

0150-11598-0000

**TRANSMITTAL**

TO The City Council	DATE 03/05/20	COUNCIL FILE NO.
FROM The Mayor		COUNCIL DISTRICT All

**Amended and Restated Professional Services Agreement with Medata, Inc. to provide medical bill review, cost containment, and managed care services for the City's Workers' Compensation (WC) program**

Transmitted for your consideration.  
See the City Administrative Officer report attached.

The Council has 60 days from the date of receipt to act, otherwise the Agreement will be deemed approved pursuant to Los Angeles Administrative Code Section 10.5(a).



(Ana Guerrero for)

\_\_\_\_\_  
MAYOR

RHL:RR:112000711

**Report From**  
**OFFICE OF THE CITY ADMINISTRATIVE OFFICER**  
**Analysis of Proposed Contract**  
(\$25,000 or Greater and Longer than Three Months)

To: The Mayor	Date: 02-28-20	C.D. No. All	CAO File No.: 0150-11598-0000				
Contracting Department/Bureau: Personnel Department		Contact: Sherry Cox (213) 473-9122 David Noltemeyer (213) 473-0154					
Reference: Personnel Department transmittal dated February 19, 2020; referred by Mayor for report on February 26, 2020.							
Purpose of Contract: To provide services related to the City of Los Angeles Workers' Compensation program including medical bill review, cost containment, and managed care services.							
Type of Contract: ( ) New contract (X) Amendment, C-129063		Contract Term Dates: Original Contract: April 1, 2017 – March 31, 2020 Amended and Restated: April 1, 2017 – March 31, 2022					
Contract/Amendment Amount: \$47,868,560							
Proposed amount \$19,147,424 + Prior award(s) \$28,721,136 = Total \$47,868,560							
Source of funds: Human Resources Benefits, General Fund, Contractual Services Account							
Name of Contractor: Medata, Inc.							
Address: 5 Peters Canyon Road, Suite 250, Irvine, CA 92606							
	Yes	No	N/A	Contractor has complied with:	Yes	No	N/A
1. Council has approved the purpose	X			8. Business Inclusion Program		X	
2. Appropriated funds are available	X			9. Equal Benefits & First Source Hiring Ordinances	X		
3. Charter Section 1022 findings completed	X			10. Contractor Responsibility Ordinance	X		
4. Proposals have been requested	X			11. Disclosure Ordinances	X		
5. Risk Management review completed	X			12. Bidder Certification CEC Form 50	X		
6. Standard Provisions for City Contracts included	X			13. Prohibited Contributors (Bidders) CEC Form 55	X		
7. Workforce that resides in the City: 0.007%				14. CA Iran Contracting Act of 2010	X		


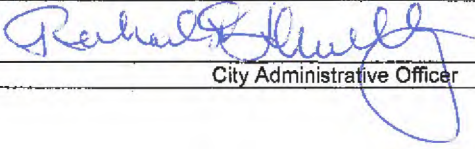
**RECOMMENDATION**

That the Mayor and Council approve, and authorize the General Manager of the Personnel Department to execute, the Amended and Restated Professional Services Agreement C-129063 with Medata, Inc. to (i) extend the term resulting in a five-year term effective April 1, 2017 through March 31, 2022, and (ii) increase the expenditure authority by \$19,147,424 providing a not to exceed total of \$47,868,560, subject to approval as to form by the City Attorney.

**SUMMARY**

In accordance with Executive Directive No. 3 (Villaraigosa Series), the Personnel Department (Department) requests approval to execute the proposed Amended and Restated Agreement C-129063 (Agreement) with Medata, Inc. (Contractor). Approval of the proposed Agreement is necessary to continue providing medical bill review, cost containment, and managed care services for the City's Workers' Compensation (WC) program.

The original Agreement included a term effective April 1, 2017 through March 30, 2020 with an expenditure authority not to exceed \$28,721,136. Approval of the proposed Agreement will (i) extend the term by two-years resulting in a five-year term effective April 1, 2017 through March 31, 2022, and (ii) increase the expenditure authority by \$19,147,424 to a not to exceed amount of \$47,868,560. The

			
RR	Analyst	11200071	City Administrative Officer

proposed Agreement includes an annual compensation limit of \$9,573,712 which is unchanged during term of the Agreement. Actual invoiced costs for services beginning April 1, 2017 through December 31, 2019 total \$19.6 million resulting in a remaining expenditure authority of approximately \$9.1 million. The proposed Agreement includes a ratification clause to allow the Contractor to continue providing services prior to execution of the proposed Agreement.

