



BOARD OF SUPERVISORS AGENDA ITEM REPORT **CONTRACTS / AWARDS / GRANTS**

☐ Award ☒ Contract ☐ Grant

Requested Board Meeting Date: 09/21/2021

** = Mandatory, information must be provided*

or Procurement Director Award ☐

***Contractor/Vendor Name/Grantor (DBA):**

Tristar Risk Management (Headquarters: Long Beach, CA)

***Project Title/Description:**

Workers Compensation Claims Administration

***Purpose:**

Award: Master Agreement No. MA-PO-22-023. This Master Agreement is for an initial term of one (1) year in the annual award amount of \$400,000.00 (including sales tax) and includes four (4) one-year renewal options.

Administering Department: Human Resources.

***Procurement Method:**

Pursuant to Pima County Procurement Code 11.12.020, Competitive sealed proposals, Solicitation No. RFP-PO-2100018 was conducted. Four (4) responses were received. Award is to the responsive and responsible respondent submitting the highest scoring proposal.

PRCUID: 406059

Attachments: Notice of Recommendation for Award and Professional Services Contract.

***Program Goals/Predicted Outcomes:**

Timely administration, processing and adjustment of workers' compensation claims in compliance with the laws and regulations of the State of Arizona.

***Public Benefit:**

Provide targeted services as defined by the County at competitive prices with no hidden costs.

***Metrics Available to Measure Performance:**

Claims will be reviewed to ensure timely provision of medical services at discounted rates with exceptional customer satisfaction.

***Retroactive:**

No.

Procure Dept 09/18/21 PM0936

Contract / Award Information

Document Type: MA Department Code: PO Contract Number (i.e., 15-123): 22-023
 Commencement Date: 01/01/2022 Termination Date: 12/31/2022 Prior Contract Number (Synergen/CMS): _____
☒ Expense Amount: \$* 400,000.00 400,000.00 per? ☐ Revenue Amount: \$ _____

*Funding Source(s) required: Self-Insurance Fund

Funding from General Fund? ☐ Yes ☒ No If Yes \$ _____ % _____

Contract is fully or partially funded with Federal Funds? ☐ Yes ☒ No

If Yes, is the Contract to a vendor or subrecipient? _____

Were insurance or indemnity clauses modified? ☐ Yes ☒ No

If Yes, attach Risk's approval.

Vendor is using a Social Security Number? ☐ Yes ☒ No

If Yes, attach the required form per Administrative Procedure 22-10.

Amendment / Revised Award Information

Document Type: _____ Department Code: _____ Contract Number (i.e., 15-123): _____
 Amendment No.: _____ AMS Version No.: _____
 Commencement Date: _____ New Termination Date: _____
 Prior Contract No. (Synergen/CMS): _____
☐ Expense or ☐ Revenue ☐ Increase ☐ Decrease Amount This Amendment: \$ _____
 Is there revenue included? ☐ Yes ☐ No If Yes \$ _____

*Funding Source(s) required: _____

Funding from General Fund? ☐ Yes ☐ No If Yes \$ _____ % _____

Grant/Amendment Information (for grants acceptance and awards) ☐ Award ☐ Amendment

Document Type: _____ Department Code: _____ Grant Number (i.e., 15-123): _____
 Commencement Date: _____ Termination Date: _____ Amendment Number: _____
☐ Match Amount: \$ _____ ☐ Revenue Amount: \$ _____

*All Funding Source(s) required: _____

*Match funding from General Fund? ☐ Yes ☐ No If Yes \$ _____ % _____

*Match funding from other sources? ☐ Yes ☐ No If Yes \$ _____ % _____

*Funding Source: _____

*If Federal funds are received, is funding coming directly from the Federal government or passed through other organization(s)? _____

Contact: Procurement Officer: Shirley Kelsey Braun- Digitally signed by Kelsey Braun- Shirley Date: 2021.09.07 16:38:01 -0700 Division Manager: Ana Wilber Digitally signed by Ana Wilber Date: 2021.09.08 07:56:04 -0700
 Department: Procurement Director: Terri Spencer Digitally signed by Terri Spencer Date: 2021.09.08 06:35:06 -0700 Telephone: (520)724-7466
 Department Director Signature/Date: [Signature] 9/30/2021
 Deputy County Administrator Signature/Date: [Signature] 9/10/2021
 County Administrator Signature/Date: C. DeLubben 9/13/21
 (Required for Board Agenda/Addendum Items)

Pima County Department of Human Resources

Project: Workers Compensation Claims Administration

Contractor: Tristar Risk Management
100 Oceangate, Suite 840
Long Beach, CA 90802

Amount: \$400,000.00

Contract No.: MA-PO-22-023

Funding: Self Insurance Trust Fund

PROFESSIONAL SERVICES CONTRACT

1. Parties, Background and Purpose.

- 1.1. Parties. This Contract is between Pima County, a body politic and corporate of the State of Arizona ("County"), and Tristar Risk Management ("Contractor").
- 1.2. Purpose. The Pima County Human Resources Department requires the administration, processing and adjustment of workers' compensation claims.
- 1.3. Authority. County selected Contractor pursuant to and consistent with County's Procurement Code 11.12.020 Competitive Sealed Proposals;
- 1.4. Solicitation and Other Documents. County previously issued Solicitation No. RFP-PO-2100018 for certain services (the "Solicitation"). Requirements and specifications contained in the Solicitation, all documents included in the Solicitation, and any information and documentation submitted by Contractor in response to the Solicitation, are incorporated into this Contract by reference.
- 1.5. Contractor's Response. Contractor submitted the most advantageous response to the Solicitation.

2. Term.

- 2.1. Initial Term. The term of this Contract commences on January 1, 2022 and will terminate on December 31, 2022 ("Initial Term"). "Term," when used in this Contract, means the Initial Term plus any exercised extension options under Section 2.2. If the commencement date of the Initial Term is before the signature date of the last party to execute this Contract, the parties will, for all purposes, deem the Contract to have been in effect as of the commencement date.
- 2.2. Extension Options. County may renew this Contract for up to four (4) additional periods of up to 1 year each (each an "Extension Option"). An Extension Option will be effective only upon execution by the Parties of a formal written amendment.

3. Scope of Services. Contractor will provide County with the services described in **Exhibit A** (10 pages) upon demand. The Services must comply with all requirements and specifications in the Solicitation.

4. Key Personnel. Contractor will employ suitably trained and skilled professional personnel to perform all consultant services under this Contract. Prior to changing any key personnel, especially those key personnel County relied upon in making this Contract, Contractor will obtain the approval of County. The key personnel include the following staff:

Name: Jason Shultz	Title: Vice President/Executive Sponsor
Name: Ruby Williams	Title: Branch Manager/Account Manager
Name: Marjorie Rodriguez	Title: Workers' Compensation Claims Supervisor
Name: Delina Ruiz	Title: Senior Workers' Compensation Adjuster
Name: Holly Harris	Title: Workers' Compensation Adjuster

5. Compensation and Payment.

- 5.1. Rates; Adjustment. County will pay Contractor at the rates set forth in **Exhibit B** (5 page). Those rates will remain in effect during an Extension Option period unless Contractor, at least 90 days before the end of the then-existing Term, or at the time the County informs Contractor that the County intends to extend the Term, if that is earlier, notifies County in writing of any adjustments to those rates, and the reasons for the adjustments.
- 5.2. Not-to-Exceed (NTE) Amount. County's total payments to Contractor under this Contract, including any sales taxes, may not exceed \$400,000.00 (the "NTE Amount"). The NTE Amount can only be changed by a formal written amendment executed by the Parties. Contractor is not required to provide any services, payment for which will cause the County's total payments under this Contract to exceed the NTE Amount; if Contractor does so, it is at the Contractor's own risk.
- 5.3. Sales Taxes. The payment amounts or rates in **Exhibit B** do not include sales taxes. Contractor may invoice County for sales taxes that Contractor is required to pay under this Contract. Contractor will show sales taxes as a separate line item on invoices.
- 5.4. Timing of Invoices. Contractor will invoice County on a monthly basis unless a different billing period is set forth in **Exhibit B**. County must receive invoices no more than 30 days after the end of the billing period in which Contractor delivered the invoiced products or services to County. County may refuse to pay for any product or service for which Contractor does not timely invoice the County and, pursuant to A.R.S. § 11-622(C), will not pay for any product or service invoiced more than 6-months late.
- 5.5. Content of Invoices. Contractor will include detailed documentation in support of its invoices and assign each amount billed to an appropriate line item.
- 5.6. Invoice Submittal. Invoices are to be sent to:

Pima County Finance & Risk Management – Accounts Payable
P.O. Box 791
Tucson, AZ 85701
- 5.7. Invoice Adjustments. County may, at any time during the Term and during the retention period set forth in Section 24 below, question any payment under this Contract. If County raises a question about the propriety of a past payment, Contractor will cooperate with County in reviewing the payment. County may set-off any overpayment against amounts due to Contractor under this or any other contract between County and Contractor. Contractor will promptly pay to County any overpayment that County cannot recover by set-off.

