

**FIRST AMENDMENT TO STANDARD CONTRACT
BETWEEN COUNTY OF SOLANO and ATHENS ADMINISTRATORS, INC**

This First Amendment ("First Amendment") is entered into as of the 1 day of July, 2018, between the COUNTY OF SOLANO, a political subdivision of the State of California ("County") and Athens Administrators, Inc., ("Contractor").

1. Recitals

- A. The parties entered into a contract dated July 1, 2015 (the "Contract"), in which Contractor agreed to provide third party workers' compensation claims administration.
- B. The County now needs to extend the term of the contract.
- C. This First Amendment represents an increase of \$881,516.00 and a two-year extension of the Contract.
- D. The parties agree to amend the Contract as set forth below.

2. Agreement.

A. Term of Contract.

Section 2 is deleted in its entirety and replaced with:

The Term of this Contract is:
July 1, 2015 to June 30, 2020

B. Amount of Contract

Section 3 is deleted in its entirety and replaced with:

The maximum amount of this Contract is:
\$2,110,891

C. Scope of Work

Section B, 1. Additional Services of Exhibit A is deleted in its entirety to read:
CONTRACTOR's Claims Examiners and/or Claims Managers will meet with the COUNTY three times per year to review COUNTY selected claims files.

D. Budget.

Exhibit B is deleted in its entirety and replaced with the attached Budget incorporated into this First Amendment as Exhibit B-1.

E. General Terms

Section 4 A., Termination is deleted in its entirety to read:
This Contract may be terminated by the County or Contractor, at any time, with or without cause upon 180 days written notice from one to the other.

3. Effectiveness of Contract.

Except as set forth in this First Amendment, all other terms and conditions specified in the Contract remain in full force and effect.

COUNTY OF SOLANO, a Political
Subdivision of the State of California

By Birgitta E. Corsello
Birgitta E. Corsello
County Administrator

ATHENS ADMINISTRATORS, INC

By James Jenkins
James Jenkins
PRESIDENT

APPROVED AS TO FORM

By Angela Danner
County Counsel

EXHIBIT B-1
BUDGET DETAIL AND PAYMENT PROVISIONS

1. METHOD OF PAYMENT

CONTRACTOR shall prepare and present to COUNTY detailed monthly invoices for its services under this contract. Upon submission of an invoice by CONTRACTOR, and upon approval of COUNTY's representative, COUNTY shall pay CONTRACTOR monthly in arrears for fees and expenses incurred the prior month up to the maximum amount provided for in Section 3 of the Standard Contract. The invoices shall describe the nature of the services provided and the expenses incurred, the applicable dates, an itemization of all charges and, to the extent possible, the person or persons performing the services on behalf of CONTRACTOR. Upon request, CONTRACTOR will endeavor to supply additional details as COUNTY may reasonably request. CONTRACTOR's billings shall be due and payable by COUNTY thirty (30) days after receipt.

2. CALCULATION OF FEES

A. The total cost of the Third-Party Claim Administrator Services fees for the period July 1, 2015 to June 30, 2018 will be Two Million, One Hundred Ten Thousand, Eight Hundred and Ninety One Dollars (\$2,110,891.00). This total cost includes the \$5,000.00 Annual Administration Fee and will be paid as follows:

July 1, 2015 to June 30, 2016: \$397,887.00 invoiced by the CONTRACTOR in 12 monthly statements, and payable by the COUNTY in 12 monthly payments

July 1, 2016 to June 30, 2017: \$409,674.00 invoiced by the CONTRACTOR in 12 monthly statements, and payable by the COUNTY in 12 monthly payments

July 1, 2017 to June 30, 2018: \$421,814.00 invoiced by the CONTRACTOR in 12 monthly statements, and payable by the COUNTY in 12 monthly payments.

July 1, 2018 to June 30, 2019: \$434,318.00 invoiced by the CONTRACTOR in 12 monthly statements, and payable by the COUNTY in 12 monthly payments.