The scope of work provided under the proposed Agreement includes:

- Bill Review involving the analysis of medical bills to ensure that the City pays only for authorized medical treatment at State fee schedules or discount pricing rates;
- Utilization Review involving the review of medical treatment to determine if medically necessary, upon request by the City; and,
- Managed Care Services involving the maintenance of contracts with medical care providers and networks to deliver medical care to the City's injured employees at specified rates.

The City selected the Contractor based on a competitive process initiated by the Department in 2015. In accordance with Charter Section 1022, the Personnel Department's Contract Review Report indicates that City employees do not have expertise to perform the scope of work of this Agreement. In accordance with Los Angeles Administrative Code Section 10.5(a), City Council approval of the Agreement is required because the cumulative term exceeds three years. In addition, per Executive Directive No. 3 (Villaraigosa Series), the approval of the Mayor is required because the total compensation exceeds \$25,000.

#### **FISCAL IMPACT STATEMENT**

Funding is included in the Human Resources Benefits 2019-20 Adopted Budget, Contractual Services Account for this purpose. There is no additional impact to the General Fund.

#### **FINANCIAL POLICIES STATEMENT**

As budgeted funds are available to support the proposed Agreement and expenditures in the current year, and future year expenditures are limited to the appropriation of funds in the budget, the recommendation of this report complies with the City's Financial Policies.

**BOARD OF CIVIL SERVICE  
COMMISSIONERS**

Room 360, PERSONNEL BUILDING

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PRESIDENT

RAUL PEREZ  
VICE PRESIDENT

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**CITY OF LOS ANGELES  
CALIFORNIA**



ERIC GARCETTI  
MAYOR

**PERSONNEL DEPARTMENT**  
PERSONNEL BUILDING  
700 EAST TEMPLE STREET  
LOS ANGELES, CA 90012

Wendy G. Macy  
GENERAL MANAGER

February 19, 2020

Honorable Eric Garcetti  
Mayor, City of Los Angeles  
Room 303, City Hall  
Los Angeles, CA 90012

Attention: Heleen Ramirez, Legislative Coordinator

**SUBJECT: REQUEST FOR REVIEW AND APPROVAL OF AMENDED AND  
RESTATED PROFESSIONAL SERVICE AGREEMENT (CONTRACT NO.  
C-129063) WITH MEDATA, INC.**

In accordance with Executive Directive No. 3, attached for your review and approval is the draft Amended and Restated Professional Service Agreement (Contract No. C-129063) with Medata, Inc. to provide Workers' Compensation Medical Bill Review, Cost Containment and Managed Care Services.

**Background**

The City's Personnel Department is responsible for the administration of the City's Workers' Compensation Program, in accordance with the State of California's workers' compensation laws. The Medical Bill Review, Cost Containment and Managed Care Services Program is a critical component of the Personnel Department's efforts to contain workers' compensation costs and deliver timely and appropriate treatment.

On April 1, 2017, the Personnel Department entered into a three year agreement with Medata, Inc. The term of the contract began on April 1, 2017 and expires on March 31, 2020, but the City has a continuing need for workers' compensation medical bill review, cost containment, and managed care services.

The Personnel Department requests approval to extend the Medata, Inc. contract to allow sufficient time to complete a new procurement process. The Amended and Restated Agreement provides for an extension of time through March 31, 2022 and increases maximum contract compensation by \$19,147,424.

**Contract Compliance**

Compliance documentation statuses are as follows:

The Contractor's Equal Benefits/First Source Hiring Ordinance, and Disclosure Ordinance affidavits are current.

The Contractor's insurance certificates are current.

A Contract Review Report has been submitted to the Personnel Department Classification Division.

The Contractor's headquarters address is as follows:

Medata, Inc.  
5 Peters Canyon Road, Suite 250  
Irvine, CA 92606  
c/o Cy King CEO

The Amended and Restated agreement has been reviewed by the City Attorney as to form and language.

