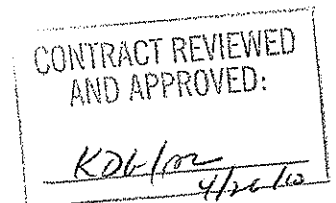


**ATTACHMENT A
WORKERS' COMPENSATION CLAIMS ADMINISTRATION
SCOPE OF SERVICES**

ADMINISTRATIVE SERVICES

TPA will provide the following administrative services:

1. In accordance with state mandated time frames, prepare (with DSBPC's assistance) and file with the appropriate state agencies all applications, bonds, documentation, and data required (if any) for implementation and continuance of the program.
2. In accordance with state mandated time frames, prepare, maintain, and file all records and reports as may be required by legal authorities (state, local, and federal).
3. Prepare, maintain, and file statistical or other records and reports as required by DSBPC's excess insurers. Report claims to DSBPC's excess insurer(s) in accordance with the requirements of the excess insurer(s). Provide a copy of the reports to DSBPC. Follow specific written investigation procedures for any case for which excess Workers' Compensation insurers require specific notification or investigation.
4. In accordance with state mandated time frames, prepare, maintain, and file statistical information required by Workers' Compensation Rating Bureaus or appropriate state agencies, including electronic data interface (EDI) and data necessary for the promulgation of experience modifications.
5. Comply fully with all rules, regulations, guidelines or procedures established by DSBPC and the State of Florida, including EDI.
6. Provide DSBPC, annually, with the latest paylag report from the State of Florida.
7. Recognize that DSBPC will be continuing a Workers' Compensation program which focuses on respecting the injured worker and the medical providers providing care. Proposers must be committed to work collaboratively with DSBPC to effect program changes and enhancements as requested by DSBPC. Proposers must be committed to work collaboratively with the third party liability claims administrator when appropriate.
8. Annually, provide DSBPC with a SAS-70 audit as required by the financial auditors.
9. Prepare and follow provisions specific to DSBPC, for approval by DSBPC, for ensuring that in the event of an emergency, e.g.; hurricane preparedness, including how proposers services will continue, how DSBPC's employees will be paid indemnity in advance, and how they will be instructed on obtaining medical care.



IN WITNESS WHEREOF, the parties have made and executed this Agreement on the respective dates under each signature. THE SCHOOL BOARD OF PASCO COUNTY, FLORIDA by and through its Chair, and Johns Eastern Company, Inc., by and through its duly authorized representative.

FOR THE SCHOOL BOARD OF PASCO COUNTY, FLORIDA

By: _____
Superintendent of Schools

On this _____ day of _____, 20__ .

FOR JOHNS EASTERN COMPANY, INC.

By: _____
President

Attest:

By: _____
Secretary

On this _____ day of _____, 20__ .

Board Chair, District School Board of
Pasco County

Date

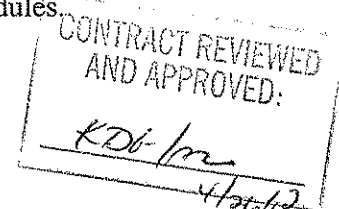
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10. Provide advance notice and coordinate in advance with DSBPC any internal audits associated with the Workers' Compensation program.
11. Assist DSBPC with its Return to Work program, including identifying return to work opportunities and appropriate use of outside vendors.

CLAIMS SERVICES

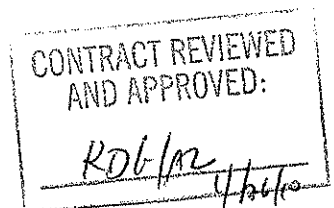
TPA will provide the following claims services:

1. Establish reporting procedures which are compatible with the needs and organizational structure of DSBPC.
2. Provide necessary forms and instructions for use. Such forms are to include appropriate First Reports of Injury with mailing address of primary recipients preprinted thereon.
3. Provide customer service lines with an 813 area code for employees, as well as a toll-free line for employees residing outside the 813 area code.
4. Develop specific service instructions with DSBPC for the handling of DSBPC's claims. Develop specific service instructions with DSBPC for the handling of DSBPC's catastrophic claims.
5. Conduct such investigation into the specifics of each individual report of employee injury as in the exercise of professional judgment would seem necessary. Enhanced efforts shall be taken to identify possible fraudulent claims including recorded statements from claimants and discussions with the claimant's supervisors.
6. Subject to the exercise of professional judgment, accept and settle or deny all reported claims for employee injuries on behalf of DSBPC in accordance with the applicable Workers' Compensation Law or law of damages. When it appears the final value of any claim will exceed a discretionary limit of \$15,000, DSBPC shall be notified and the final decision for settlement shall rest with DSBPC. Any settlement is to include preparation and actuation of all necessary stipulations, compromise, and release agreements.
7. DSBPC may select and employ outside professionals such as surveillance personnel, expert witnesses, and attorneys to assist in the investigation, adjustment, and defense of claims.
 - (a) DSBPC may select specific vendors and pricing schedules for the following services: Legal services, Translation services, Transportation services, Surveillance and Investigation services, Medicare Set-Aside services and Court Reporting services.
 - (b) TPA will review all bills for such services for reasonableness and conformity to any pre-established rates or fees and will adhere to any set pricing schedules.



(c) TPA will work collaboratively with these outside professionals, including data sharing, portals and other methods for sharing information.

8. Review all medical bills and bills for other services for which a claim is being made for reasonableness and conformity to rules, regulations, and legally imposed medical and surgical fee schedules.
9. Prepare and maintain files necessary for legal defense of claims and/or other litigation (such as actions for subrogation, contribution, or indemnity) or other proceedings.
10. Where appropriate or desirable, attend hearings, depositions, mediations, and other proceedings. The adjuster handling the claim file will provide an updated written file note within 48 hours after the hearing, deposition, mediation or other proceeding.
11. At the request of DSBPC, provide a complete copy of all files involving litigation, potential or actual subrogation, or potential or actual recovery from special or second injury funds to the Director of EBARM or the designee thereof.
12. Aggressively pursue all possibilities of subrogation, excess insurance reimbursement, third party liens, contribution or indemnity and/or recovery from special or second injury funds on behalf of DSBPC.
13. Periodically as appropriate, but at least every quarter, review all open cases and complete a strategic action plan in order to assist in the settlement of the cases. Such written reviews shall include a review and verification of outstanding reserves. Participate in quarterly reviews of field case management progress and legal progress. A written summary of the review shall be documented in the open case file and shall be provided to DSBPC within ten working days after the end of the period for which the report is being made.
14. Provide access to rehabilitative services for injured employees including consultation for retraining or reassignment of employees with limited physical performance arising from covered injuries.
15. The supervising adjuster shall meet with DSBPC's Director of EBARM, or the designee thereof, to consult with and refer all questionable or contested cases and those with an estimated value in excess of \$15,000.
16. Aid in communications/coordination with DSBPC's safety and accident prevention program staff as necessary including providing claims data needed to target safety and prevention initiatives.



17. Conduct adequate, timely and complete 24 hour contact in the investigation of claims regardless of exposure (24 hours from first notice to WC management organization, not 24 hours from when adjuster received).
18. Pay vendor bills (attorneys, surveillance, etc.) within 20 days.
19. Develop and follow appropriate written policies when (i) the injured employee requests a second opinion, (ii) medical evaluation is questioned, or (iii) grievance report is filed.
20. Assist, as appropriate, in the scheduling of independent medical examinations.
21. Monitor the purchase of items deemed to be medically necessary for the accommodation of an injured employee and obtain approval from the Director of EBARM for those items with a cost greater than \$10,000.
22. Follow all provisions of Florida Statute in regard to medical benefit entitlement and administration.

FIRST NOTICE OF INJURY SERVICES

TPA will provide the following administrative services:

1. Provide after hour telephonic claim reporting and intake capabilities. Provide internet based claim reporting and intake capabilities. Send First Notice of Injury to the State of Florida in a timely manner. TPA must accept responsibility for penalties for late notice to the State of Florida when caused by other than the delay of DSBPC.
2. Receive and examine on behalf of DSBPC all reports of employee injury claims. Refer injured workers to appropriate medical services, and as appropriate and based upon pre-established criteria agreed upon by DSBPC. Provide immediate referral to network specialty medical providers for injuries.
3. Coordinate data between first report of injury and claims administration system.
4. The on-line claim security shall permit on-line input of accident reports by DSBPC.

LOSS STATISTICS SERVICES

TPA shall provide DSBPC with the ability to access comprehensive on-line, real-time electronic claim information data, including reporting capabilities, at no additional cost to DSBPC. TPA shall provide DSBPC with regular monthly reports, as agreed upon by the parties, in such a format as is acceptable to DSBPC.

TPA agrees that DSBPC shall have real-time access to all claim files, including all adjuster notes, supervisory notes, field case management notes, diary items, payment records, medical bills and



expense bills in an electronic manner with internet based access available to DSBPC.

NETWORK ACCESS & DEVELOPMENT SERVICES

TPA will provide the following network access and development services:

1. Provide DSBPC access to a provider network that contains appropriate providers. TPA must assure that high quality providers, particularly in key specialties, are encouraged to participate in the network. TPA will work with providers to develop contractual agreements which include preferred appointment setting criteria, reporting and standards to best address the medical and rehabilitative needs of DSBPC injured employees. Key specialties include internists, orthopedics, neurology, neurosurgery, occupational medicine specialties, pulmonology, infectious disease specialists, ear/nose/throat specialists, allergists, psychiatry and psychology. On an annual basis, the TPA and DSBPC will meet and agree upon discounts, types of specialists and key providers to be added to the network.
2. Assist DSBPC in the development of DSBPC specific network of key providers, particularly in key specialties.
3. Provide contracting and credentialing services required to develop DSBPC specific network.
4. Develop and maintain combined directory of customized and traditional providers.
5. Provide peer review and utilization review services, as appropriate.
6. Provide reporting regarding network access, provider costs and outcomes.

MEDICAL BILL REVIEW AND AUDIT SERVICES

TPA will provide the following medical bill review and audit services:

1. For Medical Bill Review:
 - (a) Promptly review medical/surgical bills (in and out of network) for accuracy including, but not limited to, as they relate to the following:
 - (i) Duplicate billings
 - (ii) Unbundling of charges
 - (iii) Upcoding of charges
 - (iv) Approval and appropriate precertification.
 - (b) Review all medical bills that:
 - (i) Are not subject to fee schedule coding
 - (ii) Are for services not specifically addressed in the fee schedule
 - (iii) Need an in-depth medical interpretation of the rules and regulations
 - (iv) In the exercise of professional judgment, specifically warrant review.

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- (c) Process, pay and mail bills within 20 days of receipt.
- 2. Reimburse DSBPC for any overpayments made in the bill review process, within 30 days of identification of overpayment. Reimburse DSBPC for any penalties and/or interest associated with inaccurate payments.
- 3. For Medical Auditing Services:
 - (a) Audit in-network and out-network hospital/provider bills
 - (i) Exceeding \$25,000
 - (ii) Others at TPA's discretion or specific request by DSBPC for accuracy and appropriateness
 - (b) Develop and follow written policies on how late charges, no show charges and special payment arrangements are to be handled
- 4. Develop and provide communication materials to explain the policies and procedures of the Medical Bill Review and Audit Services to:
 - (a) DSBPC
 - (b) Medical providers
- 5. Develop and follow written grievance procedures for provider concerns.

PHARMACEUTICAL MANAGEMENT SERVICES

TPA shall recommend a prescription benefit management (PBM) vendor which:

- 1. Provide DSBPC injured workers access to a pharmacy network of local and national pharmacies with agreed upon discounted prices for drugs. Provide DSBPC injured workers with communication materials, including pharmacy cards, to assure proper information is available for prompt dispensing of and proper coding and billing of pharmaceuticals.
- 2. Provide DSBPC with pharmacy specific reporting on a monthly basis of generic/brand utilization, network penetration, narcotic usage and other detailed reports as agreed between the parties.
- 3. Develop appropriate utilization review procedures in real time to assure dispensed drugs are appropriate for injury, timely dispensing and concurrent review for medical interactions.

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**ATTACHMENT B
WORKERS' COMPENSATION CLAIMS ADMINISTRATION SERVICES
PERFORMANCE REVIEWS**

The TPA and DSBPC agree that Performance Reviews will be conducted after the first six months of operations. Each Performance Review will involve Claim File Reviews and an overall Program Management Review. Performance Reviews will be conducted by Director of EBARM, or the designee thereof.

In the Claim File Review process, for each claim file that is reviewed, the reviewer will assign a score from 0 to 100 based upon the criteria outlined in this Attachment B. At the conclusion of reviewing all selected claim files, an average score for all claim files reviewed will be calculated. In the Program Management Review process, a separate single score between 0 and 100 will be calculated.