6. Insurance. Contractor will procure and maintain at its own expense insurance policies (the "**Required Insurance**") satisfying the below requirements (the "**Insurance Requirements**") until all of its obligations under this Contract have been met. The below Insurance Requirements are minimum requirements for this Contract and in no way limit Contractor's indemnity obligations under this Contract. The County in no way warrants that the required insurance is sufficient to protect the Contractor for liabilities that may arise from or relate to this Contract. If necessary, Contractor may obtain commercial umbrella or excess insurance to satisfy the Insurance Requirements.

- 6.1. Insurance Coverages and Limits. Contractor will procure and maintain, until all of its obligations have been discharged, coverage with limits of liability not less than those stated below. Coverage must be placed with insurers acceptable to the County with A.M. Best rating of not less than A-VII, unless otherwise approved by the County.
 - 6.1.1. Commercial General Liability (CGL). Occurrence Form with limits not less than \$2,000,000 Each Occurrence and \$2,000,000 General Aggregate. Policy shall include cover for liability arising from premises, operations, independent contractors, personal injury, bodily injury, broad form

contractual liability and products-completed operations. Any standard coverages excluded from the CGL policy, such as products/completed operations, etc. shall be covered by endorsement or separate policy and documented on the Certificates of Insurance.

- 6.1.2. Business Automobile Liability. Coverage for bodily injury and property damage on any owned, leased, hired, and/or non-owned autos assigned to or used in the performance of this Contract with minimum limits not less than \$1,000,000 Each Accident.
- 6.1.3. Workers' Compensation and Employers' Liability. Statutory coverage for Workers' Compensation. Workers' Compensation statutory coverage is compulsory for employers of one or more employees. Employers Liability coverage with limits of \$1,000,000 each accident and \$1,000,000 each employee – disease.
- 6.1.4. Professional Liability (E&O Insurance). This insurance is required for work from professionals whose coverage is excluded from the above CGL policy. The policy limits shall be not less than \$2,000,000 Each Claim and \$2,000,000 Annual Aggregate. The insurance shall cover professional misconduct or negligent acts of anyone performing any services under this contract.
- 6.1.5. Network Security (Cyber)/Privacy Insurance – Coverage shall have minimum limits not less than \$2,000,000 Each Claim with a \$2,000,000 Annual Aggregate. Such insurance shall include, but not be limited to, coverage for third party claims and losses with respect to network risks (such as data breaches, unauthorized access or use, ID theft, theft of data) and invasion of privacy regardless of the type of media involved in the loss of private information, crisis management and identity theft response costs. This should also include breach notification costs, credit remediation and credit monitoring, defense and claims expenses, regulatory defense costs plus fines and penalties, cyber extortion, computer program and electronic data restoration expenses coverage (data asset protection), network business interruption, computer fraud coverage, and funds transfer loss.
- 6.2. Additional Insurance Requirements. The policies shall include, or be endorsed to include, as required by this written agreement, the following provisions.
 - 6.2.1. Claims Made Coverage. If any part of the Required Insurance is written on a claims-made basis, any policy retroactive date must precede the effective date of this Contract, and Contractor must maintain such coverage for a period of not less than three (3) years following Contract expiration, termination or cancellation.
 - 6.2.2. Additional Insured Endorsement. The General Liability and Business Automobile Liability Policies shall each be endorsed to include County, its departments, districts, officials, agents, and employees as additional insureds with respect to liability arising out of the activities performed by or on behalf of the Contractor.
 - 6.2.3. Subrogation Endorsement. The General Liability, Business Automobile Liability and Workers' Compensation Policies shall each contain a waiver of subrogation endorsement in favor of County, and its departments, districts, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.
 - 6.2.4. Primary Insurance Endorsement. The Required Insurance policies must stipulate that they are primary and that any insurance carried by County, or its agents, officials, or employees, is excess and not contributory insurance.
 - 6.2.5. The Required Insurance policies may not obligate the County to pay any portion of a Contractor's deductible or Self Insurance Retention (SIR). Insurance provided by the Contractor shall not limit the Contractor's liability assumed under the indemnification provisions of this Contract.

6.2.6. Subcontractors. Contractor must either (a) include all subcontractors as additional insureds under its Required Insurance policies, or (b) require each subcontractor to separately meet all Insurance Requirements and verify that each subcontractor has done so, Contractor must furnish, if requested by County, appropriate insurance certificates for each subcontractor. Contractor must obtain County's approval of any subcontractor request to modify the Insurance Requirements as to that subcontractor.

6.3. Notice of Cancellation. For each insurance policy required by the insurance provisions of this Contract, the Contractor must provide to County, within two (2) business days of receipt of notice, if a policy is suspended, voided, or cancelled for any reason. Such notice shall be mailed, emailed, hand-delivered or sent by facsimile transmission to the County Contracting Representative. Notice shall include County's project or contract number and project description.

6.4. Verification of Coverage.

6.4.1. Contractor must furnish County with a certificate of insurance (valid ACORD form or equivalent approved by County) for each Required Insurance policy, which must specify that the policy has all the required endorsements, and must include County's project or contract number and project description. Each certificate must be signed by an authorized representative of the insurer.

6.4.2. Contractor must provide the certificates to County before work commences. Each Required Insurance policy must be in effect at least 10 days before work under this Contract commences. Contractor must provide County a renewal certificate not less than 15 days prior to a Required Insurance policy's expiration date. Failure to maintain the Required Insurance policies, or to provide evidence of renewal, is a material breach of this Contract.

6.4.3. County may at any time require Contractor to provide a complete copy of any Required Insurance policy or endorsement. Note: Contractors for larger projects must provide actual copies of the additional insured and subrogation endorsements.

6.4.4. All insurance certificates must be sent directly to the appropriate County Department.

6.5. Approval and Modifications. County's Risk Manager may modify the Insurance Requirements at any point during the Term of this Contract. This can be done administratively, with written notice from the Risk Manager and does not require a formal Contract amendment. Neither the County's failure to obtain a required insurance certificate or endorsement, the County's failure to object to a non-complying insurance certificate or endorsement, nor the County's receipt of any other information from the Contractor, its insurance broker(s) and/or insurer(s), constitutes a waiver of any of the Insurance Requirements.

7. **Indemnification**. To the fullest extent permitted by law, Contractor will defend, indemnify, and hold harmless County and any related taxing district, and the officials and employees of each of them (collectively, "Indemnitee") from and against any and all claims, actions, liabilities, losses, and expenses (including reasonable attorney fees) (collectively, "Claims") arising out of actual or alleged injury of any person (including death) or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by any act or omission of Contractor or any of Contractor's directors, officers, agents, employees, volunteers, or subcontractors. This indemnity includes any claim or amount arising or recovered under the Workers' Compensation Law or arising out of the failure of Contractor to conform to any federal, state or local law, statute, ordinance, rule, regulation or court decree. The Indemnitee will, in all instances, except for Claims arising from the acts or omissions of the Indemnitee, be indemnified by Contractor from and against any and all Claims. Contractor is responsible for primary loss investigation, defense and judgment costs for any Claim to which this indemnity applies. This indemnity will survive the expiration or termination of this Contract.

8. Laws and Regulations.

8.1. Compliance with Laws. Contractor will comply with all federal, state, and local laws, rules, regulations, standards and Executive Orders.

8.2. Licensing. Contractor warrants that it is appropriately licensed to provide the services under this Contract and that its subcontractors will be appropriately licensed.