**Fiscal Impact**

Funding is provided in the Human Resources Benefits Budget, Fund 100, Contractual Services Account 3040 with no additional impact on the General Fund.

**Recommendation**

That the General Manager of the Personnel Department, or designee, be authorized to enter into an Amended and Restated Agreement to Professional Services Agreement No. C-129063 with Medata, Inc. to provide Medical Bill Review, Cost Containment and Managed Care Services for two additional years commencing on April 1, 2020 to March 31, 2022, and increase the maximum contract compensation by \$19,147,424 for a total obligation not to exceed \$42,868,560.

To expedite execution of the Amended and Restated Agreement, we request that the Mayor direct the Office of the City Administrative Officer (CAO) to report back jointly to both the Mayor and the City Council so that this item can be considered by the City Council as soon as the CAO report is completed.

If you or your staff require additional information or have any questions, please contact David Noltemeyer, Chief Workers' Compensation Division, at (213) 473-3374.

Respectfully submitted,



Wendy G. Macy  
General Manager  
Personnel Department

Attachment  
cc: Robert Roth, CAO

REPORT  
FROM



THE PERSONNEL  
DEPARTMENT

TO:	DATE
REFERENCE:	COUNCIL FILE 15-1146

**SUBJECT: City of Los Angeles Workers' Compensation Program Contract Extension – Medical Bill Review, Cost Containment, and Managed Care Services**

**RECOMMENDATION:**

That the City Council approve and authorize the Personnel Department General Manager to execute an Amended and Restated Agreement extending the term through March 31, 2022 and increasing amounts as outlined below for on-going Medical Bill Review, Cost Containment, and Managed Care Services, subject to the review and approval of the City Attorney:

Contract No. C-129063 with Medata, Inc. to increase the maximum contract amount by \$19,147,424 from \$28,721,136 to \$47,868,560;

**BACKGROUND:**

The City of Los Angeles is self-insured for all of its statutory workers' compensation obligations. The core function of a workers' compensation program is to provide injured workers with the medical benefits and time off necessary to recuperate and return to work as quickly as possible. The Personnel Department's Workers' Compensation Division administers the City of Los Angeles (City) Workers' Compensation Program. The Division is responsible for all aspects of claims administration, which includes directing medical care, providing defense support in litigated cases, and making payments for a variety of claims-related activities. Currently, the Program includes approximately 16,000 open claims with an estimated 6,900 new claims and \$197.1 million in benefit payments processed in FY 2018-19. To execute the Program's objectives, the Division utilizes a combination of City staff and contracted Third Party Administrators and vendors. Specifically, the City currently contracts with Medata, Inc. to provide medical bill review, cost containment, and managed care services as part of the workers' compensation medical cost containment strategy, in accordance with the State of California's workers' compensation laws. The Medical Bill Review, Cost Containment and Managed Care Services Program is a critical component of the Personnel Department's efforts to contain workers' compensation costs and to deliver timely and appropriate treatment.

Cost containment and managed care services are derived from four primary activities:

- 1. Duplicate Bill Review:** The vendor identifies and precludes payment of duplicate billing. Repetitive billing is a common occurrence in the medical provider community, and advanced bill review software is essential to identify duplicates bills and prevent duplicate payment.
- 2. State Fee Schedule Reduction:** The vendor analyzes each bill and reduces the fees at or below the amount set in the California Official Medical Fee Schedule for Workers' Compensation through repricing.
- 3. Preferred Provider Organization (PPO), Medical Provider Network (MPN), and Managed Care Network Pricing:** The vendor maintains a network of medical providers that accept compensation below the State Fee schedule or other negotiated discounts, in accordance with network preferred provider pricing.

**4. Medical Utilization Review:** The vendor conducts medical utilization review (UR) to ensure treatment is appropriate and in accordance with Workers' Compensation treatment standards recognized by State law, codified under the Medical Treatment and Utilization Schedule (MTUS) guidelines, and the American College of Occupational and Environmental Medicine (ACOEM)'s Occupational Medicine Practice Guidelines.

During contract year April 2018 through March 2019, 284,358 bills were processed through the program resulting in gross savings to the City of approximately \$253 million. (See chart below.)