The average score for the Claim File Reviews will account for 75% of the overall scoring for the Performance Review. The total score for the Program Management Review will account for 25% of the overall scoring for the Performance Review. As an example, if the average Claim File Review score is 86 points and the Program Management Review score is 70, the total score will be calculated as follows:

Claim File Review average	86 points times 75% weight =	64.5 points
Program Management Review	70 points times 25% weight =	<u>17.5 points</u>
Total Weighted Review Points		82.0 points

The penalties/rewards will be based upon the Total Weighted Review Points.

DSBPC will perform two Performance Reviews for the first annual period of the contract. The initial review will be after the TPA has been providing services for six (6) months. Each review will occur approximately 1-2 months after the conclusion of the performance period. The following chart outlines the expected review schedule. After the first year, Performance Reviews will occur annually, however, DSBPC will retain the right, at DSBPC's sole discretion, to perform such reviews at any time.

Performance Review	Performance Period	Total Weighted Review Points	Penalty/Bonus
1	July 1, 2010 – December 31, 2010	80	NA
2	January 1, 2011 – June 30, 2011	80	1%
3	July 1, 2011 June 30, 2012	90	1%
4	July 1, 2012 June 30, 2013	95	1%
5	July 1, 2013 June 30, 2014	95	1%
6	July 1, 2014 June 30, 2015	95	1%

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Failure to perform at or above expected levels for the Performance Reviews will result in a financial penalty of 1% of the amount that was charged by the TPA for the performance period. Any financial penalties will be credited to future amounts invoiced by the TPA to DSBPC.

The Performance Reviews will measure objective performance standards which are easily identified and measured. After each Performance Review is performed, the TPA will meet with the DSBPC Director of EBARM and/or designee to discuss initial evaluation results. The TPA will be given an opportunity to factually rebut the initial findings. Thereafter, a final tally of the review results will be prepared.

The initial Performance Review will be for information and educational purposes only and no penalties will be imposed. A minimum Total Weighted Review Points of 80 is expected in the first annual period of the contract. The minimum Total Weighted Review Points is raised to 90 on the second annual period, and 95 for annual periods thereafter. Failure to meet these average compliance expectations will result in the penalty noted above.

CLAIM FILE REVIEWS

The Claim File Review will include 50 randomly selected claim files. The make-up of the files selected for each review will be at least 50% open files. At least 50% of the selected files will have recent (within performance period) dates of injury and remaining selected files will have dates of injury prior to the beginning of the performance period.

Each claim will generate a score from 1 to 100 points. All timeliness standards of performance are stated in business, not calendar, days. In any instances where a standard is not applicable to a particular claim file, the file will be awarded the appropriate point(s) for that standard. Only transactions that are paid or processed during the performance period will be subject to scoring.

MEDICAL MANAGEMENT/CONTROL – 33 Points

1. Bill Payment (13 Points)

The TPA will review bills, invoices, and other claims for payment submitted by health care providers to identify proper authorization, over utilization, underutilization and billing errors and will adjudicate/pay those bills and mail (postmark) payments within 20 days. Bills will be properly coded.

2. Medical Plan of Action (5 Points)

A written medical plan of action must be established jointly between the adjuster and, as appropriate, supervisor or case manager within 10 days of the TPA's knowledge of the claim. Quarterly updates of the written medical plan of action must be done. The medical plan of action must include, as appropriate, the medical resources required (field nurse case manager, specialist referral, transportation, attendant care, etc.), the diagnosis, prognosis, proposed treatment plan, anticipated MMI and stay-at-work or return-to-work plan.



3. Timely Care/Treatment (5 Points)

Medical appointments with specialists must take place within 7 days of a request for specialist care by an authorized party and appropriate to the diagnosis. If appointment with appropriate specialist is not available within 7 days of request/referral, file must document reasonable attempts to procure such appointment.

4. Quality Referral Process (5 Points)

The TPA must provide a substantive and written cover letter and chronologically arranged medical records to any independent medical examiner at least 5 days prior to an independent medical examination appointment date.

5. Stay-at-Work/Return-to-Work Communication (5 Points)

The DSBPC Workers' Compensation Coordinator must be notified in writing, on the same business day of the TPA's knowledge that an employee has been given limitations/restrictions or other altered duty status.

CLAIMS MANAGEMENT – 33 Points

1. Claim Receipt, Screening and Assignment (4 Points)

Appropriate claim and medical resources are assigned to maximize effectiveness in benefits delivery and claim resolution in accordance with mutually agreed upon (DSBPC and TPA) criteria.

2. Timely Reporting, Quality Contact (4 Points)

Adjuster will make timely (within one day), appropriate, and meaningful contact with the injured employee, employer, and physician. File will document this contact. If contact is not made, file will document attempts at contact. Documentation will include, but not be limited to, documentation of compensability, mechanism of injury, medical necessity of medical care, orientation of the injured worker, duty status, as well as evidence of meaningful medical, educational, vocational and societal background information relevant to the ability of the injured employee to return to his or her usual occupation.

3. Recovery Activity (4 Points)

All possible avenues of subrogation/recovery will be thoroughly explored with appropriate follow-up diaries.

4. Action Plan (4 Points)

The file will include a current written Action Plan at all times. Action Plan will be updated, at minimum, every quarter or more often when changes occur. File documentation will include a clear understanding by adjuster direction, strategy and "who" is going to do "what" to ensure successful result. End result desired or expected will be clearly documented.



5. Communication (4 Points)

Evidence/documentation of routine and effective communication between all interested parties involved in the claim: adjuster, nurse case manager, physicians and other health care providers, employer, employee, legal counsel, etc.

6. Litigation Management (4 Points)

Evidence of proactive litigation activity and plan (i.e. claim management not “abandoned” to defense counsel) should be documented and readily evident from the claim file. File will reflect timely response to all legal filings, legal correspondence and proceedings. File will include evidence of a litigation action plan from defense counsel.

7. Documentation (5 Points)

Claim file documentation must be meaningful and self-explanatory. A “The file must speak for itself” standard will kept at all times. Actionable events (new information, transactions, correspondence and communication, actions, etc.) must be documented in real-time (i.e. same day).

8. Supervisor, Manager Involvement (4 Points)

Appropriate supervisory/management involvement will be documented in claim file. Supervisory/management directives will include initial assignment, involvement in evaluating and reserving, involvement in strategic planning and disposition of claim.

FINANCIAL MANAGEMENT – 34 Points

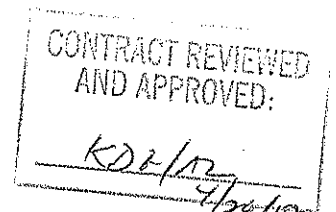
1. Reserves (4 Points)

A comprehensive reserve worksheet must be prepared and be included as part of the claim file within the following intervals:

- a. Within 10 days of the TPA’s knowledge of a claim,
- b. Within 90 days of the TPA’s knowledge of a claim,
- c. At 6 month intervals thereafter, as long as a claim remains open, and
- d. At any time where in the TPA’s professional judgment, a claim event has occurred requiring a reserve increase or decrease.

2. Medical Payments (10 Points)

Medical reimbursement made on behalf of DSBPC must be in accordance with contracted rates or the Florida Fee Schedule. Medical reimbursement includes reimbursements for physician office visits, surgeries, pharmaceuticals, physical therapy, and other medical treatments. A random sampling of medical reimbursements paid for each claim file will be reviewed.



3. Indemnity Payments (10 Points)

Determination of the injured employee's proper average weekly wage and compensation rate must be made within 10 days of the TPA's knowledge of any claim where a wage statement is required by Statute/Administrative Code. Thereafter, timely indemnity payments will be documented.

4. Expense Payments (10 Points)

Appropriate use/management of support resources will be reviewed. This will include the use of all vendors/resources enlisted and paid as an allocated loss adjustment expense (ALAE) or a legal expense such as defense counsel, surveillance, translators, Medicare set-aside services, transportation services, etc. To the extent a preferred panel of providers of these services has been established by DSBPC, use of preferred providers and contracted rates will be reviewed.

PROGRAM MANAGEMENT REVIEW

REPORTING & COMMUNICATIONS – 20 Points

1. Quarterly Meetings (5 Points)

The TPA will establish and conduct quarterly meetings with the Director of EBARM, or designee, to review progress of the program, review financial indicators of the program, and to discuss any open issues. Meetings will, as appropriate, include sub-contractors of the TPA involved in the program. Agendas will be developed in advance of the meetings and minutes of meetings will be kept.

2. Monthly & Quarterly Reportings (10 Points)

DSBPC and the TPA will develop a written listing of reports to be provided by the TPA to DSBPC. The written listing of reports will include information regarding the timing of reports and distributions of reports.

3. Reporting and Reimbursement of State of Florida penalties (5 Points)

The TPA will provide quarterly reporting to DSBPC of all penalties paid by the TPA to the State of Florida. Report will include documentation of the reason for the penalty and describe the responsibility. The TPA will promptly reimburse DSBPC for penalties for which the TPA actions are responsible.

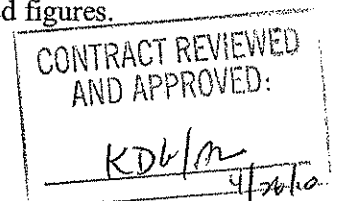
STAFFING – 20 Points

1. Caseloads (10 Points)

Average assigned caseloads for adjusters will not exceed 150 open claim files.

2. Total Staffing (10 Points)

Total staffing for the service office will meet or exceed contractually agreed figures.



PROVIDER NETWORK DEVELOPMENT – 20 Points

1. Provider Contracting (5 Points)

The TPA will provide a contracting mechanism and credentialing for custom DSBPC specific agreements with key providers to develop a quality medical network for injured workers.

2. Directory (10 Points)

The TPA will provide an updated directory for use by DSBPC staff, adjusters and providers of custom and traditional network providers.

3. Annual Goals (5 Points)

On an annual basis, the TPA and DSBPC will meet and agree upon discounts, types of specialists and key providers to be added to the network.

EXCESS INSURANCE – 20 Points

1. Reporting (5 Points)

TPA will provide documentation of compliance with all reporting requirements of excess insurers.

2. Documentation of appropriate communications with excess insurers (5 Points)

All claim files with total incurred experience projections exceeding the self-insured retention for date of injury will document appropriate communication with excess insurance. All required and appropriate information will be provided to excess insurers.

3. Prompt reimbursement of excess insurance (10 Points)

The TPA will file for reimbursement from excess insurer for each claim file when total payments exceed self-insured retention. Initial filing for reimbursement will occur within 30 days of when total payments exceeded self-insured retention. The TPA will follow up with excess insurer every 30 days until all excess insurance reimbursements have been received by DSBPC.

PRESCRIPTION PROGRAM – 20 Points

1. Application of Agreed Upon Discounts (10 Points)

Reprice pharmaceuticals dispensed in provider/physician offices to agreed upon discounted prices.

2. Prescription Reporting (10 Points)

Provide DSBPC with pharmacy specific reporting on a monthly basis of generic/brand utilization, network penetration, narcotic usage and other detailed reports as agreed between the parties.



AGREEMENT
between
THE DISTRICT SCHOOL BOARD OF PASCO COUNTY, FLORIDA
and
PREFERRED GOVERNMENTAL CLAIM SOLUTIONS
for
THIRD PARTY LIABILITY CLAIMS ADMINISTRATION SERVICES

THIS AGREEMENT, made and entered into by and between: THE DISTRICT SCHOOL BOARD OF PASCO COUNTY, FLORIDA, a political subdivision of the State of Florida (hereinafter, "DSBPC") and Preferred Governmental Claim Solutions (hereinafter, "TPA").

WHEREAS, DSBPC issued a Request for Proposals and addenda, identified as RFP 10-064-AZ (hereinafter collectively "RFP"), which is incorporated by reference herein, for the purpose of receiving proposals for Workers' Compensation And Third Party Liability Claims Administration Services; and

WHEREAS, TPA offered a proposal in response to RFP 10-064-AZ (hereinafter "Proposal"), which is incorporated by reference herein; and

WHEREAS, subsequent to receipt of Proposal by DSBPC, DSBPC and TPA entered into negotiations, which were memorialized by correspondence or other documents (hereinafter collectively "Negotiations"), which are incorporated by reference herein; and

WHEREAS, TPA desires to provide and DSBPC desires to receive Third Party Liability Claims Administration Services as described under the terms and conditions of this Agreement.

NOW, THEREFORE, IN CONSIDERATION of mutual covenants and conditions set forth herein, the parties agree as follows:

ARTICLE 1 – RECITALS

1.1 **Recitals.** The Parties agree that the foregoing recitals are true and correct and that such recitals are incorporated herein by reference.