8.3. Choice of Law; Venue. The laws and regulations of the State of Arizona govern the rights and obligations of the parties under this Contract. Any action relating to this Contract must be filed and maintained in the appropriate court of the State of Arizona in Pima County.

9. **Independent Contractor.** Contractor is an independent contractor. Neither Contractor, nor any of Contractor's officers, agents or employees will be considered an employee of County for any purpose or be entitled to receive any employment-related benefits, or assert any protections, under County's Merit System. Contractor is responsible for paying all federal, state and local taxes on the compensation received by Contractor under this Contract and will indemnify and hold County harmless from any and all liability that County may incur because of Contractor's failure to pay such taxes.

10. **Subcontractors.** Contractor is fully responsible for all acts and omissions of any subcontractor, and of persons directly or indirectly employed by any subcontractor, and of persons for whose acts any of them may be liable, to the same extent that the Contractor is responsible for the acts and omissions of its own employees. Nothing in this Contract creates any obligation on the part of County to pay or see to the payment of any money due any subcontractor, except as may be required by law.

11. **Assignment.** Contractor may not assign its rights or obligations under this Contract, in whole or in part, without the County's prior written approval. County may withhold approval at its sole discretion.

12. **Non-Discrimination.** Contractor will comply with all provisions and requirements of Arizona Executive Order 2009-09, which is hereby incorporated into this contract, including flow-down of all provisions and requirements to any subcontractors. During the performance of this Contract, Contractor will not discriminate against any employee, client or any other individual in any way because of that person's age, race, creed, color, religion, sex, disability or national origin.

13. **Americans with Disabilities Act.** Contractor will comply with Title II of the Americans with Disabilities Act (Public Law 110-325, 42 U.S.C. §§ 12101-12213) and the federal regulations for Title II (28 CFR Part 35).

14. **Authority to Contract.** Contractor warrants its right and power to enter into this Contract. If any court or administrative agency determines that County does not have authority to enter into this Contract, County will not be liable to Contractor or any third party by reason of such determination or by reason of this Contract.

15. **Full and Complete Performance.** The failure of either party to insist, in one or more instances, upon the other party's complete and satisfactory performance under this Contract, or to take any action based on the other party's failure to completely and satisfactorily perform, is not a waiver of that party's right to insist upon complete and satisfactory performance, or compliance with any other covenant or condition in this Contract, either in the past or in the future. The acceptance by either party of sums less than may be due and owing it at any time is not an accord and satisfaction.

16. **Cancellation for Conflict of Interest.** This Contract is subject to cancellation for conflict of interest pursuant to A.R.S. § 38-511, the pertinent provisions of which are incorporated into this Contract by reference.

17. Termination by County.

17.1. Without Cause. County may terminate this Contract at any time without cause by notifying Contractor, in writing, at least 30 days before the effective date of the termination. In the event of such termination, County's only obligation to Contractor will be payment for services rendered prior to the date of termination.

17.2. With Cause. County may terminate this Contract at any time without advance notice and without further obligation to County when County finds Contractor to be in default of any provision of this Contract.

17.3. Non-Appropriation. Notwithstanding any other provision in this Contract, County may terminate this Contract if for any reason there are not sufficient appropriated and available monies for the purpose of maintaining County or other public entity obligations under this Contract. In the event of such termination, County will have no further obligation to Contractor, other than to pay for services rendered prior to termination.

18. **Notice**. Any notice required or permitted to be given under this Contract must be in writing and be served by personal delivery or by certified mail upon the other party as follows:

County:

Contractor:

Terri Spencer, Procurement Director
150 W. Congress Street 5th Floor
Tucson, AZ 85701
Terri.Spencer@pima.gov, (520) 724-3722

Thomas J. Veale, President
100 Oceangate, Suite 840
Long Beach, CA 90802
Tom.Veale@TRISTARgroup.net, (562) 495-6600 Ext. 1043

19. **Non-Exclusive Contract**. Contractor understands that this Contract is nonexclusive and is for the sole convenience of County. County reserves the right to obtain like services from other sources for any reason.

20. **Remedies**. Either party may pursue any remedies provided by law for the breach of this Contract. No right or remedy is intended to be exclusive of any other right or remedy and each is cumulative and in addition to any other right or remedy existing at law or at equity or by virtue of this Contract.

21. **Severability**. Each provision of this Contract stands alone, and any provision of this Contract found to be prohibited by law will be ineffective to the extent of such prohibition without invalidating the remainder of this Contract.

22. **Use of County Data**. Unless it receives County's prior written consent, Contractor: (a) shall not access, process, or otherwise use County Data other than as necessary to provide contracted services or products; and (b) shall not intentionally grant any third party access to County Data, including without limitation Contractor's other customers, except subcontractors that are subject to a reasonable nondisclosure agreement. Notwithstanding the foregoing, Contractor may disclose County Data as required by applicable law or by proper legal or governmental authority. Contractor shall give County prompt notice of any such legal or governmental demand and reasonably cooperate with County in any effort to seek a protective order or otherwise to contest such required disclosure, at County's expense. Upon termination or completion of the Contract, Contractor will, within 60 calendar days, either return all County Data to County or will destroy County Data and confirm destruction to County in writing. As between the parties, County retains ownership of County Data. "County Data" means data in electronic or paper form provided to Contractor by County, including without limitation personal identifying information as defined in A.R.S. § 13-2001(10).

23. **Books and Records**. Contractor will keep and maintain proper and complete books, records and accounts, which will be open at all reasonable times for inspection and audit by duly authorized representatives of County. In addition, Contractor will retain all records relating to this Contract for at least five (5) years after its expiration or termination or, if later, until any related pending proceeding or litigation has concluded.

24. **Public Records.**

24.1. Disclosure. Pursuant to A.R.S. § 39-121 et seq., all documents submitted in response to the solicitation resulting in award of this Contract, including, but not limited to, pricing schedules, product specifications, work plans, and any supporting documents, are public records. As such, those documents are subject to release and/or review by the general public upon request, including competitors.

24.2. Records Marked Confidential; Notice and Protective Order. If Contractor reasonably believes that some of its records contain proprietary, trade-secret or otherwise-confidential information, Contractor must prominently mark those records "CONFIDENTIAL" before submitting them to County. In the event a public-records request is submitted to County for records marked CONFIDENTIAL, County will notify Contractor of the request as soon as reasonably possible. County will release the records 10 business days after the date of that notice, unless Contractor has, within that period, secured an appropriate order from a court of competent jurisdiction in Arizona, enjoining the release of the records. County will not, under any circumstances, be responsible for securing such an order, nor will County be in any way financially responsible for any costs associated with securing such an order.

25. Legal Arizona Workers Act Compliance.

25.1. Compliance with Immigration Laws. Contractor hereby warrants that it will at all times during the term of this Contract comply with all federal immigration laws applicable to its employment of its employees, and with the requirements of A.R.S. § 23-214 (A) (together the "State and Federal Immigration Laws"). Contractor will further ensure that each subcontractor who performs any work for Contractor under this Contract likewise complies with the State and Federal Immigration Laws.

25.2. Books & Records. County has the right at any time to inspect the books and records of Contractor and any subcontractor in order to verify such party's compliance with the State and Federal Immigration Laws.

25.3. Remedies for Breach of Warranty. Any breach of Contractor's or any subcontractor's warranty of compliance with the State and Federal Immigration Laws, or of any other provision of this section, is a material breach of this Contract subjecting Contractor to penalties up to and including suspension or termination of this Contract. If the breach is by a subcontractor, and the subcontract is suspended or terminated as a result, Contractor will be required to take such steps as may be necessary to either self-perform the services that would have been provided under the subcontract or retain a replacement subcontractor, as soon as possible so as not to delay project completion. Any additional costs attributable directly or indirectly to such remedial action are the responsibility of Contractor.

25.4. Subcontractors. Contractor will advise each subcontractor of County's rights, and the subcontractor's obligations, under this Section 25 by including a provision in each subcontract substantially in the following form:

"Subcontractor hereby warrants that it will at all times during the term of this contract comply with all federal immigration laws applicable to Subcontractor's employees, and with the requirements of A.R.S. § 23-214 (A). Subcontractor further agrees that County may inspect the Subcontractor's books and records to insure that Subcontractor is in compliance with these requirements. Any breach of this paragraph by Subcontractor is a material breach of this contract subjecting Subcontractor to penalties up to and including suspension or termination of this contract."