Bill Type	Bills Reviewed	Total Charges	Bill Review Reductions	PPO Reductions	Gross Reductions	Recommended Allowance
Totals	284,358	\$351,204,848.53	\$239,779,751.99	\$13,171,919.89	\$252,951,671.08	\$98,253,177.45
Gross Savings: 72% of total charges						

The Personnel Department requests approval to extend the Medata, Inc. contract and add funding to allow sufficient time for Division staff to complete a new procurement process while avoiding disruption to the current cost containment and managed care activities. The Amended and Restated Agreement provides for an extension of time through March 31, 2022 and increases maximum contract compensation by \$19,147,424.

**CURRENT CONTRACT**

The Contractor was selected in 2017 following a Request for Proposals process. Subsequently, the Mayor authorized the Personnel Department to enter into a contract with Medata, Inc. to provide medical bill review, cost containment, and managed care services for medical cost containment for a term of April 1, 2017 through March 31, 2020.

**PROPOSED AMENDED AND RESTATED AGREEMENT**

The Personnel Department requests approval to execute an Amended and Restated Agreement for two additional years through March 31, 2022. During this time, a Request For Proposal will be released and proposals received and evaluated. The top ranked proposers may be asked to attend an oral interview to further assess their qualifications and to address any questions or concerns raised by the City's labor partners.

Contract Compliance

Per the City of Los Angeles Charter Section 1022, the City Administrative Officer found that it is more feasible for a contractor to perform the aforementioned work because there is insufficient existing City staff and additional staff could not be trained in a timely manner to meet the Department's need. In accordance with the City of Los Angeles Administrative Code Section 10.5(b)(2), City Council approval of an Amended and Restated Agreement is required because the term exceeds three years and the estimated annual payments exceed the threshold dollar amount of \$100,000. The current Contractor has complied with all City contracting requirements, policies, and procedures.

**CONCLUSION:**

The Personnel Department is requesting that the City Council authorize the General Manager or designee of the Personnel Department to: 1) extend the term of the Medata, Inc. contract that is an integral part of the City Workers' Compensation Program and Managed Care Program; and 2) increase the maximum contract amount to enable workers' compensation administration to continue management of the Cost Containment and Managed Care Program.

**FISCAL IMPACT STATEMENT:**

Funding for this contract is provided in the Human Resources Benefits FY 2019-20 Adopted Budget, Fund No. 100 Contractual Services Account No. 003040. There is no additional impact on the General Fund. As budgeted funds are available for the projected contract expenditures, the recommendation provided in this report complies with the City's Financial Policies.

Attachments

**FIRST AMENDED AND RESTATED  
PROFESSIONAL SERVICES AGREEMENT**

**Contractor: Medata, Inc.**

**Regarding: Medical Bill Review, Cost Containment and  
Managed Care Services Program**

**Said Agreement is Number: C-129063**

## Professional Services Agreement

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### **ATTACHMENTS**

- Attachment A – Standard Provisions for City Contracts (Rev. 10/17 [v.3])
- Attachment B – Confidentiality Agreement
- Attachment C – Scope of Work
- Attachment D – Fee Schedule
- Attachment E – Discount Rates and Fees
- Attachment F – Systems Handout
  - Exhibit A – iVOS Bill Review Payment File Specification
  - Exhibit B – Document Image Index File Specification
  - Exhibit C – Bill Review Export Specification
- Attachment G – Performance Requirements and Fees

**FIRST AMENDED AND RESTATED  
PROFESSIONAL SERVICES AGREEMENT  
BETWEEN  
THE CITY OF LOS ANGELES  
AND  
Medata, Inc.**

THIS AGREEMENT is made and entered into by and between the City of Los Angeles ("City"), a municipal corporation, acting by and through its Personnel Department ("Department" or "Personnel Department") and Medata, Inc. a California Corporation ("Contractor"), with reference to the following:

**RECITALS**

1. Whereas, California Labor Code Section 3700 requires all employers to either purchase a workers' compensation insurance policy from a licensed insurer authorized to write policies in California or become self-insured; and
2. Whereas, the City of Los Angeles is self-insured for its workers' compensation liability; and
3. Whereas, workers' compensation insurance provides basic benefits, including medical care for employees who become sick or injured in the performance of their jobs; and
4. Whereas, the City's Personnel Department administers the City's workers' compensation program with certain staff and contractors by adjusting the City's workers' compensation claims and authorizing, generating and paying for all benefits; and
5. Whereas, the City has a need for professional and support staff to render the services necessary to provide medical bill review, cost containment, financial accountability procedures, and managed care services pertaining to: Preferred Provider Organizations (PPOs), Medical Provider Network (MPN), MPN Point of Entry Clinics, Health Care Organization (HCO), Pharmacy Benefits Management (PBM) Network, Durable Medical Equipment (DME) Network, Post-Surgical DME, Radiology Network, Nurse Case Management Services, Discharge Planning Services, Home Health Services, Transportation Services, Translation Services, Ergonomic Services, Job Analysis, Physical Medicine Network, Medicare Reporting and Medicare Set Asides, and Utilization Review (UR) (collectively, "Claims Services"); and
6. Pursuant to Charter Section 1022, City conducted a review and determined that it does not have staff or resources with sufficient time or the necessary expertise to perform the required services in a timely manner and, therefore, it is more feasible

and economical and in the Department's best interest to secure these services by contract than to have employees perform the work; and

7. Whereas, the City released a Request for Proposals pursuant to Charter Section 372 after determining that the proposed Contract is for expert and technical services of a temporary and occasional character for which bidding under Charter Section 371 is not practical or advantageous to the City; and
8. Whereas, Contractor is duly licensed and certified under the laws of the State of California to engage in the business of Claims Services, as described hereunder and possesses the competence, expertise and personnel required to provide such services; and
9. Whereas, City and Contractor entered into a three-year agreement, effective April 1, 2017, expiring March 31, 2020; and
10. Whereas, at its meeting of Month Day, Year, (CFXX-XXXX), the City Council authorized the Personnel Department General Manager or designee to execute this First Amended and Restated Agreement to extend the Contract for two years through March 31, 2022 and to increase the maximum payable to Contractor by \$8,573,712 per year; and to make other changes deemed necessary by the City Attorney; and
11. Whereas, the Personnel Department is funded for these services; and

NOW, THEREFORE, in consideration of the promises and of the covenants, representations, and agreements set forth herein, the parties hereby covenant, represent, and agree as follows:

#### **ARTICLE A – PURPOSE AND SCOPE**

1. Purpose. The purpose of Contractor's work under this Agreement is to provide Claims Services.
2. Services to be Provided. As directed by City, Contractor agrees to provide Claims Services, as provided in **Attachment C, Scope of Work**, which is hereby incorporated into this Agreement by reference, and perform such other functions as further articulated in this Agreement.

#### **ARTICLE B – NOTICES AND TERM**

1. Representatives of the Parties and Service of Notices
  - 1.1 The representatives of the respective parties authorized to administer this Agreement, and to whom formal notices, demands, and communications will be given are as follows:

1.1.1 The representative of City will be, unless otherwise stated in the Agreement:

Wendy G. Macy  
General Manager  
Personnel Department  
700 E. Temple Street, Room 305  
Los Angeles, California 90012

With copies to:

David Noltemeyer  
Workers' Compensation Division Chief  
Personnel Department, Workers' Compensation Division  
700 E. Temple Street, Room 210  
Los Angeles, California 90012

1.1.2 The representative of Contractor will be:

Cy King  
Chief Executive Officer  
Medata, Inc.  
5 Peters Canyon Road, Suite 250  
Irvine, CA 92606

1.2 Formal notices, demands, and communications required hereunder by either party will be made in writing and may be affected by personal delivery or by registered or certified mail, postage prepaid, return receipt requested and will be deemed communicated as of the date of mailing.

1.3 If the name of the person designated to receive the notices, demands, or communications, or the address of such person is changed, written notice will be given, in accordance with Article I, within five (5) business days of said change.

2. Time of Performance. The term of this Agreement shall commence as of April 1, 2017 and will end on March 31, 2022 subject to the termination provisions herein (including, but not limited to, the **Standard Provisions for City Contracts (Rev. 10/17 [v.3])**), attached hereto as **Attachment A** and availability of City budgeted funds.