ARTICLE 2 – TERM OF AGREEMENT

2.1 **Term of Agreement.** This Agreement is effective as of 12:01 a.m., July 1, 2010 and will continue until 12:01 a.m., July 1, 2013. Per DSBPC policy, the Agreement will be formally renewed annually at the mutual agreement of the parties. The term of the AGREEMENT may, by mutual agreement by DSBPC and TPA, be extended for up to two additional one-year periods.

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KDE/A- 4/26/10

ARTICLE 3 - COMPENSATION OF TPA

3.1 **Annual Fees.** Annual fees will be as follows:

July 1, 2010 – July 1, 2011	\$30,750
July 1, 2011 – July 1, 2012	\$30,750
July 1, 2012 – July 1, 2013	\$30,750
July 1, 2013 – July 1, 2014	\$32,750
July 1, 2014 – July 1, 2015	\$34,750

Annual fees shown above will be payable in 12 equal monthly installments.

ARTICLE 4 – GENERAL CONDITIONS

4.1 **Claims and Organizations Included.** - In addition to the DSBPC, and as agreed to by the Parties, services are to be provided for any affiliated or subsidiary board, authority, committee, independent agency or other organization (including newly constituted) provided that such affiliated or subsidiary board, authority, committee, independent agency or other organization is either a body politic created by the DSBPC or one in which controlling interest or membership therein is vested in the DSBPC.

4.2 **No Other TPA Compensation For Services Related to Agreement.**

4.2.1 TPA agrees that, except to the extent, if any, specifically authorized under this Agreement, neither TPA, nor any parent, subsidiary, or affiliate of TPA, shall accept any rebates, overrides, administrative fees, or any other compensation of any nature from anyone, including from any subcontractors used by TPA to provide such services, other than the compensation received by TPA from DSBPC related to the services provided by, or on behalf of, TPA under this Agreement.

4.2.2 In the event TPA, or any parent, subsidiary, or affiliate of TPA, does receive any such compensation related to the services provided by, or on behalf of, TPA under this Agreement from anyone other than DSBPC, TPA shall promptly disclose the receipt of any such compensation to DSBPC and shall refund any such amounts received to DSBPC within thirty (30) days of the receipt by TPA.

4.2.3 In the event TPA, or any parent, subsidiary, or affiliate of TPA, is entitled to any such compensation related to the services provided by, or on behalf of, TPA under this Agreement from anyone other than DSBPC, TPA shall promptly disclose the entitlement to any such compensation to DSBPC and shall promptly assign the entitlement to any such compensation to DSBPC.

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KDG/AM
7/26/10

4.3 **Notice of Change in Compensation.** TPA may not effect any increase of rates or other consideration applicable to this Agreement prior to the later of:

4.3.1 12:01 a.m., July 1, 2013; or

4.3.2 At least one hundred and twenty (120) days after receipt by DSBPC of valid written notice from TPA, stating specifically the amount of change proposed. Mere notice that a change in rates or consideration is proposed, without stating clearly the exact amount, and the effect of the proposed change on the overall consideration of this contract, shall not constitute a valid notice. DSBPC reserves the right to accept or reject this notice, at its sole discretion. The written notice of any change in rates or other change in consideration shall be delivered by certified mail to:

Kendra Goodman, CPPO, CPPB
Purchasing Agent
District School Board of Pasco County
20430 Gator Lane
Land O' Lakes, FL 34638

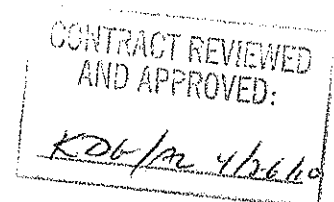
4.4 **Notice of Termination or Adverse Change.**

4.4.1 **Notice by TPA.** TPA shall at give valid written notice to DSBPC at least one hundred and twenty (120) days prior to cancellation, non-renewal, or restriction of TPA's obligations under this Agreement. The written notice of cancellation, non-renewal, or restriction of TPA's obligations under this Agreement shall be delivered by certified mail to:

Kendra Goodman, CPPO, CPPB
Purchasing Agent
District School Board of Pasco County
20430 Gator Lane
Land O' Lakes, FL 34638

4.4.2 **Notice by DSBPC.** This Agreement may be canceled at any time at the request of DSBPC by written notice to TPA stating when thereafter cancellation is to be effective.

4.4.3 **Basis of Termination.** In the event of termination of this Agreement for whatever reason, the earned fees shall be computed on a pro rata basis without penalty and TPA shall refund to DSBPC the excess of paid fees or other consideration that were received by TPA within thirty (30) days from the date of termination.



4.5 **Agreement – Document Priority.** In the event of a conflict among the following documents, the order of priority shall be as follows:

- (1) This Agreement
- (2) Negotiations
- (3) Proposal
- (4) RFP

4.6 **Hold Harmless/Indemnification.** TPA shall hold harmless, indemnify and defend the indemnitees (The following shall be deemed to be indemnitees: DSBPC, and its members, officers, employees, and agents) against any claim, action, loss, damage, injury, liability, cost or expense of whatsoever kind or nature including but not by way of limitation, attorney’s fees and court costs arising out of bodily injury to persons including death or damage to tangible property arising out of or incidental to the performance of this Agreement (including goods and services provided thereto) by or on behalf of TPA. This section will survive the termination of this Agreement regardless of the cause giving rise to such termination.

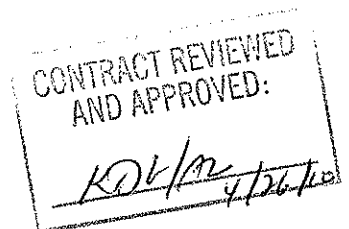
4.7 **TPA Insurance Requirements.** Prior to commencement of services under the agreement, this Agreement, TPA obtain and maintain without interruption until completion of all services required under this Agreement, the insurance as outlined below. TPA agrees to furnish a fully completed certificate of insurance naming DSBPC and its members, officers, employees, and agents as additional insured on the General Liability insurance, signed by an authorized representative of the insurer providing such insurance coverages. The insurance coverages and limits shall meet, at a minimum, the following requirements:

4.7.1 **Workers’ Compensation/Employer’s Liability Insurance.** Such insurance shall be no more restrictive than that provided by the Standard Workers' Compensation Policy, as filed for use in Florida by the National Board on Compensation Insurance, without restrictive endorsements. The minimum amount of coverage (inclusive of any amount provided by an umbrella or excess policy) shall be:

Part One:	"Statutory"	
Part Two:	\$ 1,000,000	Each Accident
	\$ 1,000,000	Disease - Policy Limit
	\$ 1,000,000	Disease - Each Employee

4.7.2 **General Liability Insurance.** Such insurance shall be no more restrictive than that provided by the most recent version of standard Commercial General Liability Form (ISO Form CG 00 01) as filed for use in the State of Florida without any restrictive endorsements other than those required by ISO or the State of Florida those described below. The coverage may include restrictive endorsements which exclude coverage for liability arising out of:

- Mold, fungus, or bacteria
- Terrorism



- Sexual Molestation

The minimum limits (inclusive of amounts provided by an umbrella or excess policy) shall be:

- \$ 2,000,000 General Aggregate
- \$ 2,000,000 Products/Completed Operations Aggregate
- \$ 1,000,000 Personal and Advertising Injury
- \$ 1,000,000 Each Occurrence

DSBPC and its members, officers, employees, and agents shall be included as an additional insured on a form no more restrictive than the most recent version of ISO Form CG 20 10 (Additional Insured - Owners, Lessees, or Contractors).

4.7.3 Automobile Liability Insurance. Such insurance shall be no more restrictive than that provided by Section II (Liability Coverage) of the most recent version of standard Business Auto Policy (ISO Form CA 00 01) without any restrictive endorsements, including coverage for liability contractually assumed, and shall cover all owned, non-owned, and hired autos used in connection with the performance of the Contract. The minimum limits (inclusive of any amounts provided by an umbrella or excess policy) shall be:

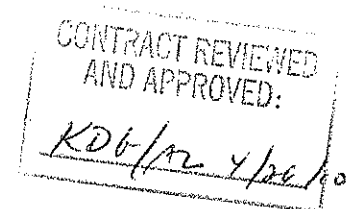
- \$ 1,000,000 Each Occurrence - Bodily Injury and Property Damage Combined

4.7.4 Professional Liability Insurance. Such insurance shall be on a form acceptable to DSBPC and shall cover TPA for those sources of liability arising out of the rendering or failure to render professional services in the performance of the services required in the Agreement including any hold harmless and/or indemnification agreement. Coverage must either be on an occurrence basis; or, if on a claims-made basis, the coverage must respond to all claims reported within three years following the period for which coverage is required and which would have been covered had the coverage been on an occurrence basis. The minimum limits (inclusive of any amounts provided by an umbrella or excess policy) shall be:

- \$ 3,000,000 Each Claim/Annual Aggregate

4.7.5 Employee Dishonesty (Fidelity). Such insurance shall be no more restrictive than that provided by the most recent version of standard Commercial Crime Coverage Form (ISO CR 00 21) without restrictive endorsements or on a form acceptable to DSBPC and shall cover TPA and DSBPC against loss caused by the dishonesty of employees of TPA in connection with the Agreement. Coverage will include Employee Theft, Forgery and Alteration, Computer Fraud, and Funds Transfer Fraud. The minimum limits shall be:

- \$5,000,000 Each Occurrence



4.7.6 **TPA's Insurance Primary and Non-Contributory.** The insurance provided TPA Company shall apply on a primary basis to, and shall not require contribution from, any other insurance or self-insurance maintained by DSBPC or its members, officers, employees, and agents. Any insurance, or self-insurance, maintained by DSBPC shall be excess of, and shall not contribute with, the insurance provided by TPA.

4.7.7 **TPA's Insurance as Additional Remedy.** Compliance with these insurance requirements shall not limit the liability of TPA. Any remedy provided to DSBPC by the insurance provided by TPA shall be in addition to and not in lieu of any other remedy (including, but not limited to, as an indemnitee of TPA) available to DSBPC under this Agreement or otherwise.

4.7.8 **No Waiver by DSBPC Approval/Disapproval.** Neither approval nor failure to disapprove insurance furnished by the Company shall relieve the Company from responsibility to provide insurance as required by this Contract.

4.8 **Compliance With Laws, Rules, And Regulations.** TPA is responsible for full and complete compliance with all laws, rules, and regulations, including those of the Florida Department of Financial Services, which may be applicable to it. Failure or inability on the part of TPA to comply with such laws, rules, and regulations (including failure to obtain Department of Financial Services approval) shall not relieve TPA from its obligation to perform completely in accordance with this Agreement.

4.9 **Acknowledgement of Adequate Disclosure by DSBPC.** TPA acknowledges and agrees that due care and diligence was exercised in the preparation of the RFP, and all information contained therein was believed by DSBPC to be substantially correct. TPA acknowledges, and accepted prior to making the Proposal, TPA's responsibility for determining the full extent of the exposures to risk and verification of all information in the RFP. Neither DSBPC nor its representatives or consultants shall be responsible for any error or omission in the RFP, or for the failure on the part of TPA to determine the full extent of the exposures. This section will survive the termination of this Agreement regardless of the cause giving rise to such termination.

4.10 **Default.** In the event of default, which may include, but is not limited to non-performance and/or poor performance of this Agreement, TPA shall lose eligibility to transact new business with DSBPC for a period of 14 months from date of termination of this Agreement by DSBPC. If TPA is determined to be ineligible, TPA may request a hearing pursuant to §120.569, Fla. Statute, and DSBPC Board Rule 6Gx13-8C-1.064.

4.11 **Compliance with the Jessica Lunsford Act.** TPA acknowledges and agrees to be in compliance with the "Jessica Lunsford Act." Suppliers conducting business with DSBPC who will (1) be at the school when students are present, or (2) have direct contact with students, or (3) have access to or control of school funds, **must** be Level 2 fingerprinted by DSBPC Human Resources. If any of the above criteria apply to this contract, you **must** have those individuals Level 2 fingerprinted

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RDB/ae 4/26/10

and screened by the DSBPC Human Resources Department **prior** to commencement of services or work, and must provide a list of employees who will be providing these services. Please contact (813) 794-2521 to arrange for a fingerprinting appointment. Costs associated with this background screening are to borne by the vendor. You may access information regarding this law, which became effective September 1, 2005, by reviewing Sections 1012.32 and 1012.465, Florida Statutes.

4.12 **Public Records**. Each Party shall maintain its own respective records and documents associated with this Agreement in accordance with the records retention requirements applicable to public records. Each Party shall be responsible for compliance with any public documents request served upon it pursuant to Section 119.07, Florida Statutes, and any resultant award of attorneys' fees attributable to the party's non-compliance with that law. This section will survive the termination of this Agreement regardless of the cause giving rise to such termination.