26. Grant Compliance. Not applicable to this Agreement.

27. Written Orders. County will order services under this Contract by issuing a Delivery Order (DO) document. Order documents will be furnished to Contractor via e-mail or telephone.

Contractor must not perform services pursuant to the contract that are not documented or authorized by a Delivery Order (DO) at the time of provision. County accepts no responsibility for control of or payment for services not documented by a County Delivery Order (DO).

Contractor will establish, monitor, and manage an effective contract administration process that assures compliance with all requirements of this Contract. In particular, Contractor will not provide services other than those described in this Contract, in excess of the Maximum Payment Amount, or after the Term of the

Contract has ended, without a Contract amendment properly executed and issued by County, as provided below. Any services provided in excess of that stated in this Contract are at Contractor's own risk.

- 28. Counterparts.** The parties may execute the Contract that County awards pursuant to the solicitation in any number of counterparts, each counterpart is considered an original, and together such counterparts constitute one and the same instrument.
- 29. Israel Boycott Certification.** Pursuant to A.R.S. § 35-393.01, if Contractor engages in for-profit activity and has 10 or more employees, and if this Contract has a value of \$100,000.00 or more, Contractor certifies it is not currently engaged in, and agrees for the duration of this Contract to not engage in, a boycott of goods or services from Israel. The certification does not apply to a boycott prohibited by 50 U.S.C. § 4842 or a regulation issued pursuant to 50 U.S.C. § 4842.
- 30. Amendment.** The parties may modify, amend, alter or extend this Contract only by a written amendment signed by the parties.
- 31. Entire Agreement.** This document constitutes the entire agreement between the parties pertaining to the subject matter it addresses, and this Contract supersedes all prior or contemporaneous agreements and understandings, oral or written.

THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK

This Contract will become effective when all parties have signed it. The effective date of the Contract will be the date this Contract is signed by the last party (as indicated by the date associated with that party's signature).

IN WITNESS WHEREOF, the parties have approved this Professional Services Contract and agree to be bound by the terms and conditions of the Contract on the dates written below.

PIMA COUNTY

Chair, Board of Supervisors

Date

CONTRACTOR



Authorized Officer Signature

Thomas J. Veale President

Printed Name and Title

8/27/21

Date

ATTEST

Clerk of the Board

Date

APPROVED AS TO FORM



Deputy County Attorney

Daniel Jurkowitz

Print DCA Name

08/11/2021

Date

APPROVED AS TO CONTENT



Department Head

9/10/2021

Date

EXHIBIT A: SCOPE OF SERVICES (10 PAGES)

1. GENERAL SPECIFICATIONS

- 1.1. Communicate activity and any issues or problems on complex claims through telephonic and quarterly meetings with County.
 - a. Create a Workers' Compensation Claims Manual, with input from the County, for the program, outlining roles and responsibilities for all involved in the program within the first six (6) months of the contract award.
 - b. Contractor will begin the implementation process immediately upon Contract award and be prepared to initiate a planning session with Pima County Human Resources (PCHR) within two (2) weeks of contract award. The planning session will include discussion of the implementation plan provided by the Contractor. For the purposes of the implementation effort, the Contractor will assign an implementation manager, whose responsibilities include the development of a work plan, coordination of Contractor resources, oversight of the implementation work plan and project effort and facilitation of any collaborative project meetings.
- 1.2. Contractor will provide third party administration services required for the management of the County's workers' compensation program. Contractor will process worker compensation claims and manage claims and related services, including but not limited to the management of:
 - a. Claim adjusting services to include initial and ongoing contact, investigations, recorded statements, reserves levels, action plans, closing claims, payments and financial/accounting.
 - b. Subrogation.
 - c. Filing reports with the State of Arizona, Pima County Finance and Risk Management and excess insurance providers.
 - d. Negotiations and settlement of claims for amounts pre-approved by the County.
 - e. Litigation support/management.
 - f. Independent medical exams and rehabilitation services.
 - g. Claims data administration, maintenance and reporting.
 - h. Claims related data and document transfer to and from Contractor's system to the County's RMIS (Origami).
- 1.3. Collectively, the services described herein will be referred to as the "Program".

2. CLAIMS CLASSIFICATIONS AS DEFINED BY PIMA COUNTY:

- 2.1. Complex claims will include:
 - a. Claims with lost time paid or anticipated loss time.
 - b. Occupational disease and/or accidents.
 - c. Cumulative trauma/repetitive motion upper extremity injuries.
 - d. High-severity/catastrophic/death claims.
 - e. Specific claims such as:
 - Questionable injuries-including claims that initially may be medical only.
 - Red flags when identified by PCHR: spinal injuries, knee injuries and shoulder injuries to name the most common.
 - Other red flags include but are not limited to: multiple prior claims, late reported claims and claims with factual disputes.
 - f. Claims that nurses (telephonic or field) are assigned to the claim to assist the claims adjuster in the medical management of the injury.
 - g. Claims with possible subrogation recovery.
 - h. Adjuster must be ready to discuss with PCHR the claims identified in advance for the weekly telephonic claims meetings.
- 2.2. Non-complex claims will include:
 - a. Claims anticipated not to have any lost time paid (medical claims only).
 - b. Minor injuries.

- c. Exposures.
- d. Low severity claims.
- e. First aid claims.
- f. Maintenance claims (resolved claims only open for Loss of Earning Capacity (LEC) or Supportive Care Award (SCA)).

2.3. Maintenance claims will include:

- a. Resolved fatality claims.
- b. Claims open only for SCA and/or LEC award.
- c. Maintenance claims are counted in the non-complex adjuster's case load.

3. PROGRAM STAFFING STRUCTURE:

3.1. Contractor will provide an account manager to be:

- a. The main point of contact during any transition and implementation process.
- b. A point of contact for the County regarding contract performance and overall program management, etc.

3.2. Provide an experienced claims manager to provide oversight to the program to include organizing claim meetings, adjuster issues and overall claims management.

3.3. Dedicated adjusters and caseloads:

- a. Complex claims adjusters' caseloads will not exceed 120 open cases.
- b. Non-complex claim adjusters' caseload will not exceed 180 open cases.
- c. Maintenance claims are counted in the non-complex adjusters' case load.

3.4. Changes in caseloads and assignments during the contract:

- a. Any changes in adjusters' caseloads or staff assignment from the initial agreement or other material change in workloads or assignments, that are anticipated to last 30 days or longer, requires notification and written authorization by PCHR. PCHR will be notified and sent request for authorization within the 30-day period.
- b. For staffing structure changes, including temporary assignments, that are expected to last 30 days or longer, notification to and authorization by PCHR is required within 30 days of the change.
- c. If an adjuster, working on the County's account, has a total caseload that exceeds that allowable caseload in section 3.3, the County and the Contractor shall meet and reach consensus as to appropriate caseloads or agree upon staff increase/decreases to assure appropriate services are provided.
- d. In the event the consensus cannot be achieved, the recommendation of PCHR, with adequate industry data for support, will be instituted. Industry data may include recommendations from brokers' industry experts or County consultant, etc.
- e. A nurse case manager is to work with a claim adjuster to assist in the management of the medical and disability portion of the claim. The claim adjuster will continue to be accountable for the overall management of the claim.

4. CLAIM ASSIGNMENT:

4.1. Pima County enters claims into Origami and data is transferred to the Contractor before work the next day. Claims entered at any time during the work day are transferred to the Contractor at 12:00 A.M. the following day.

4.2. New claims are reviewed and assigned by the claims manager on the day the claim is received in the office.

4.3. Supervisor will assign claims within the same day of claim receipt by the Contractor to either a complex claim adjuster or a non-complex claim adjuster, using PCHR claim classifications as defined within this scope of services.