2.1 Ratification Clause. Due to the need for Contractor's services to be provided continuously on an ongoing basis, Contractor may have provided services prior to the execution of this Agreement. To the extent that said services were performed in accordance with the terms and conditions of this Agreement, those services are hereby ratified.

## ARTICLE C – DATA SECURITY AND PRIVACY

1. Data Ownership. As between the parties, City is the sole and exclusive owner of all data and information provided to Contractor by or on behalf of City pursuant to this Agreement and any and all updates or modifications thereto or derivatives thereof made by Contractor (“City Data”), and all intellectual property rights in the foregoing, whether or not provided to any other party. City Data is Confidential Information (as defined below) for the purposes of this Agreement. Except as set forth below, the Contractor shall not use City Data for any purpose other than that of rendering Claims Services under this Agreement, nor sell, assign, lease, dispose of or otherwise exploit City Data, and shall not possess or assert any lien or other right against or to City Data. The City may request an export of City Data stored within the systems or held by Contractor in any form or format at no charge to City.

Subject to the restrictions articulated elsewhere in this Agreement, City grants Contractor a non-transferable, non-exclusive, terminable at-will license, solely for the term of this Agreement, to use City Data solely for purposes of performing the services pursuant to this Agreement for City’s benefit.

In addition, City acknowledges that the Contractor’s bill review program (“Program”) is an interactive program which operates in part by having access to and using the historical information stored in databases generated through use of the Program.

Accordingly, Contractor shall be entitled to use and modify City’s data and billing information that is submitted to Contractor under this Agreement (“City Data”) for inclusion in and use by the Program, in the manner set forth below.

City expressly agrees that, during and after the term of this Agreement, Contractor may extract information and data from City Data for development of the Program and other Contractor products which may draw upon historical billing information, and for use in Contractor’s business. The information extracted in this manner, which is anonymized as set forth below, is referred to herein as the “Extracted Data.”

City therefore grants Contractor a perpetual fully paid, worldwide, royalty free license to keep and use the City Data for the purpose of creating and using the Extracted Data. All City Data shall be owned by City, but all Extracted Data and all products or software created by Contractor that use, rely on or include Extracted Data, shall, from and after the term hereof, be and remain the sole property of Contractor.

Contractor warrants that all City Data shall be processed and altered to remove all personally identifying information, or information which may violate the privacy or anonymity of any individual contained in such data, before it is used or incorporated in any way into any process, database, product, or Program.

"Extracted Data" refers to data derived from City’s use of the System that is combined with other similar data of Contractor’s other customers. Extracted Data shall not include (directly or by inference) any: (i) information identifying City or any identifiable user, customer, Applicant, or individual capable of re-identification to the

foregoing; (ii) City Confidential Information; (iii) City intellectual property; (iv) City Data; (v) data that is otherwise protected under Privacy Laws. The foregoing shall not be construed as a representation or warranty by City that it has the rights, if any, to grant such license or to authorize such use. Contractor acknowledges and agrees that the Extracted Data is provided by City as-is, without warranties of any kind. City hereby disclaims all warranties, express and implied, including the implied warranties of merchantability, fitness for a particular purpose, title/non-infringement, and quality of information with regard to the Extracted Data. Contractor shall defend, indemnify, and hold harmless City and any of City's boards, officers, agents, employees, and assigns and successors in interest from and against any claim, action, proceeding, liability, loss, damage, cost, or expense, including, without limitation, attorneys' fees, experts' fees, and court costs as provided herein arising out of or relating to (i) the license granted in this Section; (ii) Contractor's failure to properly and adequately remove all entity and personally identifiable information from the Extracted Data; or (iii) any claims resulting from Contractor's use, distribution, sale, licensing, or other exploitation of Extracted Data.

## 2. Data Protection

2.1 Contractor shall use no less than information security industry best practices, to prevent unauthorized use, disclosure, or exposure of City Data. To this end, Contractor shall safeguard the confidentiality, integrity, and availability of City Data.

2.2 Contractor shall implement and maintain appropriate administrative, technical, and organization security measures to safeguard against unauthorized access, disclosure, destruction, or theft of City Data. Such security measures shall also be in accordance with recognized industry best practices and the standard of care imposed by state and federal laws and regulations relating to the protection of such information.