4.13 **Access to Claim Files**. TPA shall provide DSBPC real-time, electronic, internet-based access to all claim files, including all adjuster notes, supervisory notes, field case management notes, diary items, payment records, medical bills and expense bills. The manner in which TPA provides such access shall be consistent with the Proposal as modified, if any, by the Negotiations.

4.14 **Ownership of Claim Files**. DSBPC shall have all right, title, interest, and ownership to all loss statistics and claim files created as a result of the services provided, or to be provided, by TPA under this Agreement. Further, at the sole option of the DSBPC, and upon ten (10) days written notice, TPA, at TPA's sole expense, shall return such files to the DSBPC. At the termination of this Agreement, at the sole expense of TPA, TPA shall provide DSBPC with computer tapes or other computer media containing all of the claim data. Such data shall be made available in a format generally importable into a commonly recognized database for claims administration services.

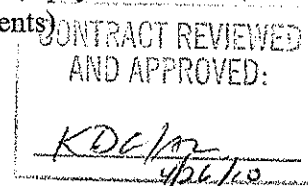
4.15 **Audit Rights**

4.15.1 **Audit of Claim Files and TPA Procedures**. At the sole option of DSBPC, TPA shall agree, at no additional cost to DSBPC, to any audits conducted by DSBPC or DSBPC's designee (hereinafter, "Auditor") of TPA's claim files and procedures as they relate to the services under this Agreement. DSBPC shall have the right to audit during the contract period and for five years following the termination of the Agreement.

4.15.2 **Audit of Records**

4.15.2.1 **Definition**. For the purposes of this Section 4.15.2, the term "Records," shall mean all documentary and electronic records of TPA and TPA's subcontractors that are related to the services performed under this Agreement including, but not be limited to:

- Financial records (including accounting records, payroll records, timesheets, audited and unaudited financial statements)



- Contracts (including contracts with subcontractors and contracts between subcontractors and others)
- Contractor performance data
- Network and provider agreements
- Cost data

4.15.2.2 **Right to Audit.** At the sole option of DSBPC, TPA shall agree, at no additional cost to DSBPC, to allow Auditor to have access to Records of TPA and Records of TPA's subcontractors for the purposes of reviewing and auditing such Records. Any Records requested for audit or review must be related to the services provided under this Agreement. DSBPC shall have the right to audit Records during the contract period and for five years following the termination of the Agreement.

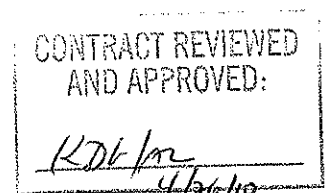
4.15.2.3 **Proprietary Documents.** To the extent TPA or TPA's subcontractor designates any "Records" requested for audit as "Proprietary Records" (i.e., containing confidential information, trade secrets, or private information), TPA shall be allowed to limit the access of Auditor such that Auditor will only be permitted to review such Proprietary Records in controlled conditions at a TPA chosen location in Pasco County, Florida. With respect to such Proprietary Records, Auditor's rights will be limited to on-premises review of such Records and Auditor will not be permitted to retain copies or make reproductions of such Records. Such designation of Records as proprietary by TPA or TPA's subcontractor shall only be made to the extent reasonable grounds exist for TPA or TPA's subcontractor to protect the information contained in such Records.

4.16 **TPA Is Independent Contractor.** The Parties agree that TPA is engaged to perform services under this Agreement as an independent contractor, and not as an agent, of DSBPC.

4.17 **Entire Agreement.** This Agreement incorporates and includes all prior negotiations, correspondence, conversations, agreements and understandings applicable to the matters contained herein and the Parties agree that there are no commitments, agreements or understandings concerning the subject matter of this Agreement that are not contained in, or incorporated by reference in, this document. Accordingly, the Parties agree that no deviation from the terms hereof shall be predicated upon any prior representations or agreements, whether oral or written.

4.18 **Amendments.** No modification, amendment, or alteration in the terms or conditions contained herein shall be effective unless contained in a written document prepared with the same or similar formality as this Agreement and executed by each Party hereto.

4.19 **Waiver.** The Parties agree that each requirement, duty and obligation set forth herein is substantial and important to the formation of this Agreement and, therefore, is a material term



hereof. Any Party's failure to enforce any provision of this Agreement shall not be deemed a waiver of such provision or modification of this Agreement. A waiver of any breach of a provision of this Agreement shall not be deemed a waiver of any subsequent breach and shall not be construed to be a modification of the terms of this Agreement.

4.20 **Governing Law.** This Agreement shall be interpreted and construed in accordance with and governed by the laws of the State of Florida. Any controversies or legal problems arising out of this Agreement and any action involving the enforcement or interpretation of any rights hereunder shall be submitted to the jurisdiction of the State courts of the Sixth Judicial Circuit of Pasco County, Florida. This section will survive the termination of this Agreement regardless of the cause giving rise to such termination.

4.21 **No Waiver of Sovereign Immunity.** Nothing contained in this Agreement is intended to serve as a waiver of sovereign immunity by DSBPC or any person to which sovereign immunity may be applicable. This section will survive the termination of this Agreement regardless of the cause giving rise to such termination.

4.22 **Non-Discrimination.** TPA shall not discriminate against any person in the performance of the duties, responsibilities and obligations under this Agreement because of race, age, religion, color, gender, national origin, marital status, disability or sexual orientation.

4.23 **Successors.** This Agreement shall be binding upon and shall inure to the benefit of all assigns, transferees and successors in interest of the Parties.

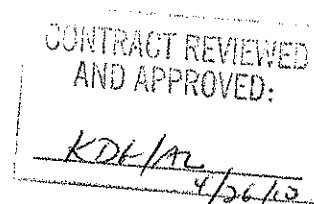
4.24 **Assignment.** Neither this Agreement or any interest herein may be assigned, transferred or encumbered by any party without the prior written consent of the other Party.

4.25 **Notice.** When any of the Parties desire to give notice to the other, such notice must be in writing, sent by U S Mail, postage prepaid, addressed to the Party for whom it is intended at the place last specified. The place for giving notice shall remain such until it is changed by written notice in compliance with the provisions of this paragraph. For the present, the Parties designate the following as the respective places for giving notice:

As to DSBPC

Kendra Goodman, CPPO, CPPB
Purchasing Agent
District School Board of Pasco County
20430 Gator Lane
Land O' Lakes, FL 34638

As to TPA



Kenneth Picton
Preferred Governmental Claim Solutions
615 Crescent Executive Court, Suite 600
Lake Mary, FL 32746

ARTICLE 5 – SPECIAL CONDITIONS
FOR THIRD PARTY LIABILITY CLAIMS ADMINISTRATION SERVICES

- 5.1 **Service Office** The service office will be the Lake Mary, Florida office of the TPA.
- 5.2 **Scope of Services**. Except as otherwise provided in this Agreement, TPA shall, for the duration of this Agreement, provide all of the services described in, Attachment A to this Agreement, Scope of Third Party Claims Services.
- 5.3 **Obligations Not Terminated By Term of Agreement**. TPA provide service on all claims occurring during, or before, the term of this Agreement and until three (3) months after the termination of this Agreement (including renewals, extensions or replacements thereof), all legally required reports for the contract period rendered, and all required reports to appropriate agencies. The compensation of TPA paid for services during the term of this Agreement includes the full compensation for such continuing obligations and, except as noted herein, no additional consideration shall be due for such obligations which extend beyond the term of this Agreement.
- 5.4 **Performance Reviews**. Except as otherwise provided in this Agreement, TPA and DSBPC agree that periodic Performance Reviews will be conducted in accordance with the processes and guidelines described in Attachment B, Third Party Liability Performance Reviews.



ATTACHMENT A

SCOPE OF SERVICES THIRD PARTY LIABILITY CLAIMS ADMINISTRATION SERVICES

ADMINISTRATIVE SERVICES

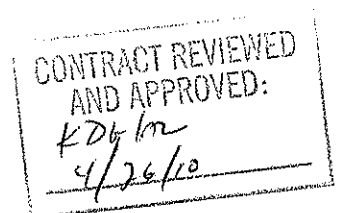
TPA will provide the following administrative services:

1. Prepare (with DSBPC' assistance) and file with the appropriate state agencies all applications, bonds, documentation, and data required (if any) for implementation and continuance of the program.
2. Prepare, maintain, and file all records and reports as may be required by legal authorities (state, local, and federal) including Form 1099 and all reporting required for Medicare Secondary Payor provisions.
3. Prepare, maintain, and file statistical or other records and reports as required by DSBPC' excess insurers.
4. Prepare, maintain, and file statistical information required by Rating Bureaus or appropriate state agencies.
5. Comply fully with all rules, regulations, guidelines or procedures established by DSBPC and the State of Florida.

CLAIMS SERVICES

TPA will provide the following claims services:

1. Establish reporting procedures which are compatible with the needs and organizational structure of DSBPC.
2. Provide necessary forms and instructions for use. Such forms are to include appropriate accident reports with mailing address of primary recipients preprinted thereon.
3. Be available on a 24 hour basis, and provide immediate response to claims investigation requests through use of email or cellular telephones.
4. Provide customer service lines with a 813 area code for employees, as well as a toll-free line for employees residing outside the 813 area code.



IN WITNESS WHEREOF, the parties have made and executed this Agreement on the respective dates under each signature. THE SCHOOL BOARD OF PASCO COUNTY, FLORIDA by and through its Chair, and Preferred Governmental Claim Solutions, by and through its duly authorized representative.

FOR THE SCHOOL BOARD OF PASCO COUNTY, FLORIDA

By: _____
Superintendent of Schools

On this _____ day of _____, 20__ . . .

FOR Preferred Governmental Claim Solutions

By: _____
President

Attest:

By: _____
Secretary

On this _____ day of _____, 20__ . . .

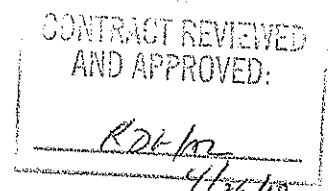
Board Chair, District School Board of
Pasco County

Date

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5. Prepare and follow a work plan that has been approved by DSBPC in the handling of DSBPC' claims. Prepare and follow a work plan that has been approved by DSBPC in the handling of DSBPC' catastrophe claims.
6. Receive and examine on behalf of DSBPC all reports of third party claims including claims by an employee of one Insured against another Insured.
7. Report claims to DSBPC' excess insurer(s) in accordance with the requirements of the excess insurer(s). Provide a copy of the report to DSBPC. Follow specific written investigation procedures for any case for which the excess insurer requires specific notification.
8. Within 24 hours after notification of a serious (one requiring more than first aid) third party bodily injury claim, contact the claimant by telephone or in person. Within two working days after notification of any other third party claim, contact the claimant by telephone or in person.
9. Subject to the exercise of professional judgment, accept and settle or deny all third party claims on behalf of DSBPC. When it appears that the claim is questionable or contested or the final value of any claim will exceed a discretionary limit of \$15,000, DSBPC shall be notified and the final decision for settlement shall rest with DSBPC or its designee. Any settlement is to include preparation and actuation of all necessary compromise and release agreements.
10. Conduct such investigation, field or telephonic, as in the exercise of professional judgment would seem necessary. Follow specific written investigation procedures for any case for which the excess insurer requires specific notification.
11. DSBPC may select and employ outside professionals such as surveillance personnel, expert witnesses, and attorneys to assist in the investigation, adjustment, and defense of claims.
 - (a) DSBPC has selected specific vendors and pricing schedules for the following services: Legal, Translation services, Transportation services, Surveillance and Investigation services, Medicare Set-Aside (CMS) services and Court Reporting services.
 - (b) TPA must be able to review all bills for such services for reasonableness and conformity to any pre-established rates or fees and have the ability to adhere to any set pricing schedules.
 - (c) The firm with whom DSBPC contracts must agree to work collaboratively with these outside professionals.

DSBPC will be involved in the selection process for such outside professionals and will be involved in establishing effective utilization decision making criteria.



12. Prepare and maintain files necessary for legal defense of claims and/or other litigation (such as actions for subrogation, contribution, or indemnity) or other proceedings.
13. Where appropriate or desirable, attend hearings, depositions, mediations, and other proceedings. The attorney or other party representing DSBPC shall provide a written report to DSBPC within ten working days after the hearing, deposition, mediation or other proceeding. The adjuster handling the claim file will provide an oral report to DSBPC within ten working days after the hearing, deposition, mediation or other proceeding.
14. Pay in a timely fashion all claims and expenses pertaining to DSBPC's claims.
15. At the request of DSBPC, provide a complete copy of all files involving litigation, potential or actual subrogation, or potential or actual recovery from special or second injury funds to the Director of EBARM or the designee thereof.
16. Aggressively pursue all possibilities of subrogation, excess insurance reimbursement, third party liens, contribution or indemnity on behalf of DSBPC. Services for Automobile Liability shall include the pursuit of subrogation on behalf of DSBPC for Automobile Physical Damage losses.
17. Periodically as appropriate, but at least every six months, review all open cases in and complete a strategic action plan in order to assist in the settlement of the cases. Such written review shall include a review and verification of outstanding reserves. A written summary of the review shall be documented in the open case file and shall be provided to DSBPC within ten working days after the end of the period for which the report is being made.
18. The supervising adjuster shall meet with DSBPC's Director of EBARM, or the designee thereof, to consult with and refer all questionable or contested cases and those with an estimated value in excess of \$15,000.