5. INITIAL CONTACT REQUIREMENTS:

- 5.1.** Complex claims: A three (3) point contact will be made by the adjuster with the claimant, medical provider and employer (department supervisor) within one (1) business day after receipt of the claim by the Contractor.
- 5.2.** Non-complex claims: A two (2) point contact will be made with the claimant and medical provider by the adjuster within one (1) business day after receipt of the claim by the Contractor.
- 5.3.** If any of the initial contacts are unsuccessful:
 - a. Two additional attempts will be made to contact the claimant telephonically after the initial phone call.
 - b. After the additional second unsuccessful contact attempt with the claimant has been made, the Contractor will contact the claimant's supervisor and issue a contact letter to the claimant within three business days of the initial phone call. If no response, adjuster will then notify PCHR for assistance.
 - c. All contact attempts including successful contacts will be immediately documented in the electronic claim file, including a summary of the results of the successful contact.
- 5.4.** When making contact with County employees who are applying for, or receiving workers' compensation benefits, Contractors representative will introduce themselves, provide clear information about their role and responsibilities and provide clear and complete information concerning the content, purpose and schedule of future contacts to be made with the employee.
- 5.5.** When County employees have questions regarding their claims, the Contractors claims adjusters and related staff must make reasonable efforts to explain pertinent rights, regulations and responsibilities to the employees in a professional and courteous manner.
- 5.6.** In the event a claim is reassigned from one adjuster to another, a two (2) point contact with the claimant and PCHR is required within one (1) business day of the reassignment to notify the parties of the new adjuster and contact information for the adjuster.

6. ONGOING CONTACT REQUIREMENTS:

- 6.1.** Contact by the adjuster with the claimant:
 - a. For complex claims: contact with the claimant will be every 14 days for claimants losing time or after follow-up visit with the treating physician.
 - b. Once a modified duty or regular duty release has been achieved claimant contact will be made every 30 days for the life of the claim.
 - c. Maintenance claims do not require claimant contact. Adjuster will need to review every 30 days, the claim file, including bills for payment. Every three (3) months the adjuster will review the plan of action (POA) to include:
 - A review of treatment plans for compliance with SCA's.
 - Scheduling six (6) months of LEC payments.
 - Obtain a wellness check report and;
 - Annual income information, if applicable.
- 6.2.** Adjusters contact will be courteous and professional.
- 6.3.** Summary of all contacts with the claimant will be documented the same day in the electronic claim file.
- 6.4.** An adjuster will contact PCHR immediately if:
 - a. A County employee refuses to cooperate with the claim investigation,
 - b. Fails to comply with the treatment plan,
 - c. Fails to comply with return to work,
 - d. Fails to appear for an Independent Medical Exam (IME), or;
 - e. There are other infractions negatively impacting the management of the claim.
- 6.5.** The adjuster will make every effort to return phone calls to the claimant the same day, but not later than the next business day.
- 6.6.** If the adjuster cannot reach claimant, the adjuster will inform PCHR.

7. CLAIM INVESTIGATION:

- 7.1. A claim investigation will be conducted and substantially completed on all claims within seven (7) days of the receipt of the claim by the Contractor.
- 7.2. The extent of the claim investigation will be equivalent to the complexity of the case; however, all claims investigations will include a minimum of the following:
 - a. Review of accident, injury and claim documentation for the incident.
 - b. Review of the coverage of the claim including documentation of self-insured retention limits.
 - c. Claims adjuster will obtain reports on all Industrial Commission of Arizona (ICA) prior claims.
- 7.3. The results of the investigation and an evaluation of claim compensability and coverage will be clearly documented in the electronic claim file.
- 7.4. Claim determinations will be submitted to and reviewed by PCHR.

8. TELEPHONIC RECORDED STATEMENTS:

- 8.1. A recorded statement will be obtained from the claimant for all claims that meet the complex claim classification. The recorded statement shall be done at the time of initial contact, but no later than three (3) business days after receipt of the claim.
- 8.2. In the event the adjuster is unable to obtain a recorded statement within three (3) business days, then the electronic file will be clearly documented with the reason for the failed recorded statement and an action plan and timeframe. Whether denial is appropriate based on failure to cooperate with the investigation, will be documented in the electronic claim file. Adjuster will contact PCHR if unable to get a recorded statement from the claimant.
- 8.3. Witness recorded statement will be obtained on all cases where, in the opinion of the adjuster and/or PCHR, the witness statement would be helpful in the investigation of the claim.
- 8.4. A summary of the recorded statement(s) will be documented in the electronic claim file.
- 8.5. Any information from the recorded statement that requires follow up should be documented in the action plan. When requested by PCHR, a transcript will be provided within two (2) working days.

9. ACTION PLANS:

- 9.1. All claims classified as complex claims will have a written action plan documented in the electronic claim file with seven (7) calendar days of receipt of the claim.
- 9.2. Action plans are to address when a claim meets excess carrier's reporting requirements as outlined in the County's insurance policy. For claims that meet the criteria, adjuster will submit the initial notice of claim to the excess insurer within the required timeframe. Thereafter, supplemental reports will be sent to the excess carrier on, at a minimum, an annual basis.
- 9.3. A supervisor/manager will review the initial action plan by the next business day after adjuster's posted action plan and comment on agreement with the action plan, adequacy of reserves, or provide additional claim management direction.
- 9.4. Action plans will be updated as circumstances dictate. Action plans will be proactive and address compensable condition(s), work status, medical status, industry standard medical/disability guidelines (i.e. Official Disability Guidelines (ODG)), litigation status and plan of action, with specific action steps and time frames.
- 9.5. All active claims open six (6) months or with reserves of \$10,000.00 or greater shall be reviewed by a supervisor or manager every 60 days. The reviews shall look at the appropriateness of the file reserves and claims handling strategy. The reviews, along with any direction provided to the adjuster, shall be documented in the electronic claim file.

10. COMPENSABILITY DECISIONS:

- 10.1. All compensability decisions on claims classified as complex claims will be reviewed with PCHR prior to acceptance or denial of the claim.
- 10.2. The adjuster will make phone contact with unrepresented claimants on all claim denials to explain the reasoning for denial.

10.3. For claimants that are represented, the adjuster will contact the attorney.

11. RETURN TO WORK (RTW):

- 11.1. The County has a very pro-active return to work program and all County Departments will accommodate work restrictions. If an issue arises contact PCHR immediately.
- 11.2. The adjuster, with assistance from a nurse case manager, if assigned, will assure that all cases are continually reviewed aggressively for return to work in either a full or modified duty capacity as quickly as possible. Timeframes for RTW are expected to be set and ODG, or similar standard, is expected to be a part of the initial and ongoing RTW timeframes.
- 11.3. The RTW process shall include such activities as:
 - a. Providing a copy of the employee's job description and physical description questionnaire (PDQ) to the doctor prior to employees' next visit if the doctor does not return the employee to full duty.
 - b. Immediate review of documentation and possible consultation following all appointments with the treating physician for diagnosis and the determination when the employee is able to return to work.
 - c. When a doctor is unfamiliar with the County's RTW program, educating the treating physician to the County's program and respect for the employee's restrictions.
 - d. Coordinating with Pima County to assure the employee returns to work.
 - e. Communicating with PCHR regarding any physical restrictions the employee is under and communicate when the restrictions are lifted or changed.

12. RESERVES:

- 12.1. Workers' Compensation reserves will be established by the Contractor at \$1,500.00 within three (3) business days of receipt of the claim. Within 30 days of receipt of the claim, the Contractor will adjust the reserves to reflect the expected ultimate cost based upon all information in the file. Each electronic claim file will contain reserve justification sheets or logs.
- 12.2. Reserves will be reviewed and addressed in each action plan and within 14 days of notification of material facts that change the exposure on the claim.
- 12.3. The adjuster will provide written notification to PCHR whenever a reserve is increased or decreased by increments of \$5,000.00 or more.
- 12.4. The adjuster will obtain written authorization from PCHR for any claim reserve increase or decrease of \$10,000.00 or more.
- 12.5. Claim reserves that are at or greater than \$100,000.00 and any subsequent increases requires a large loss report and pre-approval of increases by PCHR.

13. CLAIM PAYMENTS:

- 13.1. Timely payment of all benefits to lower negotiated rates obtained by applying ICA fee schedules and/or discounted fee arrangements negotiated either by Pima County or by the County's approved medical cost containment vendor.
- 13.2. Ensure that all claim payments are paid in a timely manner and in accordance with applicable State law, Arizona Revised Statutes (ARS) Title 23.
- 13.3. Contractor is required to submit notice to PCHR of any payments over \$2,500.00 which would require two signatures.
- 13.4. Contractor is required to notify and obtain PCHR written approval prior to processing any medical bills or indemnity payments that are \$10,000.00 or more. The Contractor will be delegated authority to issue payments for medical bills and indemnity payments that are less than \$10,000.00.
- 13.5. Contractor will review check requests prior to processing to ensure any duplicate checks are identified prior to being sent out.