2.3 Unless otherwise expressly agreed to by City in writing, Contractor shall encrypt all City Data at rest and in transit and limit access to only those individuals whose access is essential for performance of the services contemplated by this Agreement.

2.4 At no time may any content, City Data or City processes be copied, disclosed, or retained by Contractor or any party related to Contractor for subsequent use in any transaction that does not include City, except as set forth in Section 1 above.

## 3. Compliance with Privacy Laws. Contractor shall ensure that Contractor's performance of Contractor's obligations under this Agreement complies with all applicable local, state, and federal privacy laws and regulations. If this Agreement or any practices which could be, or are, employed in performance of this Agreement are inconsistent with or do not satisfy the requirements of any of these privacy laws and regulations, City and Contractor shall in good faith execute an amendment to this Agreement sufficient to comply with these laws and regulations and Contractor shall

complete and deliver any documents necessary to compliance.

4. Confidential Information. Contractor understands that all original material, whether written or readable by machine, including written or recorded data, documents, graphic displays, reports, and other documentation or other materials which contain information relating to Contractor's performance hereunder are considered confidential property of City. Contractor understands the sensitive nature of the above and therefore agrees that neither its officers, partners, employees, agents, contractors or subcontractors will release, disseminate, or otherwise publish said reports or other such data, information, documents, graphic displays, nor other materials except as provided herein or as authorized, in writing, by City's representative. This section shall remain in effect after the termination of this Agreement until such time as the confidential information has been released by City. Contractor must submit a signed copy of the **Confidentiality Agreement**, that is attached hereto as **Attachment B**, and incorporated herein, and require it from each subcontractor.
5. Provision of Data. Upon termination of this Agreement for any cause or reason (including City's breach), Contractor shall provide City, or to another vendor designated by the City, with a copy of all City Data in Contractor's possession within the time period designated by the City in a commercially standard format approved by the City. Upon delivery of all City Data to City, Contractor shall provide written certification that it has securely disposed of any City Data in its possession except as set forth in Section 1 above.

Contractor shall transition Data efficiently, cooperatively, responsibly, and according to industry best practice standards. Contractor shall be responsible for the reasonable cost of transition. City may withhold any payments due Contractor until this requirement is satisfied.

6. Data, Development, and Access-Point Location. Contractor shall provide its hosting services to City and its end users solely from data centers in the continental United States of America. Storage of Content at rest shall be located in the continental United States of America. Contractor shall not allow its personnel or contractors to store City Data on portable devices, including personal, except for devices that are used and kept only at Contractor's continental United States of America headquarters or data centers. Contractor may permit its personnel and contractors to access City Data remotely from locations within the continental United States of America only as required to provide technical support. Contractor shall neither access, nor allow a third-party access to, the systems from any location outside of the continental United States of America. Contractor shall not provide any services under this Agreement from a location outside of the continental United States of America, absent receipt of City's express written approval.
7. Data Breach. Contractor shall protect City Data using industry standard best practices. The Contractor shall notify City as soon as reasonably feasible, but in any event, within twenty-four (24) hours, by telephone and in writing of Contractor's discovery or reasonable belief of any unauthorized access, loss, transmission, alteration, or destruction of City Data (a "Data Breach"), related to cyber security (a "Security Incident"), including, but

not limited to, denial of service attack, ransomware attack, system outage, and/or instability and/or degradation due to computer malware or virus. Contractor shall begin remediation immediately. Contractor shall provide daily updates, or more frequently if required by City, regarding findings and actions performed by Contractor until the Data Breach or Security Incident has been effectively resolved to City's satisfaction. Contractor shall conduct an investigation of the Data Breach or Security Incident and shall share the report of the investigation with City. At City's sole discretion, City and/or its authorized agents shall have the right to lead or participate in the investigation. Contractor shall cooperate fully with City, its agents and law enforcement. In the event that City, at its sole discretion, elects to provide credit monitoring and/or identity theft protection services to impacted individuals, Contractor shall be responsible for the cost of such services.

7.1 Data Breach Liability. If City is subject to liability for any Data Breach or Security Incident, Contractor shall fully indemnify and hold harmless City and defend against any resulting actions. City shall also be entitled to any defense and indemnity set forth in **Standard Provisions for City Contracts (Rev. 10/17 [v.3])**, attached hereto as **Attachment A** and made a part hereof.