July 1, 2019 to June 30, 2020: \$447,198.00 invoiced by the CONTRACTOR in 12 monthly statements, and payable by the COUNTY in 12 monthly payments.

These fees include all professional services related to, incidental of, or necessary to management of all workers' compensation claims, including adjusting, in-house investigations, claims management services, computer input of all open claims, monthly computer loss information and quarterly and annual reports, trust account (excluding checks and bank charges), reduction of all medical/service bills to State Official Fee Schedule, and attendance to all COUNTY required or requested meetings.

B. Allocated Loss Adjustment Expenses (ALAE) are expenses directly attributable to specific claims. ALAE includes payments for legal fees, adjusting fees, court

fees, investigation, record copying, medical costs containment expenses, and services required by law or state regulation.

With regards to ALAE, the CONTRACTOR will make the following services available to the COUNTY, but COUNTY is not required to utilize CONTRACTOR's services listed below and COUNTY may utilize an independent vendor or contractor for such services. If, at any time, the COUNTY elects to unbundle the Medical Bill Review and Utilization Review provided by the CONTRACTOR in favor of an independent vendor or contractor, the flat annual fee will increase by 20% at the time of transition. However, in the event COUNTY utilizes CONTRACTOR's services below, CONTRACTOR offers such services at the following costs, which will be in addition to annual claims administration fee. Such services will be charged to the individual claim file where services are provided:

- 1) Section 111 Reporting of the Medicare, Medicaid, and SCHIP Extension Act of 2007 (MMSEA)
 - a) Set Up and Testing Fee – No additional charge while utilizing Gould & Lamb, Athens Administrators reporting partner.
 - b) Eligibility Query and Quarterly Reporting - No additional charge while utilizing Gould & Lamb, Athens Administrators reporting partner.
- 2) Managed Care Services
 - a) Medical Bill Review not to exceed \$7.50 per Bill
 - b) Hospital In and Out Patient Fee Schedule Reductions not to exceed \$650 per Bill
 - c) PPO Network & Specialty Bill Review Negotiations - 22.00% of Savings
 - d) Utilization Review, Case Management and Physician Review
 - i) Concurrent, Prospective and Retrospective review - \$115 Flat Fee
 - ii) UR Appeals: Peer to Peer - \$300 Per Hour
 - iii) Authorization Only - \$25 Flat Rate
 - e) Case Management
 - i) Telephonic Nurse Case Management - \$98 Per Hour
 - ii) Field Case Management - \$100 + Travel and Mileage
 - iii) Catastrophic Case Management - \$110 + Travel and Mileage
 - f) Peer Review
 - i) Physician Peer Review - \$260 Flat Fee
 - ii) Records Review - \$230 Per Hour
 - g) Other
 - i) Nurse Triage - \$100 Per Assignment
 - ii) Special Investigations – up to \$95 Per Hour
 - iii) Pharmacy Benefits Management - \$3.75 Per Prescription, \$1.00 Per Fill
 - iv) Pharmacy Drug Review - \$125 Per Hour
 - v) Central Index Bureau - \$15 Per
 - vi) Claim Reporting – Included
 - vii) Predictive Modeling – No Charge
 - viii) Subrogation Recover – 5% of Gross Recovery
 - ix) MPN Option 1: (Blue Cross) - \$4.00 Per Bill
 - x) MPN Option 2: (Medex) - \$60 Per Claim
- 3) Special Investigative Unit Services
 - a) Index/Research with Different Databases to Support Fraud Filing – \$15 Per
 - b) There is no charge for Review, Documentation, Preparation, and Filing of FD1-FD2 and submission of a complete Package and Consultation with

State or Federal Bureau and Prosecutors. If referral does not result in the filing of an FD1-FD2 and a case is not opened, there is no charge.

- c) Successful Acceptance by a State or Federal Bureau or Local Prosecutor to Pursue a Fraud Case once submitted – up to \$95 per hour.
- 4) Performance Guarantee
 - a) Examiners must achieve an indemnity closure rate of 102% (or more) per fiscal year. If not achieved, fees paid to Athens are reduced by \$5,000.00 per year.