14. LITIGATION:

- 14.1. Contractor will assign attorneys to litigated claims utilizing Pima County accepted outside counsel. Attorneys shall be experienced in defending workers' compensation claims. PCHR will assist and have final approval on legal counsel and verify contract fee schedule for litigated claims.
- 14.2. Acknowledgement of a lawsuit will be provided to Pima County within three (3) days from assignment, unless a response or appearance is due sooner.
- 14.3. Copies of all legal status reports received by the Contractor, along with other related correspondence and pleadings shall be provided to PCHR.
- 14.4. Contractor will advise PCHR of all hearings, depositions, mediations and related actions immediately upon receipt of such notice if counsel has not provided notice.
- 14.5. Contractor will obtain authorization of the use of alternative dispute resolution where possible and to County's benefit.

15. SETTLEMENTS:

- 15.1. The Contractor will have zero settlement authority.
- 15.2. All settlements must be approved jointly by Pima County Human Resources Deputy Director and Occupational Medical Manager.

16. CLOSING CLAIMS:

- 16.1. Closure notices for resolved claims where indemnity and/or medical benefits have been paid will be issued within five (5) business days of notice of discharge from care but remain open in RMIS for payment of final indemnity and/or medical benefits and pending any request for hearing.
- 16.2. Reserves will be reduced to zero following payment of final medical and indemnity benefits.
- 16.3. Claims only open for subrogation, with all other issues resolved and benefits paid, shall be kept in an open status with an active diary, but the reserves shall be reduced to \$100.
- 16.4. Copies of all notice of claim status including closures will be provided to PCHR.

17. SUBROGATION:

- 17.1. The Contractor will aggressively pursue recovery from all appropriate responsible third parties.
- 17.2. Requests for reimbursement of claim payments which exceed the County's self-insured retention will be submitted to the excess carrier by the responsible claims adjuster annually for the life of the claim.
- 17.3. Efforts for subrogation shall be documented in the electronic claim file.
- 17.4. If subrogation efforts have not been successful, adjuster is to notify PCHR and request authorization to close the file without recovery.

18. CLAIMS REVIEW MEETINGS:

- 18.1. Contractor will prepare to discuss specific cases at weekly telephonic claims meetings with PCHR representatives. Discussion will center on medical or RTW issues on active complex claims. PCHR will determine claims to be reviewed, with input or additions from Contractor. Such meetings will average 30 minutes but may occasionally run to a maximum of one hour.
- 18.2. Annually review contract compliance and performance metrics with account and claims manager, to review program objectives including:
 - a. Reduction of the County's workers' compensation costs, lost time and claims filing.
 - b. Review closing ratio of County claims in relation of the closing metric of 105%.
 - c. Actual trends (claims and medical) of the County's program.
 - d. Problem identification and resolutions (with timeframes).
 - e. Statistical information, analyses and recommendations.
- 18.3. PCHR with input from Contractor will determine claims to be reviewed at quarterly claim reviews between PCHR and Contractor. The quarterly meeting will be to review:
 - a. High exposure claims as determined by either the TPA or PCHR.
 - b. Claims issues identified during the reporting period and resolution.

- c. Claims denied in reporting period.
 - d. Caseload staffing-when change is anticipated.
 - e. Review of claim value and required reserves-if needed.
 - f. Adjusters will create a claims report for each claim to be presented at the meeting.
- 18.4. Action items from the quarterly meeting will be documented in meeting notes and distributed to ensure issues are addressed following the meeting.

19. FINANCIAL/ACCOUNTING BANKING INSTRUCTIONS:

- 19.1. Pima County will use a non-trust bank account at Bank of America (BOA) in Tucson, AZ.
- 19.2. Contractor will follow its own internal Statement on Standards for Attestation Engagements (SSAE) No. 16 controls as it relates to check security, signatures, etc.
- 19.3. Contractor will have a positive pay interface with BOA.
- 19.4. All responsibility for managing the BOA account rests with Pima County Finance.
- 19.5. Pima County will manage daily exceptions.
- 19.6. Contractor will document and notify Pima County of all stop pays, voids, refunds, recoveries. The Contractor's designated office will submit all such account transactions to Pima County Finance for processing.
- 19.7. The Contractor's accounting office will be copied on all transactions forwarded to Pima County Finance and be responsible for applying adjustments for financial transaction to individual claims in the claims system.
- 19.8. Checks returned to the Contractor will be forwarded to Pima County Finance. Transaction will indicate void on check register.
- 19.9. Checks sent to Contractor for overpayment (refunds, recoveries) will be indicated as a history transaction on the check register and forward to Pima County Finance for deposit.
- 19.10. Contractor's claims office will copy or scan any accounting transaction documentation sent to the Contractor's home office.
- 19.11. If checks are submitted directly to Pima County, copies of checks received, i.e. overpayments or refunds, when deposited by the County, will be submitted to the contractor's designated office in order to document the transaction in the claim file.
- 19.12. The Contractor will send daily Excel and PDF payment check registers, including date issued/processed, date of service, payment transaction type, comments and other pertinent information for checks issued the prior day to Pima County via email to Pima County representative for Finance.
- 19.13. County maintains the programs trust account.
- 19.14. Contractor will notify the County's Occupational Medical Manager in Human Resources of any checks issued in excess of \$2,500.00.
- 19.15. Pima County Finance will provide Contractor quarterly reports detailing un-cashed and stale dated checks and request authorization to issue stop pays.
- 19.16. Contractor will cooperate by immediately providing information and reports requested by internal and external auditors.
- 19.17. Contractor understands that the County reserves the right to conduct a financial audit of the trust account to ensure its integrity.
- 19.18. Contractor will report to Occupational Medical Manager in Human Resources any penalties incurred on claims by the next business day. Contractor will reimburse the County any penalties incurred on claims and will provide a specific remediation plan regarding the penalty to the County within seven (7) business days.
- 19.19. Contractor will notify the County within a reasonable timeframe and no later than one (1) business day, when any authorized signatory on the trust account leaves the employment of the Contractor.

20. SYSTEM REQUIREMENTS:

- 20.1. When a transition of data is required to the Contractor's system, Contractor will transfer and convert County's current and historical claims data and related documents from the current TPA's electronic claims management system to a form suitable and compatible with the Contractor's. This data transfer and conversion must be complete prior to the effective date of the contract.
- 20.2. Contractor will ensure data is backed-up on a weekly basis at minimum, a daily basis is preferable.
- 20.3. Contractor will submit encrypted data electronically to County weekly via a secured website, which must be compatible to Pima County's RMIS (Origami) and export claims data, including but not limited to medical documents, legal documents, payment transactions and diary notes on a monthly basis.
- 20.4. Contractor must have ability to receive encrypted claim data from Pima County electronically. Pima County will input initial claim data into County's RMIS (Origami) and transfer data on a daily basis via a secured website into Contractor's CMIS.
- 20.5. Contractor must provide system with read-access to all diary log notes, claim documents and financial access to two Pima County users.
- 20.6. System must allow claim reporting at multiple higher organization (hi-org) levels (up to six (6) levels) and have the ability to make changes to hi-org as needed by the County.
- 20.7. System will accurately track the number of lost time days and restricted /modified duty days.
- 20.8. Claim documents will be available in the claim system within one (1) business day of the Contractor's receipt of the document.
- 20.9. Provide an optional online reporting system for departments and employees to report a workers' compensation injury/claim.
- 20.10. Required access by County employees to TPA's claims system: four (4) users.

21. REPORTS:

- 21.1. Contractor will provide Pima County with industry standard electronic reports providing information on cases as well as overall program and department statistical information. Standard reports will include:
 - a. Claims summary by department, loss type and comparison to claim history.
 - b. Lag reports.
 - c. Loss ratio.
 - d. New/closed claims.
 - e. High exposure claims.
 - f. Open/closed claims.
 - g. Subrogation report.
 - h. Cause of loss, claim detail report.
 - i. Reports for ICA, actuary, OSHA, etc.
- 21.2. Provide to PCHR an annual claim analysis report based on the County's claims data, trends and reporting processes, etc.
- 21.3. Claim system will have a reporting capability that allows for creation of ad hoc reports by PCHR staff.
- 21.4. Provide an alert or report for PCHR whenever a claimant has passed or is anticipated to exceed the ODG or similar standards for the employee's injury.