LOSS STATISTICS SERVICES

The TPA shall provide DSBPC with the ability to access comprehensive on-line, real-time claim information data, including reporting capabilities, at no additional cost to DSBPC. The TPA shall provide DSBPC with regular monthly reports, as agreed upon by the parties, in such a format as is acceptable to DSBPC. The on-line claim security shall permit on-line input of accident reports by DSBPC.

The TPA agrees that DSBPC shall have on-line, real-time access to all claim files, including all adjuster notes, supervisory notes, diary items, payment records, medical bills and expense bills in an electronic manner with internet based access available to DSBPC.



ATTACHMENT B
THIRD PARTY LIABILITY CLAIMS ADMINISTRATION SERVICES
PERFORMANCE REVIEWS

The TPA and DSBPC agree that Performance Reviews will be conducted after the first six months of operations. Each Performance Review will involve Claim File Reviews and an overall Program Management Review. Performance Reviews will be conducted by Director of EBARM, or the designee thereof.

In the Claim File Review process, for each claim file that is reviewed, the reviewer will assign a score from 0 to 100 based upon the criteria outlined in this Attachment D. At the conclusion of reviewing all selected claim files, an average score for all claim files reviewed will be calculated. In the Program Management Review process, a separate single score between 0 and 100 will be calculated.

The average score for the Claim File Reviews will account for 75% of the overall scoring for the Performance Review. The total score for the Program Management Review will account for 25% of the overall scoring for the Performance Review. As an example, if the average Claim File Review score is 86 points and the Program Management Review score is 70, the total score will be calculated as follows:

Claim File Review average	86 points times 75% weight =	64.5 points
Program Management Review	70 points times 25% weight =	<u>17.5 points</u>
Total Weighted Review Points		82.0 points

The penalties/rewards will be based upon the Total Weighted Review Points.

DSBPC will perform two Performance Reviews for the first annual period of the contract. The initial review will be after the TPA has been providing for six (6) months. Each review will occur approximately 1-2 months after the conclusion of the performance period. The following chart outlines the expected review schedule. After the first year, the reviews will occur annually, however, DSBPC will retain the right, at DSBPC's sole discretion, to perform such reviews at any time.

Performance Review	Performance Period	Total Weighted Review Points	Penalty/Bonus
1	Months 1 – 6 of Contract	80	NA
2	Months 7 – 12 of Contract	80	1%
3	Months 13 – 24 of Contract	90	1%
4	Months 25 – 36 of Contract	95	1%
5	Months 37 – 48 of Contract	95	1%
6	Months 49 – 60 of Contract	95	1%

Failure to perform at or above expected levels for the Performance Reviews will result in a financial penalty of 1% of the amount that was charged by the TPA for the performance period. Any financial penalties will be credited to future amounts invoiced by the TPA to DSBPC. Should the overall

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Performance Review score exceed 97 points during the performance period, a bonus of 1% of service fees incurred for the audit period will be awarded.

The Performance Reviews will measure objective performance standards which are easily identified and measured. After each Performance Review is performed, the TPA will meet with DSBPC Director of EBARM and/or designee to discuss initial evaluation results. The TPA will be given an opportunity to factually rebut the initial findings. Thereafter, a final tally of the review results will be prepared. The outcome of Performance Reviews will be presented to the Miami-Dade County School Board, superintendent and audit committee for review.

The initial Performance Review will be for information and educational purposes only and no penalties will be imposed. A minimum Total Weighted Review Points of 80 is expected in the first annual period of the contract. The minimum Total Weighted Review Points is raised to 90 on the second annual period, and 95 for annual periods thereafter. Failure to meet these average compliance expectations will result in the penalty noted above.

CLAIM FILE REVIEWS

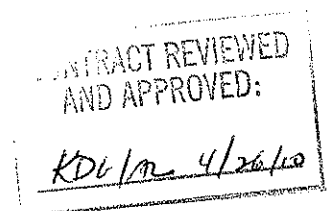
The Claim File Review will include 20 randomly selected claim files. The make-up of the files selected for each review will be at least 50% open files. At least 50% of the selected files will have recent (within performance period) dates of occurrence and remaining selected files will have dates of injury more than 12 months prior to the performance period.

Each claim will generate a score ranging from 1 to 100 points. All timeliness standards of performance are stated in business, not calendar, days. In any instances where a standard is not applicable to a particular claim file, the file will be awarded the appropriate point(s) for that standard. Only transactions that are paid or processed during the performance period will be subject to scoring.

1. Claim Receipt, Recording & Contact Assigned – 20 Points

The TPA will document claims intake information on all liability claims, enter the claim into the system, properly code claim, assign claim number and assign adjuster. This information will be available electronically within one business day of receipt of claim intake information.

A minimum of “three attempts” by the claims adjuster to contact the appropriate claimant(s), employees, and/or supervisor will be considered a “contact,” if followed up with appropriate correspondence and documented in the file within the measurement period.



2. Document Subrogation Recovery Potential – 20 Points

Adjusters will document subrogation, contribution, and/or coordination of benefits recovery potential in the claim file within fourteen (14) days of claim receipt.

3. Direction Within Fourteen (14) Days of Claim Receipt – 20 points

For liability claims, within two (2) days of receipt of the claim, the claims adjuster will document appropriate specific direction for the investigation and handling of the case.

4. Establishment of Reserves – 20 Points

Within 72 hours of receipt of the claim, initial reserves for the file set; thereafter, reserves will be reviewed on an on-going basis, and, at a minimum of 30 days from 72 hour review, 30 days from 30 day review, 60 days from last 60 day review and Every 6 months thereafter.

Increase or Decrease of reserves by \$10,000 or more requires notice to the Director of EBARM, or designee. File should document such notice when appropriate.

5. Rapid Response to Litigation Complaints – 20 Points

Claims adjusters will “address” litigation within two (2) days of litigation receipt. This will mean a referral to the appropriate legal counsel for assignment within two (2) days.

PROGRAM MANAGEMENT REVIEW

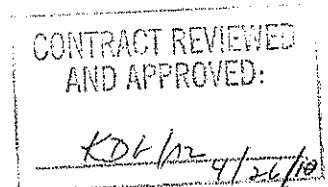
REPORTING & COMMUNICATIONS – 33 Points

1. Semi-annual Meetings (15 Points)

The TPA will establish and conduct semi-annual meetings with the Risk and Benefits Director of EBARM, or designee, to review progress of program, review financial indicators of program, and to discuss any open issues. Meetings will, as appropriate, include sub-contractors of the TPA involved in the program. Agendas will be developed in advance of meetings and minutes of meetings will be kept.

2. Monthly & Quarterly Reporting (18 Points)

DSBPC and the TPA will develop a written listing of reports to be provided by the TPA to DSBPC. The written listing of reports will include information regarding the timing of reports and distributions of reports.



STAFFING – 33 Points

1. Total Staffing

Total staffing for service office will meet or exceed contractually agreed figures.

EXCESS INSURANCE – 34 Points

1. Reporting (10 Points)

TPA will provide documentation of compliance with all reporting requirements of excess insurers.

2. Documentation of Appropriate Communications with Excess Insurers (10 Points)

All claim files with total incurred experience projections exceeding self-insured retention for date of injury will document appropriate communication with excess insurance. All required and appropriate information will be provided to excess insurers.

3. Prompt Reimbursement of Excess Insurance (14 Points)

TPA will file for reimbursement from excess insurer for each claim file when total payments exceed self-insured retention. Initial filing for reimbursement will occur within 30 days of when total payments exceeded self-insured retention. TPA will follow-up with excess insurer every 30 days until all excess insurance reimbursements have been received by DSBPC.

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4/26/10

AGREEMENT
between
THE DISTRICT SCHOOL BOARD OF PASCO COUNTY, FLORIDA
and
PREFERRED GOVERNMENTAL CLAIM SOLUTIONS
for
THIRD PARTY LIABILITY CLAIMS ADMINISTRATION SERVICES

THIS AGREEMENT, made and entered into by and between: THE DISTRICT SCHOOL BOARD OF PASCO COUNTY, FLORIDA, a political subdivision of the State of Florida (hereinafter, "DSBPC") and Preferred Governmental Claim Solutions (hereinafter, "TPA").

WHEREAS, DSBPC issued a Request for Proposals and addenda, identified as RFP 10-064-AZ (hereinafter collectively "RFP"), which is incorporated by reference herein, for the purpose of receiving proposals for Workers' Compensation And Third Party Liability Claims Administration Services; and

WHEREAS, TPA offered a proposal in response to RFP 10-064-AZ (hereinafter "Proposal"), which is incorporated by reference herein; and

WHEREAS, subsequent to receipt of Proposal by DSBPC, DSBPC and TPA entered into negotiations, which were memorialized by correspondence or other documents (hereinafter collectively "Negotiations"), which are incorporated by reference herein; and

WHEREAS, TPA desires to provide and DSBPC desires to receive Third Party Liability Claims Administration Services as described under the terms and conditions of this Agreement.

NOW, THEREFORE, IN CONSIDERATION of mutual covenants and conditions set forth herein, the parties agree as follows:

ARTICLE 1 – RECITALS

1.1 **Recitals.** The Parties agree that the foregoing recitals are true and correct and that such recitals are incorporated herein by reference.

ARTICLE 2 – TERM OF AGREEMENT

2.1 **Term of Agreement.** This Agreement is effective as of 12:01 a.m., July 1, 2010 and will continue until 12:01 a.m., July 1, 2013. Per DSBPC policy, the Agreement will be formally renewed annually at the mutual agreement of the parties. The term of the AGREEMENT may, by mutual agreement by DSBPC and TPA, be extended for up to two additional one-year periods.

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ARTICLE 3 - COMPENSATION OF TPA

3.1 **Annual Fees.** Annual fees will be as follows:

July 1, 2010 – July 1, 2011	\$30,750
July 1, 2011 – July 1, 2012	\$30,750
July 1, 2012 – July 1, 2013	\$30,750
July 1, 2013 – July 1, 2014	\$32,750
July 1, 2014 – July 1, 2015	\$34,750

Annual fees shown above will be payable in 12 equal monthly installments.

ARTICLE 4 – GENERAL CONDITIONS

4.1 **Claims and Organizations Included.** - In addition to the DSBPC, and as agreed to by the Parties, services are to be provided for any affiliated or subsidiary board, authority, committee, independent agency or other organization (including newly constituted) provided that such affiliated or subsidiary board, authority, committee, independent agency or other organization is either a body politic created by the DSBPC or one in which controlling interest or membership therein is vested in the DSBPC.

4.2 **No Other TPA Compensation For Services Related to Agreement.**

4.2.1 TPA agrees that, except to the extent, if any, specifically authorized under this Agreement, neither TPA, nor any parent, subsidiary, or affiliate of TPA, shall accept any rebates, overrides, administrative fees, or any other compensation of any nature from anyone, including from any subcontractors used by TPA to provide such services, other than the compensation received by TPA from DSBPC related to the services provided by, or on behalf of, TPA under this Agreement.

4.2.2 In the event TPA, or any parent, subsidiary, or affiliate of TPA, does receive any such compensation related to the services provided by, or on behalf of, TPA under this Agreement from anyone other than DSBPC, TPA shall promptly disclose the receipt of any such compensation to DSBPC and shall refund any such amounts received to DSBPC within thirty (30) days of the receipt by TPA.

4.2.3 In the event TPA, or any parent, subsidiary, or affiliate of TPA, is entitled to any such compensation related to the services provided by, or on behalf of, TPA under this Agreement from anyone other than DSBPC, TPA shall promptly disclose the entitlement to any such compensation to DSBPC and shall promptly assign the entitlement to any such compensation to DSBPC.