22. QUALITY ASSURANCE:

- 22.1. Contractor will treat County employees with the utmost respect and consideration when providing the required services.
- 22.2. In coordination with PCHR the Contractor will administer claimant satisfaction surveys on a periodic basis.
- 22.3. Contractor must guarantee live person telephone service from 7:45 A.M. to 5:00 P.M. local Tucson time for every business day and automatic reporting systems such as a telephonic or internet based access available 24 hours/day, 7 days/week for injured employees.
- 22.4. Institute an internal audit program of Pima County claims to ensure compliance with claims management expectations.

- 22.5. In reports, emails and on claim screens, the employee's employee identification number (EIN) and/or the Contractor's claim number will be used in place of social security numbers. No social security numbers will be in any correspondence or reports unless required by statute.
- 22.6. Contractor will be required to attain within six (6) months of the contracts effective date and maintain thereafter, a monthly closing ratio average of a minimum of 100% (based on a percentage calculated as dividing the number of new and re-opened claims by closed claims). A higher average of 105% is preferable.
- 22.7. Contractor has secured sharing of information and data policies and procedures for staff (adjuster etc.).
- 22.8. Contractor is required to protect the various sensitive/personally identifiable information that staff and the Contractor has access to or holds in the claims files, electronic and paper.
- 22.9. Contractor will comply with mandatory reporting requirements under Section 111 of the Medicare, Medicaid and SCHIP Extension Act of 2007 (MMSEA).

23. RECORDS, FILES & TRANSCRIPTS:

- 23.1. All materials related to the administration to Pima County's workers' compensation claims are the property of Pima County and will be relinquished upon termination of the contract. Claim files must be made available for review or audit by Pima County or their representative immediately upon PCHR request.
- 23.2. Contractor will not charge fees for transferring claim material to the County or its agents.
- 23.3. Contractor will store historical physical paper closed files as dictated by Arizona Revised Statutes.

24. PIMA COUNTY'S RMIS (ORIGAMI):

- 24.1. The County's claims and RMIS includes:
 - a. Up to 10 client portals users.
 - b. Hierarchy and organizational structure maintenance.
 - c. System access to losses, financials and reserves.
 - d. Adjuster and supervisor notes access.
 - e. Report templates.
 - f. Scheduled reports.
 - g. Self-Insurance Plans annual report.
 - h. State annual and periodic reporting as required.
 - i. Periodic cost containment reports.
 - j. Claim system tracking.
 - k. Help desk access.
 - l. Customer service unit support.
 - m. Maintenance of electronic data exchanges.
- 24.2. Pima County utilizes the ODG through Origami. Contractor must ensure that ODG data entered in their claims administration system is included in the weekly data transfer.
- 24.3. Contractor may provide up to five (5) County authorized users access to Medical Disability Guidelines (MDGuidelines©) as requested. Medical Disability Guidelines has similar treatment guidelines as ODG and disability duration and return to work tools utilizing evidence based medicine and provides educational and information tools that can be used for surgical considerations or other types of injury conditions or treatments.
- 24.4. A suite of summary and individual claimant reports for benchmarking and analytics to assist PCHR in managing the program, improving care and reducing costs.

25. ALLOCATED LOSS ADJUSTMENT EXPENSE:

- 25.1. For all fee arrangements quoted, the County's claim service fees do not include services defined as Allocated Loss Adjustment Expense whether such services are performed by employees of the

Contractor or others. If Contractor provides such services (as indicated in the price schedule), the fees may be allocated to the claim file or invoiced separately.

25.2. Allocated Loss Adjustment Expense(s) (ALAE) is defined as any fee or expense which is chargeable or attributable to the investigation, coverage analysis, adjustment, negotiation, settlement, defense or general handling of any claim or action related thereto, or to the protection and/or perfection of the County and/or Carriers right of subrogation, contribution or indemnification, all as reasonably determined by Contractor to be ALAE.

25.3. ALAE includes but will not be limited to:

- a. Fees and expenses for IME's, nurse case management services, surveillance undercover operative and detective services, or any other investigations.
- b. Fees and expenses for medical examinations, or autopsies, including diagnostic services and related transportation services, durable medical equipment and medical reports and rehabilitation evaluations, unless regulatory or reporting requirements define such fees and expenses as loss or indemnity payments.
- c. Fees and expenses for any public records, medical records, credit bureau reports, index bureau reports.
- d. Costs of photographs or photocopy services.
- e. Medical or vocational rehabilitation fees and expenses.
- f. Attorney's fees and disbursements:
 - Fees and expenses incurred for handling any legal actions, including trials or appeals, disposition fees, cost of appeal bonds, court reporter or stenographer services, filing fees and other court costs, transcript or printing services and all discovery expenses, service of process, witnesses' testimony and corresponding travel expenses, opinions or attendance at hearings or trial.
 - Statutory fines or penalties.
 - Pre- and Post- judgement interest paid as a result of litigation, unless regulatory or reporting requirements define such interest as loss or indemnity payments.
 - Experts' fees and expenses, for advice, opinions or testimony concerning claims under investigation or in litigation and costs of appraisals.
 - Costs of legal transcripts of testimony taken at coroner's inquests, criminal proceedings or civil proceedings.
- g. Subcontractors fees and travel expenses, including independent adjuster, automobile and property appraisers.
- h. Costs of independent medical examinations and/or evaluations for rehabilitation and/or to determine the extent of the County's liability.
- i. State mandated electronic data interchange (EDI) costs, if applicable.
- j. ISO Index-if there is a fee.
- k. Federal query/reporting fees for Section 111 of the MMSEA, if there is a fee.

End of Exhibit A.

EXHIBIT B: FEE SCHEDULE (5 PAGES)**OFFEROR'S NAME:** TRISTAR Risk Management

Offerors must complete either table 1 or 2, including the payment schedule **AND** table 3 below. The total price proposed must be completed for all proposals.

TABLE 1 BUNDLED PROPOSALS: Complete if proposing an option encompassing all of the below listed service categories. Unit prices must be inclusive of all service categories.

SERVICE CATEGORIES:

- **Claims Management**
- **Litigation Management**
- **Medical Case Management**
- **Cost Containment/Medical Bill Audit**
- **Data Collection and Reporting**

Item Description: to include Program Administrative fees	Unit of Measure	Year 1 Unit Price	Year 2 Unit Price	Year 3 Unit Price	Year 4 Unit Price	Year 5 Unit Price
Claims Handling: Annual Flat Fee	YEAR	\$243,636	\$243,636	\$243,636	\$243,636	\$243,636
Cost Containment/Medical Bill Audit Per Bill Fee and % of Savings	EACH	Fee: \$8.00 23% of Incremental Savings	Fee: \$8.00 23% of Incremental Savings	Fee: \$8.00 23% of Incremental Savings	Fee: \$8.00 23% of Incremental Savings	Fee: \$8.00 23% of Incremental Savings
Medical Case Management⁽¹⁾ Claim Handling: Annual Fee	YEAR	\$110,430	\$110,430	\$110,430	\$110,430	\$110,430

⁽¹⁾ Alternative Pricing for a Flat Annual Fee for Medical Case Management: TRISTAR offers nurse case management for an hourly rate as allocated loss adjustment expense as indicated in the Ancillary Cost section; however, TRISTAR is willing to quote an annual fee for the telephonic case management services for up to 200 referrals annually with a Bundled Proposal.

Payment schedule for annual flat fee (i.e. monthly, quarterly, bi-annually, annually: TRISTAR prefers quarterly, in advance, or Monthly in arrears.

TABLE 2 UNBUNDLED PROPOSALS: Complete if proposing an unbundled option. Complete accordingly for all service categories included in proposal.

Item Description: to include Program Administrative fees	Unit of Measure	Year 1 Unit Price	Year 2 Unit Price	Year 3 Unit Price	Year 4 Unit Price	Year 5 Unit Price
Claims Management Claims Handling: Annual Flat Fee	YEAR	Not Quoted				
Litigation Management Claims Handling: Annual Flat Fee	YEAR	Not Quoted				
Medical Case Management Claims Handling: Annual Flat Fee	YEAR	Not Quoted				
Cost Containment/Medical Bill Audit Per Bill Fee & % of Savings	YEAR	Not Quoted	Fee: %:	Fee: %:	Fee: %:	Fee: %:
Data Collection and Reporting Claims Handling: Annual Flat Fee	YEAR	Not Quoted				

Payment schedule for annual flat fee (i.e. monthly, quarterly, bi-annually, annually: Not Quoted

TABLE 3 CMIS COSTS: Complete whether proposing a bundled or unbundled option.

Online Data System Risk Management Information System	Unit of Measure	Unit Price
<u>Initial Transfer:</u> One-time set up and transfer of claim files from current TPA	Flat Fee	N/A
<u>Data Transfer:</u> Daily transfer of new data to TPA from County (encrypted)	Annual Basis	Included
<u>Data Transfer:</u> Weekly data/document transfer from TPA to County (encrypted)	Annual Basis	Included
<u>Online data system</u> (CMIS) includes claims, diary notes and all claims documents; cost to include training for County users	Each Annual License (2)	Included
Technical Support for questions, issues or screen changes, etc.	Hourly Rate	Included
Annual Adjustments to Hi-Org Chart	Flat Fee	Included

TOTAL PRICE PROPOSED: Complete using the claims handling five (5) year total and the total CMIS costs.

Cost Component	Total Amount
Claims handling: Five(5) year total	Claims Administration - \$1,218,180 Annual Medical Case Management vs. Hourly - \$552,150
CMIS Costs	Included
Total Price Proposed for program: Sum of claims handling and CMIS costs	Claims Administration - \$1,218,180 Annual Medical Case Management vs. Hourly - \$552,150

ANCILLARY COSTS: Costs included in this section will not be included in the evaluation of the lowest total price proposed.

Allocated Loss Adjustment Expense – List any services and cost per service for any ALAE	Unit of Measure	Unit Price
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Please see the following pages:



PREFERRED PROVIDER SPECIALTY SERVICES IN 2021. Fees listed are for Preferred Provider Specialty Services. These fees are paid as Allocated Loss Adjustment Expenses or, where required by state law, as loss.

Fees as of 2021 and are subject to change upon renewal.

Service		Fee
MANAGED CARE		
Pre-Clinical Review and Pre-Certification		
One flat fee for pre-clinical review and pre-certification with nurse		\$89 per pre-certification
Concurrent review		\$125 per hour
Medical Bill Review		
Level 1 (Includes review of medical records and communication of decision in writing to all parties)		\$275 flat rate for peer review of episodes of care identified on medical bill review.
Level 2 (Includes review of medical records, discussion with treating physician and communication of decision in writing to all parties)		\$295 flat rate when assigned by a nurse case manager following case manager file review, or receipt of a referral by an adjuster for review.
First Notice of Benefit		
Enhanced Telephonic First Notice (Operator service by medical assistants. Injured employee and/or supervisor calls to report claims, assistance with PPO direction, questions, and referrals. Optional integration with nurse triage services.)		\$28 per intake call (waived if call moves to triage)
Telephonic Nurse Triage (Nurse aids injured worker in self-treatment or sets up an appointment with appropriate provider utilizing medical triage guidelines/follow up calls)		\$125 per intake call (includes wallet cards for all employees)
Case Management		
Telephonic Case Management (Arizona)		\$98 per hour
Field Case Management (Arizona)		\$105 per hour <i>plus Mileage at IRS mileage rate</i>
Catastrophic Case Management (High level of RN interaction with immediate response to significant injury, e.g., severe head injury, severe burns, gunshot. Available 24/7)		\$175 per hour plus mileage
Pharmacy Management		
Clinician Intervention: Complex Pharmacy Management, Weaning Protocols (Weaning available when opioids have been prescribed for 60+ days with no evidence that physician will end treatment pattern.)		\$125 per hour
Physician Intervention: Complex Pharmacy Management. (Utilized in instances of numerous drug interactions of opioids, hypnotics, and anti-depressants, requiring a physician-to-physician review of treatment pattern and weaning options. Follow up calls made by a nurse case manager.)		\$125 per hour nursing intervention plus pass-through of actual physician fees
Drug Testing: Full, Quantitative Testing (Candidates may be referred or identified by TMC based on risk factors such as claim age, high medication use, safety risk, injury type, etc.)		\$425 per test with report summary
Drug Testing Interpretation and Outreach: Complex Pharmacy Management, Weaning		\$125 per hour



Service	Fee
(Pharmacist to review and interpret drug testing results. Findings would be communicated to the examiner and/or provider, where permitted, with the goals of ensuring patient safety and reducing fraud, waste, and abuse.)	
Pharmacist Medication Review:	
1-2 medications with full record review and recommendations	\$450 flat rate
3-6 medications with full record review and recommendations	\$675 flat rate
7 or more medications with full record review/recommendations	\$900 flat rate
Other Services	
Special Investigations	Outsourced, at cost – typically \$89-95 per hour
Central Index Bureau/OFAC/CSE/SS	\$18 per report
MSA Cost Projection	\$2,200 flat rate
MMSEA Reporting	\$10 per claim (one-time fee)
Mileage	IRS allowance rate

End of Exhibit B.

ALLOCATED LOSS ADJUSTMENT EXPENSES includes any fee or expense which is chargeable or attributable to the investigation, coverage analysis, adjustment, negotiation, settlement, defense, or general handling of any Claim or action related thereto, or to the protection and/or perfection of the Customer and/or Carrier's right of subrogation, contribution or indemnification, all as reasonably determined by TRISTAR. Allocated Loss Adjustment Expense(s) may be incurred for services provided by TRISTAR, its affiliates and subsidiaries, or third parties and include, but are not limited to:

- ♦ attorney's fees and disbursements incurred in connection with the determination of coverage and/or the adjustment, defense, negotiation, or settlement of any Claim; attorney's fees incurred for representation at depositions, hearings, pretrial conferences, and/or trials;
- ♦ fees and expenses incurred for: handling any Alternative Dispute Resolution (ADR) proceeding; legal actions, including trials or appeals; pursuing any declaratory judgment action, including deposition fees; cost of appeal bonds; court reporter or stenographic services, filing fees, and other court costs, fees and expenses; transcript or printing services and all discovery expenses; service of process; witnesses' testimony, opinions, or attendance at hearings or trial;
- ♦ fees and expenses for attendance at or participation in ADR proceedings, hearings, trials, or other proceedings by TRISTAR personnel or its subcontractors;
- ♦ statutory fines or penalties; pre- and post-judgment interest paid as a result of litigation, unless regulatory or reporting requirements define such interest as loss or indemnity payments;
- ♦ subcontractors' fees and travel expenses, including independent adjusters, automobile and property appraisers, to the extent that same are incurred in the adjustment, negotiation, settlement, or defense of any Claim;
- ♦ fees and expenses incurred in conjunction with the telephonic, web, or other electronic methods of reporting Claims;
- ♦ experts' fees and expenses including reconstruction experts, engineers, photographers, accountants, economists, metallurgists, cartographers, architects, hand-writing experts, physicians, appraisers, and other natural and physical science experts, plus the fees and expenses associated with preparation of expert reports, depositions, and testimony;



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- ◆ fees and expenses for surveillance, undercover operative and detective services or any other investigations;
 - ◆ fees and expenses for medical examinations or autopsies, including diagnostic services and related transportation services, durable medical equipment, and medical reports and rehabilitation evaluations, unless regulatory or reporting requirements define such fees and expenses as loss or indemnity payments;
 - ◆ fees and expenses for any public records, medical records, credit bureau reports, index bureau reports, and other like reports;
 - ◆ fees and expenses incurred where TRISTAR determines it is reasonable to pursue the rights of contribution, indemnification, or subrogation of the Customer, including attorney and collection agency fees and/or expenses;
 - ◆ medical or vocational rehabilitation fees and expenses, and all other medical cost containment services, including, but not limited to utilization review and management, pre-audit admission authorization, hospital bill audit or adjudication, provider bill audit or adjudication, and medical case management, if applicable, unless regulatory or reporting requirements define such expenses as loss or indemnity payments; and
 - ◆ extraordinary travel and related fees and expenses incurred by TRISTAR at the express request of Customer, which are not otherwise payable under this Agreement.