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4.3 **Notice of Change in Compensation.** TPA may not effect any increase of rates or other consideration applicable to this Agreement prior to the later of:

4.3.1 12:01 a.m., July 1, 2013; or

4.3.2 At least one hundred and twenty (120) days after receipt by DSBPC of valid written notice from TPA, stating specifically the amount of change proposed. Mere notice that a change in rates or consideration is proposed, without stating clearly the exact amount, and the effect of the proposed change on the overall consideration of this contract, shall not constitute a valid notice. DSBPC reserves the right to accept or reject this notice, at its sole discretion. The written notice of any change in rates or other change in consideration shall be delivered by certified mail to:

Kendra Goodman, CPPO, CPPB
Purchasing Agent
District School Board of Pasco County
20430 Gator Lane
Land O' Lakes, FL 34638

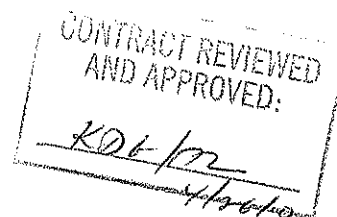
4.4 **Notice of Termination or Adverse Change.**

4.4.1 **Notice by TPA.** TPA shall at give valid written notice to DSBPC at least one hundred and twenty (120) days prior to cancellation, non-renewal, or restriction of TPA's obligations under this Agreement. The written notice of cancellation, non-renewal, or restriction of TPA's obligations under this Agreement shall be delivered by certified mail to:

Kendra Goodman, CPPO, CPPB
Purchasing Agent
District School Board of Pasco County
20430 Gator Lane
Land O' Lakes, FL 34638

4.4.2 **Notice by DSBPC.** This Agreement may be canceled at any time at the request of DSBPC by written notice to TPA stating when thereafter cancellation is to be effective.

4.4.3 **Basis of Termination.** In the event of termination of this Agreement for whatever reason, the earned fees shall be computed on a pro rata basis without penalty and TPA shall refund to DSBPC the excess of paid fees or other consideration that were received by TPA within thirty (30) days from the date of termination.



4.5 **Agreement – Document Priority.** In the event of a conflict among the following documents, the order of priority shall be as follows:

- (1) This Agreement
- (2) Negotiations
- (3) Proposal
- (4) RFP

4.6 **Hold Harmless/Indemnification.** TPA shall hold harmless, indemnify and defend the indemnitees (The following shall be deemed to be indemnitees: DSBPC, and its members, officers, employees, and agents) against any claim, action, loss, damage, injury, liability, cost or expense of whatsoever kind or nature including but not by way of limitation, attorney’s fees and court costs arising out of bodily injury to persons including death or damage to tangible property arising out of or incidental to the performance of this Agreement (including goods and services provided thereto) by or on behalf of TPA. This section will survive the termination of this Agreement regardless of the cause giving rise to such termination.

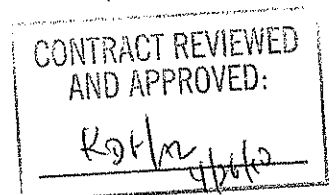
4.7 **TPA Insurance Requirements.** Prior to commencement of services under the agreement, this Agreement, TPA obtain and maintain without interruption until completion of all services required under this Agreement, the insurance as outlined below. TPA agrees to furnish a fully completed certificate of insurance naming DSBPC and its members, officers, employees, and agents as additional insured on the General Liability insurance, signed by an authorized representative of the insurer providing such insurance coverages. The insurance coverages and limits shall meet, at a minimum, the following requirements:

4.7.1 **Workers’ Compensation/Employer’s Liability Insurance.** Such insurance shall be no more restrictive than that provided by the Standard Workers' Compensation Policy, as filed for use in Florida by the National Board on Compensation Insurance, without restrictive endorsements. The minimum amount of coverage (inclusive of any amount provided by an umbrella or excess policy) shall be:

Part One:	"Statutory"	
Part Two:	\$ 1,000,000	Each Accident
	\$ 1,000,000	Disease - Policy Limit
	\$ 1,000,000	Disease - Each Employee

4.7.2 **General Liability Insurance.** Such insurance shall be no more restrictive than that provided by the most recent version of standard Commercial General Liability Form (ISO Form CG 00 01) as filed for use in the State of Florida without any restrictive endorsements other than those required by ISO or the State of Florida those described below. The coverage may include restrictive endorsements which exclude coverage for liability arising out of:

- Mold, fungus, or bacteria
- Terrorism



- Sexual Molestation

The minimum limits (inclusive of amounts provided by an umbrella or excess policy) shall be:

- \$ 2,000,000 General Aggregate
- \$ 2,000,000 Products/Completed Operations Aggregate
- \$ 1,000,000 Personal and Advertising Injury
- \$ 1,000,000 Each Occurrence

DSBPC and its members, officers, employees, and agents shall be included as an additional insured on a form no more restrictive than the most recent version of ISO Form CG 20 10 (Additional Insured - Owners, Lessees, or Contractors).

4.7.3 Automobile Liability Insurance. Such insurance shall be no more restrictive than that provided by Section II (Liability Coverage) of the most recent version of standard Business Auto Policy (ISO Form CA 00 01) without any restrictive endorsements, including coverage for liability contractually assumed, and shall cover all owned, non-owned, and hired autos used in connection with the performance of the Contract. The minimum limits (inclusive of any amounts provided by an umbrella or excess policy) shall be:

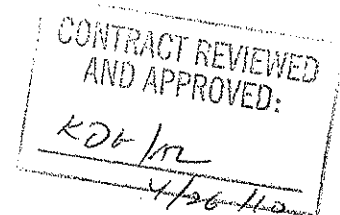
- \$ 1,000,000 Each Occurrence - Bodily Injury and Property Damage Combined

4.7.4 Professional Liability Insurance. Such insurance shall be on a form acceptable to DSBPC and shall cover TPA for those sources of liability arising out of the rendering or failure to render professional services in the performance of the services required in the Agreement including any hold harmless and/or indemnification agreement. Coverage must either be on an occurrence basis; or, if on a claims-made basis, the coverage must respond to all claims reported within three years following the period for which coverage is required and which would have been covered had the coverage been on an occurrence basis. The minimum limits (inclusive of any amounts provided by an umbrella or excess policy) shall be:

- \$ 3,000,000 Each Claim/Annual Aggregate

4.7.5 Employee Dishonesty (Fidelity). Such insurance shall be no more restrictive than that provided by the most recent version of standard Commercial Crime Coverage Form (ISO CR 00 21) without restrictive endorsements or on a form acceptable to DSBPC and shall cover TPA and DSBPC against loss caused by the dishonesty of employees of TPA in connection with the Agreement. Coverage will include Employee Theft, Forgery and Alteration, Computer Fraud, and Funds Transfer Fraud. The minimum limits shall be:

- \$5,000,000 Each Occurrence



4.7.6 **TPA's Insurance Primary and Non-Contributory.** The insurance provided TPA Company shall apply on a primary basis to, and shall not require contribution from, any other insurance or self-insurance maintained by DSBPC or its members, officers, employees, and agents. Any insurance, or self-insurance, maintained by DSBPC shall be excess of, and shall not contribute with, the insurance provided by TPA.

4.7.7 **TPA's Insurance as Additional Remedy.** Compliance with these insurance requirements shall not limit the liability of TPA. Any remedy provided to DSBPC by the insurance provided by TPA shall be in addition to and not in lieu of any other remedy (including, but not limited to, as an indemnitee of TPA) available to DSBPC under this Agreement or otherwise.

4.7.8 **No Waiver by DSBPC Approval/Disapproval.** Neither approval nor failure to disapprove insurance furnished by the Company shall relieve the Company from responsibility to provide insurance as required by this Contract.

4.8 **Compliance With Laws, Rules, And Regulations.** TPA is responsible for full and complete compliance with all laws, rules, and regulations, including those of the Florida Department of Financial Services, which may be applicable to it. Failure or inability on the part of TPA to comply with such laws, rules, and regulations (including failure to obtain Department of Financial Services approval) shall not relieve TPA from its obligation to perform completely in accordance with this Agreement.

4.9 **Acknowledgement of Adequate Disclosure by DSBPC.** TPA acknowledges and agrees that due care and diligence was exercised in the preparation of the RFP, and all information contained therein was believed by DSBPC to be substantially correct. TPA acknowledges, and accepted prior to making the Proposal, TPA's responsibility for determining the full extent of the exposures to risk and verification of all information in the RFP. Neither DSBPC nor its representatives or consultants shall be responsible for any error or omission in the RFP, or for the failure on the part of TPA to determine the full extent of the exposures. This section will survive the termination of this Agreement regardless of the cause giving rise to such termination.

4.10 **Default.** In the event of default, which may include, but is not limited to non-performance and/or poor performance of this Agreement, TPA shall lose eligibility to transact new business with DSBPC for a period of 14 months from date of termination of this Agreement by DSBPC. If TPA is determined to be ineligible, TPA may request a hearing pursuant to §120.569, Fla. Statute, and DSBPC Board Rule 6Gx13-8C-1.064.

4.11 **Compliance with the Jessica Lunsford Act.** TPA acknowledges and agrees to be in compliance with the "Jessica Lunsford Act." Suppliers conducting business with DSBPC who will (1) be at the school when students are present, or (2) have direct contact with students, or (3) have access to or control of school funds, **must** be Level 2 fingerprinted by DSBPC Human Resources. If any of the above criteria apply to this contract, you **must** have those individuals Level 2 fingerprinted

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and screened by the DSBPC Human Resources Department **prior** to commencement of services or work, and must provide a list of employees who will be providing these services. Please contact (813) 794-2521 to arrange for a fingerprinting appointment. Costs associated with this background screening are to borne by the vendor. You may access information regarding this law, which became effective September 1, 2005, by reviewing Sections 1012.32 and 1012.465, Florida Statutes.

4.12 **Public Records.** Each Party shall maintain its own respective records and documents associated with this Agreement in accordance with the records retention requirements applicable to public records. Each Party shall be responsible for compliance with any public documents request served upon it pursuant to Section 119.07, Florida Statutes, and any resultant award of attorneys' fees attributable to the party's non-compliance with that law. This section will survive the termination of this Agreement regardless of the cause giving rise to such termination.

4.13 **Access to Claim Files.** TPA shall provide DSBPC real-time, electronic, internet-based access to all claim files, including all adjuster notes, supervisory notes, field case management notes, diary items, payment records, medical bills and expense bills. The manner in which TPA provides such access shall be consistent with the Proposal as modified, if any, by the Negotiations.

4.14 **Ownership of Claim Files.** DSBPC shall have all right, title, interest, and ownership to all loss statistics and claim files created as a result of the services provided, or to be provided, by TPA under this Agreement. Further, at the sole option of the DSBPC, and upon ten (10) days written notice, TPA, at TPA's sole expense, shall return such files to the DSBPC. At the termination of this Agreement, at the sole expense of TPA, TPA shall provide DSBPC with computer tapes or other computer media containing all of the claim data. Such data shall be made available in a format generally importable into a commonly recognized database for claims administration services.

4.15 **Audit Rights**

4.15.1 **Audit of Claim Files and TPA Procedures.** At the sole option of DSBPC, TPA shall agree, at no additional cost to DSBPC, to any audits conducted by DSBPC or DSBPC's designee (hereinafter, "Auditor") of TPA's claim files and procedures as they relate to the services under this Agreement. DSBPC shall have the right to audit during the contract period and for five years following the termination of the Agreement.

4.15.2 **Audit of Records**

4.15.2.1 **Definition.** For the purposes of this Section 4.15.2, the term "Records," shall mean all documentary and electronic records of TPA and TPA's subcontractors that are related to the services performed under this Agreement including, but not be limited to:

- Financial records (including accounting records, payroll records, timesheets, audited and unaudited financial statements)



- Contracts (including contracts with subcontractors and contracts between subcontractors and others)
- Contractor performance data
- Network and provider agreements
- Cost data

4.15.2.2 **Right to Audit.** At the sole option of DSBPC, TPA shall agree, at no additional cost to DSBPC, to allow Auditor to have access to Records of TPA and Records of TPA's subcontractors for the purposes of reviewing and auditing such Records. Any Records requested for audit or review must be related to the services provided under this Agreement. DSBPC shall have the right to audit Records during the contract period and for five years following the termination of the Agreement.

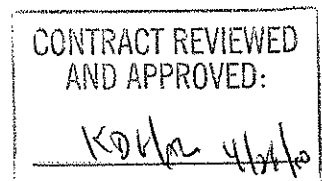
4.15.2.3 **Proprietary Documents.** To the extent TPA or TPA's subcontractor designates any "Records" requested for audit as "Proprietary Records" (i.e., containing confidential information, trade secrets, or private information), TPA shall be allowed to limit the access of Auditor such that Auditor will only be permitted to review such Proprietary Records in controlled conditions at a TPA chosen location in Pasco County, Florida. With respect to such Proprietary Records, Auditor's rights will be limited to on-premises review of such Records and Auditor will not be permitted to retain copies or make reproductions of such Records. Such designation of Records as proprietary by TPA or TPA's subcontractor shall only be made to the extent reasonable grounds exist for TPA or TPA's subcontractor to protect the information contained in such Records.

4.16 **TPA Is Independent Contractor.** The Parties agree that TPA is engaged to perform services under this Agreement as an independent contractor, and not as an agent, of DSBPC.

4.17 **Entire Agreement.** This Agreement incorporates and includes all prior negotiations, correspondence, conversations, agreements and understandings applicable to the matters contained herein and the Parties agree that there are no commitments, agreements or understandings concerning the subject matter of this Agreement that are not contained in, or incorporated by reference in, this document. Accordingly, the Parties agree that no deviation from the terms hereof shall be predicated upon any prior representations or agreements, whether oral or written.

4.18 **Amendments.** No modification, amendment, or alteration in the terms or conditions contained herein shall be effective unless contained in a written document prepared with the same or similar formality as this Agreement and executed by each Party hereto.

4.19 **Waiver.** The Parties agree that each requirement, duty and obligation set forth herein is substantial and important to the formation of this Agreement and, therefore, is a material term



hereof. Any Party's failure to enforce any provision of this Agreement shall not be deemed a waiver of such provision or modification of this Agreement. A waiver of any breach of a provision of this Agreement shall not be deemed a waiver of any subsequent breach and shall not be construed to be a modification of the terms of this Agreement.

4.20 **Governing Law.** This Agreement shall be interpreted and construed in accordance with and governed by the laws of the State of Florida. Any controversies or legal problems arising out of this Agreement and any action involving the enforcement or interpretation of any rights hereunder shall be submitted to the jurisdiction of the State courts of the Sixth Judicial Circuit of Pasco County, Florida. This section will survive the termination of this Agreement regardless of the cause giving rise to such termination.

4.21 **No Waiver of Sovereign Immunity.** Nothing contained in this Agreement is intended to serve as a waiver of sovereign immunity by DSBPC or any person to which sovereign immunity may be applicable. This section will survive the termination of this Agreement regardless of the cause giving rise to such termination.

4.22 **Non-Discrimination.** TPA shall not discriminate against any person in the performance of the duties, responsibilities and obligations under this Agreement because of race, age, religion, color, gender, national origin, marital status, disability or sexual orientation.

4.23 **Successors.** This Agreement shall be binding upon and shall inure to the benefit of all assigns, transferees and successors in interest of the Parties.

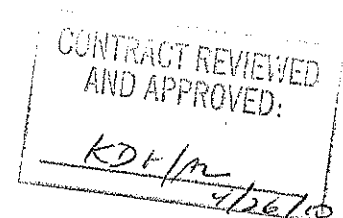
4.24 **Assignment.** Neither this Agreement or any interest herein may be assigned, transferred or encumbered by any party without the prior written consent of the other Party.

4.25 **Notice.** When any of the Parties desire to give notice to the other, such notice must be in writing, sent by U S Mail, postage prepaid, addressed to the Party for whom it is intended at the place last specified. The place for giving notice shall remain such until it is changed by written notice in compliance with the provisions of this paragraph. For the present, the Parties designate the following as the respective places for giving notice:

As to DSBPC

Kendra Goodman, CPPO, CPPB
Purchasing Agent
District School Board of Pasco County
20430 Gator Lane
Land O' Lakes, FL 34638

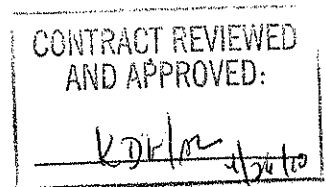
As to TPA



Kenneth Picton
Preferred Governmental Claim Solutions
615 Crescent Executive Court, Suite 600
Lake Mary, FL 32746

ARTICLE 5 – SPECIAL CONDITIONS
FOR THIRD PARTY LIABILITY CLAIMS ADMINISTRATION SERVICES

- 5.1 **Service Office** The service office will be the Lake Mary, Florida office of the TPA.
- 5.2 **Scope of Services**. Except as otherwise provided in this Agreement, TPA shall, for the duration of this Agreement, provide all of the services described in, Attachment A to this Agreement, Scope of Third Party Claims Services.
- 5.3 **Obligations Not Terminated By Term of Agreement**. TPA provide service on all claims occurring during, or before, the term of this Agreement and until three (3) months after the termination of this Agreement (including renewals, extensions or replacements thereof), all legally required reports for the contract period rendered, and all required reports to appropriate agencies. The compensation of TPA paid for services during the term of this Agreement includes the full compensation for such continuing obligations and, except as noted herein, no additional consideration shall be due for such obligations which extend beyond the term of this Agreement.
- 5.4 **Performance Reviews**. Except as otherwise provided in this Agreement, TPA and DSBPC agree that periodic Performance Reviews will be conducted in accordance with the processes and guidelines described in Attachment B, Third Party Liability Performance Reviews.



ATTACHMENT A

**SCOPE OF SERVICES
THIRD PARTY LIABILITY CLAIMS ADMINISTRATION SERVICES**

ADMINISTRATIVE SERVICES

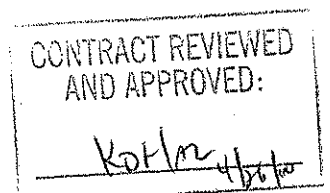
TPA will provide the following administrative services:

1. Prepare (with DSBPC' assistance) and file with the appropriate state agencies all applications, bonds, documentation, and data required (if any) for implementation and continuance of the program.
2. Prepare, maintain, and file all records and reports as may be required by legal authorities (state, local, and federal) including Form 1099 and all reporting required for Medicare Secondary Payor provisions.
3. Prepare, maintain, and file statistical or other records and reports as required by DSBPC' excess insurers.
4. Prepare, maintain, and file statistical information required by Rating Bureaus or appropriate state agencies.
5. Comply fully with all rules, regulations, guidelines or procedures established by DSBPC and the State of Florida.

CLAIMS SERVICES

TPA will provide the following claims services:

1. Establish reporting procedures which are compatible with the needs and organizational structure of DSBPC.
2. Provide necessary forms and instructions for use. Such forms are to include appropriate accident reports with mailing address of primary recipients preprinted thereon.
3. Be available on a 24 hour basis, and provide immediate response to claims investigation requests through use of email or cellular telephones.
4. Provide customer service lines with a 813 area code for employees, as well as a toll-free line for employees residing outside the 813 area code.



IN WITNESS WHEREOF, the parties have made and executed this Agreement on the respective dates under each signature. THE SCHOOL BOARD OF PASCO COUNTY, FLORIDA by and through its Chair, and Preferred Governmental Claim Solutions, by and through its duly authorized representative.

FOR THE SCHOOL BOARD OF PASCO COUNTY, FLORIDA

By: _____
Superintendent of Schools

On this _____ day of _____, 20__ .

FOR Preferred Governmental Claim Solutions

By: _____
President

Attest:

By: _____
Secretary

On this _____ day of _____, 20__ .

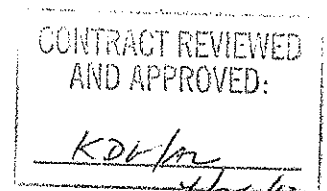
Board Chair, District School Board
of Pasco County

Date

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5. Prepare and follow a work plan that has been approved by DSBPC in the handling of DSBPC' claims. Prepare and follow a work plan that has been approved by DSBPC in the handling of DSBPC' catastrophe claims.
6. Receive and examine on behalf of DSBPC all reports of third party claims including claims by an employee of one Insured against another Insured.
7. Report claims to DSBPC' excess insurer(s) in accordance with the requirements of the excess insurer(s). Provide a copy of the report to DSBPC. Follow specific written investigation procedures for any case for which the excess insurer requires specific notification.
8. Within 24 hours after notification of a serious (one requiring more than first aid) third party bodily injury claim, contact the claimant by telephone or in person. Within two working days after notification of any other third party claim, contact the claimant by telephone or in person.
9. Subject to the exercise of professional judgment, accept and settle or deny all third party claims on behalf of DSBPC. When it appears that the claim is questionable or contested or the final value of any claim will exceed a discretionary limit of \$15,000, DSBPC shall be notified and the final decision for settlement shall rest with DSBPC or its designee. Any settlement is to include preparation and actuation of all necessary compromise and release agreements.
10. Conduct such investigation, field or telephonic, as in the exercise of professional judgment would seem necessary. Follow specific written investigation procedures for any case for which the excess insurer requires specific notification.
11. DSBPC may select and employ outside professionals such as surveillance personnel, expert witnesses, and attorneys to assist in the investigation, adjustment, and defense of claims.
 - (a) DSBPC has selected specific vendors and pricing schedules for the following services: Legal, Translation services, Transportation services, Surveillance and Investigation services, Medicare Set-Aside (CMS) services and Court Reporting services.
 - (b) TPA must be able to review all bills for such services for reasonableness and conformity to any pre-established rates or fees and have the ability to adhere to any set pricing schedules.
 - (c) The firm with whom DSBPC contracts must agree to work collaboratively with these outside professionals.

DSBPC will be involved in the selection process for such outside professionals and will be involved in establishing effective utilization decision making criteria.



12. Prepare and maintain files necessary for legal defense of claims and/or other litigation (such as actions for subrogation, contribution, or indemnity) or other proceedings.
13. Where appropriate or desirable, attend hearings, depositions, mediations, and other proceedings. The attorney or other party representing DSBPC shall provide a written report to DSBPC within ten working days after the hearing, deposition, mediation or other proceeding. The adjuster handling the claim file will provide an oral report to DSBPC within ten working days after the hearing, deposition, mediation or other proceeding.
14. Pay in a timely fashion all claims and expenses pertaining to DSBPC's claims.
15. At the request of DSBPC, provide a complete copy of all files involving litigation, potential or actual subrogation, or potential or actual recovery from special or second injury funds to the Director of EBARM or the designee thereof.
16. Aggressively pursue all possibilities of subrogation, excess insurance reimbursement, third party liens, contribution or indemnity on behalf of DSBPC. Services for Automobile Liability shall include the pursuit of subrogation on behalf of DSBPC for Automobile Physical Damage losses.
17. Periodically as appropriate, but at least every six months, review all open cases in and complete a strategic action plan in order to assist in the settlement of the cases. Such written review shall include a review and verification of outstanding reserves. A written summary of the review shall be documented in the open case file and shall be provided to DSBPC within ten working days after the end of the period for which the report is being made.
18. The supervising adjuster shall meet with DSBPC's Director of EBARM, or the designee thereof, to consult with and refer all questionable or contested cases and those with an estimated value in excess of \$15,000.

LOSS STATISTICS SERVICES

The TPA shall provide DSBPC with the ability to access comprehensive on-line, real-time claim information data, including reporting capabilities, at no additional cost to DSBPC. The TPA shall provide DSBPC with regular monthly reports, as agreed upon by the parties, in such a format as is acceptable to DSBPC. The on-line claim security shall permit on-line input of accident reports by DSBPC.

The TPA agrees that DSBPC shall have on-line, real-time access to all claim files, including all adjuster notes, supervisory notes, diary items, payment records, medical bills and expense bills in an electronic manner with internet based access available to DSBPC.

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ATTACHMENT B
THIRD PARTY LIABILITY CLAIMS ADMINISTRATION SERVICES
PERFORMANCE REVIEWS

The TPA and DSBPC agree that Performance Reviews will be conducted after the first six months of operations. Each Performance Review will involve Claim File Reviews and an overall Program Management Review. Performance Reviews will be conducted by Director of EBARM, or the designee thereof.

In the Claim File Review process, for each claim file that is reviewed, the reviewer will assign a score from 0 to 100 based upon the criteria outlined in this Attachment D. At the conclusion of reviewing all selected claim files, an average score for all claim files reviewed will be calculated. In the Program Management Review process, a separate single score between 0 and 100 will be calculated.

The average score for the Claim File Reviews will account for 75% of the overall scoring for the Performance Review. The total score for the Program Management Review will account for 25% of the overall scoring for the Performance Review. As an example, if the average Claim File Review score is 86 points and the Program Management Review score is 70, the total score will be calculated as follows:

Claim File Review average	86 points times 75% weight =	64.5 points
Program Management Review	70 points times 25% weight =	<u>17.5 points</u>
Total Weighted Review Points		82.0 points

The penalties/rewards will be based upon the Total Weighted Review Points.

DSBPC will perform two Performance Reviews for the first annual period of the contract. The initial review will be after the TPA has been providing for six (6) months. Each review will occur approximately 1-2 months after the conclusion of the performance period. The following chart outlines the expected review schedule. After the first year, the reviews will occur annually, however, DSBPC will retain the right, at DSBPC's sole discretion, to perform such reviews at any time.

Performance Review	Performance Period	Total Weighted Review Points	Penalty/Bonus
1	Months 1 – 6 of Contract	80	NA
2	Months 7 – 12 of Contract	80	1%
3	Months 13 – 24 of Contract	90	1%
4	Months 25 – 36 of Contract	95	1%
5	Months 37 – 48 of Contract	95	1%
6	Months 49 – 60 of Contract	95	1%

Failure to perform at or above expected levels for the Performance Reviews will result in a financial penalty of 1% of the amount that was charged by the TPA for the performance period. Any financial penalties will be credited to future amounts invoiced by the TPA to DSBPC. Should the overall

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 4/26/10

Performance Review score exceed 97 points during the performance period, a bonus of 1% of service fees incurred for the audit period will be awarded.

The Performance Reviews will measure objective performance standards which are easily identified and measured. After each Performance Review is performed, the TPA will meet with DSBPC Director of EBARM and/or designee to discuss initial evaluation results. The TPA will be given an opportunity to factually rebut the initial findings. Thereafter, a final tally of the review results will be prepared. The outcome of Performance Reviews will be presented to the Miami-Dade County School Board, superintendent and audit committee for review.

The initial Performance Review will be for information and educational purposes only and no penalties will be imposed. A minimum Total Weighted Review Points of 80 is expected in the first annual period of the contract. The minimum Total Weighted Review Points is raised to 90 on the second annual period, and 95 for annual periods thereafter. Failure to meet these average compliance expectations will result in the penalty noted above.

CLAIM FILE REVIEWS

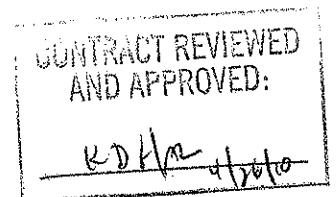
The Claim File Review will include 20 randomly selected claim files. The make-up of the files selected for each review will be at least 50% open files. At least 50% of the selected files will have recent (within performance period) dates of occurrence and remaining selected files will have dates of injury more than 12 months prior to the performance period.

Each claim will generate a score ranging from 1 to 100 points. All timeliness standards of performance are stated in business, not calendar, days. In any instances where a standard is not applicable to a particular claim file, the file will be awarded the appropriate point(s) for that standard. Only transactions that are paid or processed during the performance period will be subject to scoring.

1. Claim Receipt, Recording & Contact Assigned – 20 Points

The TPA will document claims intake information on all liability claims, enter the claim into the system, properly code claim, assign claim number and assign adjuster. This information will be available electronically within one business day of receipt of claim intake information.

A minimum of “three attempts” by the claims adjuster to contact the appropriate claimant(s), employees, and/or supervisor will be considered a “contact,” if followed up with appropriate correspondence and documented in the file within the measurement period.



2. Document Subrogation Recovery Potential – 20 Points

Adjusters will document subrogation, contribution, and/or coordination of benefits recovery potential in the claim file within fourteen (14) days of claim receipt.

3. Direction Within Fourteen (14) Days of Claim Receipt – 20 points

For liability claims, within two (2) days of receipt of the claim, the claims adjuster will document appropriate specific direction for the investigation and handling of the case.

4. Establishment of Reserves – 20 Points

Within 72 hours of receipt of the claim, initial reserves for the file set; thereafter, reserves will be reviewed on an on-going basis, and, at a minimum of 30 days from 72 hour review, 30 days from 30 day review, 60 days from last 60 day review and Every 6 months thereafter.

Increase or Decrease of reserves by \$10,000 or more requires notice to the Director of EBARM, or designee. File should document such notice when appropriate.

5. Rapid Response to Litigation Complaints – 20 Points

Claims adjusters will “address” litigation within two (2) days of litigation receipt. This will mean a referral to the appropriate legal counsel for assignment within two (2) days.

PROGRAM MANAGEMENT REVIEW

REPORTING & COMMUNICATIONS – 33 Points

1. Semi-annual Meetings (15 Points)

The TPA will establish and conduct semi-annual meetings with the Risk and Benefits Director of EBARM, or designee, to review progress of program, review financial indicators of program, and to discuss any open issues. Meetings will, as appropriate, include sub-contractors of the TPA involved in the program. Agendas will be developed in advance of meetings and minutes of meetings will be kept.

2. Monthly & Quarterly Reporting (18 Points)

DSBPC and the TPA will develop a written listing of reports to be provided by the TPA to DSBPC. The written listing of reports will include information regarding the timing of reports and distributions of reports.

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STAFFING – 33 Points

1. Total Staffing

Total staffing for service office will meet or exceed contractually agreed figures.

EXCESS INSURANCE – 34 Points

1. Reporting (10 Points)

TPA will provide documentation of compliance with all reporting requirements of excess insurers.

2. Documentation of Appropriate Communications with Excess Insurers (10 Points)

All claim files with total incurred experience projections exceeding self-insured retention for date of injury will document appropriate communication with excess insurance. All required and appropriate information will be provided to excess insurers.

3. Prompt Reimbursement of Excess Insurance (14 Points)

TPA will file for reimbursement from excess insurer for each claim file when total payments exceed self-insured retention. Initial filing for reimbursement will occur within 30 days of when total payments exceeded self-insured retention. TPA will follow-up with excess insurer every 30 days until all excess insurance reimbursements have been received by DSBPC.

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4/26/10

District School Board of Pasco County

Bid Recommendation

RFP Title	Workers' Compensation & Third Party Liability Claims Administration Services		Number of Vendors Notified	591
RFP Number	10-064-AZ		Number of Proposals Distributed	28
Date Solicited	November 4, 2009		Number of Vendors Bidding	12
Date Opened	January 14, 2010		Number of Formal "No Bid" Responses	1
Date Board Presentation	April 20, 2010		Funding Source	General fund contributions
Total Savings	\$118,995 estimated first year		Grand Total of Proposal	\$735,355 1 st year workers' comp; \$30,750 1 st year 3 rd party liability

Recommendation: Recommend acceptance of Johns Eastern Co. as the highest-scoring responsive, responsible proposer for workers' compensation benefits, with OptaComp ranked second, and Preferred Government Claims Solutions ranked third. Recommend acceptance of Preferred Government Claims Solutions as the highest-scoring responsive, responsible proposer for third party liability claims administration, with Johns Eastern Co. ranked second. Acceptance of this ranking will allow members of the Employee Benefits Assistance & Risk Management Dept. (EBARM), the Purchasing Dept., and Siver Insurance Consultants to negotiate a contract based on the RFP with the highest-ranked proposers. Should we not be able to reach agreement with the highest-ranked firm for each service, negotiations will take place with the next-ranked firm, until agreement is reached. The final terms and conditions of these contracts will be brought back to the Board for final approval, allowing EBARM to begin transitioning from the incumbent provider, Gallagher Bassett Services. Transition must be completed by June 30, 2010.

Term of Contract: This RFP is a three-year contract, renewable annually at the mutual agreement of the parties, with provisions to extend for up to two additional one-year terms at the mutual agreement of the parties. The first year term with each company is July 1, 2010 – June 30, 2011. Rates with both companies are firm for the three-year period, and have also been quoted and established for the additional one-year terms.

District School Board
of Pasco County

APR 20 2010

Board Approved

Notations and Exceptions, continued:

The following firms were disqualified: Summit Consulting for workers' compensation, as they did not demonstrate the minimum requirement regarding service to a client with at least 5000 employees; Employer's Mutual for workers' compensation, as they did not propose based on the staffing model of two dedicated nurses as specified; Alternative Service Concepts for third party liability claims administration, as they did not provide mandatory flat fee pricing; F.A. Richard & Associates and Florida School Boards Insurance Trust for third party liability claims administration, as they did not include field investigations in their flat fee price proposals.

The expiring contract with Gallagher Bassett Services was for both workers' compensation and third party liability services. The RFP requested separate proposals to allow for additional competition. The expiring contract included per-claim fees which were variable and difficult to budget. The RFP required flat fees from all proposers to allow for fairness in the evaluation process, and to allow for better budgeting and management of these expenses.

The RFP responses from the compliant proposers were independently scored by members of the Evaluation Committee noted below, with all scores totaled and averaged (Phase I). Interviews with the four highest scoring firms for workers' compensation and the two highest scoring firms for third party liability claims administration services were conducted on February 12, 2010. Interviews were independently scored by the Evaluation Committee, with all scores totaled and averaged. The interview scores (Phase II) were added to the Phase I scores to determine the highest-scoring firms, as noted above and on the attached tabulation.

Offers from the vendors listed herein are the only offers received timely as of the specified opening date and time. All other offers submitted in response to this solicitation, if any, are hereby rejected as late.

Proposals Evaluated By:

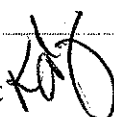
Julie Hedine, Supervisor of Food & Nutrition Services
Patricia Howard, Employee Benefits Specialist
Michael Hudson, Employee Benefits & Risk Manager
Anita Mullins, Supervisor of Human Resources
Kevin Shibley, Supervisor of Employee Relations
Mary Tillman served as the non-voting Chair of the Evaluation Committee
Analysis provided by Kathy Gordon and Theresa Conley, Siver Insurance Consultants

Proposal Prepared By:

Arlene Zimney, CPPB, C.P.M., Buyer

Reviewed and Authorized By:

Kendra Goodman, CPPO, CPPB, Purchasing Agent



Board of Directors
of Pasco County

APR 20 2010

Board Approval

DISTRICT SCHOOL BOARD OF PASCO COUNTY RFP TABULATION

Date of Opening: January 14, 2010	Alternative Service Concepts	F. A. Richard & Assoc. (FARA)	Fla. School Bd. Ins. Trust	Gallagher Bassett Services	Johns Eastern Co., Inc.	North American Risk Services
Proposal Title: Workers Compensation						
RFP 10-064-AZ	1000 Legion Pl, Ste. 700	1625 W. Causeway Appr.	800 N. Calhoun St.	Two Pierce Pl.	PO Box 110259	2600 Westhall La.
	Orlando, FL 32802	Mandeville, LA 70471	Tallahassee, FL 32303	Itasca, IL 60143	Lakewood Ranch, FL 34211	Maitland, FL 32751
Demonstration of competency & experience (max. 40 pts.)	26.90	25.50	30.60	32.20	38.00	26.70
Projected cost for services (max. 20 pts.)	13.30	11.90	18.10	10.50	12.20	13.20
Scope of services (max. 40 pts.)	35.80	30.40	29.60	23.60	38.40	35.60
Total to determine interviewees	76.00	67.80	78.30	66.30	88.60	75.50
Interviews (max. 50 pts.)			30.00		40.00	
TOTAL			108.30		128.60	

District School Board
of Pasco County
APR 20 2010
Board Approved

DISTRICT SCHOOL BOARD OF PASCO COUNTY RFP TABULATION

Date of Opening: January 14, 2010					
Proposal Title: Workers Compensation	OptaComp	Packard Claims Admin. Inc.	PMA Management Corp.	Preferred Govt. Claim Solutions	
RFP 10-064-AZ	PO Box 44291	2739 US 19 North	2701 Rocky Pt. Drive, Ste 250	615 Crescent Exec. Ct.	
	Jacksonville, FL 32231	Holiday, FL 34691	Tampa, FL 33607	Lake Mary, FL 327446	
BOARD MEETING APRIL 20, 2010					
Demonstration of competency & experience (max. 40 pts.)	32.30	20.40	22.80	33.60	FINAL RANKING
Projected cost for services (max. 20 pts.)	12.50	20.00	12.20	13.60	HIGH TO LOW
Scope of services (max. 40 pts.)	33.60	35.60	33.20	34.00	1) Johns Eastern
					2) OptaComp
					3) PGCS
					4) FSBIT
Total to determine interviewees	78.40	76.00	68.20	81.20	
Interviews (max. 50 pts.)	45.20			35.80	
TOTAL	123.60			117.00	

District School Board
of Pasco County

APR 20 2010

DISTRICT SCHOOL BOARD OF PASCO COUNTY RFP TABULATION

Date of Opening: January 14, 2010								
Proposal Title: 3rd Party Liability Claims Admin. Services	Employers Mutual Inc (EMI) 700 Central Pkwy Palm Harbor, FL 34683	Gallagher Bassett Services Two Pierce Pl. Itasca, IL 60143	Johns Eastern Co., Inc. PO Box 110259 Lakewood Ranch, FL 34211	Preferred Govt. Claim Solutions 615 Crescent Exec. Ct. Lake Mary, FL 327446				
RFP 10-064-AZ								
BOARD MEETING APRIL 20, 2010								FINAL RANKING HIGH TO LOW
Demonstration of competency & experience (max. 40 pts.)	29.40	30.80	37.80	33.00	1) PGCS 2) Johns Eastern			
Projected cost for services (max. 20 pts.)	13.40	19.90	11.30	20.00				
Scope of services (max. 40 pts.)	27.00	25.80	37.00	37.20				
Total to determine interviewees	69.80	76.50	86.10	90.20				
Interviews (max. 50 pts.)			44.60	42.40				
TOTAL			130.70	132.60				

District School Board
of Pasco County

APR 20 2010

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