7.2 Any breach of security that occurs through Contractor's or subcontractor's website, offices or network shall require Contractor to be responsible for notifying and providing identity protection services for City and all individuals affected by such breach. Contractor shall also be responsible for all costs associated with such notification and identity protection services. In the event that City incurs any cost related to Data Breach, the City will seek reimbursement from Contractor and reduce Contractor's invoice for costs associated with breach of security.

8. Firewalls and Access Controls

8.1 Access Precautions. The Contractor shall use precautions, including, but not limited to, physical software and network security measures, employee screening, training and supervision, and appropriate agreements with employees to:

8.1.1 Prevent anyone other than City, Contractor, and authorized City or Contractor personnel from monitoring, using, gaining access to, or importing of City Data;

8.1.2 Protect copies of City Data from loss, corruption, or unauthorized alteration; and

- 8.1.3 Prevent the disclosure of City and Contractor passwords and other access control information to anyone other than authorized City and Contractor personnel.
- 8.2 Security Best Practices. Contractor shall implement the following security best practices with respect to any service provided:
  - 8.2.1 Least Privilege: Contractor shall authorize access only to an employee or contractor for only the minimum amount of resources required for that function.
  - 8.2.2 Separation of Duties: The Contractor shall divide functions among its staff members to reduce the risk of one person committing fraud undetected.
  - 8.2.3 Role-Based Security: The Contractor shall restrict access to authorized users and base access control on the role a user plays in an organization.
- 8.3 Access Restrictions. Contractor shall restrict the use of, and access to, administrative credentials for City accounts and Contractor's systems to only those of Contractor's employees and other agents whose access is essential for the purpose of providing the services of this Agreement. Contractor shall require these personnel to log on using an assigned user-name and password when administering City accounts or accessing City Data. These controls must enable Contractor to promptly revoke or change access in response to terminations or changes in job functions, as applicable. Contractor shall encrypt all passwords, passphrases, and PINs, using solutions that are certified against U.S. Federal Information and Processing Standard 140-2, Level 2, or equivalent industry standard, and verify that the encryption keys and keying material are not stored with any associated data. Contractor will implement any City request to revoke or modify user access within twenty-four hours or the next business day of receipt of City's request. Contractor will disable user accounts after at most 10 consecutive invalid authentication attempts.
- 9. Right of Audit by City. Without limiting any other audit rights of City, City may review Contractor's data privacy and data security program prior to the commencement of this Agreement and from time to time during the term of this Agreement. During the performance of this Agreement, on an ongoing basis from time to time and without notice, City, may, by itself or by retaining a certified public accounting firm or information security professional, perform, or have performed, an on-site audit of Contractor's data privacy and information security program. In lieu of an on-site audit, at City's discretion and upon request by City, Contractor agrees to complete, within fourteen (14) days of receipt, an audit questionnaire provided by City regarding Contractor's data privacy and information security program.

10. Written Information Security Policy. Contractor shall establish and maintain a formal, documented, mandated, company-wide information security program, including security policies, standards, and procedures (collectively, "Information Security Policy"), and communicate the Information Security Policy to all of its respective employees and contractors in a relevant, accessible, and understandable form. Contractor shall regularly review and evaluate the Information Security Policy to ensure its operational effectiveness, compliance with all applicable laws and regulations, and to address new threats and risks. Upon execution of this Agreement and thereafter within three (3) business days of City's request, Contractor shall make available for City's review Contractor's Information Security Policy and any related SOC audits, information security certifications, or other evidence that Contractor has in place appropriate policies and procedures regarding information protection and security.
11. Change in Service. Contractor shall notify City of any changes, enhancement, and upgrades to Contractor's systems, or changes in other related software services, as applicable, which can impact the security of the services.
12. Conflict of Interest. No City employee whose position with City enables such employee to influence the award of this Agreement or any competing Agreement, and no spouse or economic dependent of such employee, shall be employed in any capacity by Contractor or have any other direct or indirect financial interest in this Agreement. No officer or employee of Contractor who may financially benefit from the performance of work hereunder shall in any way participate in City's approval, or ongoing evaluation, of such work, or in any way attempt to unlawfully influence City's approval or ongoing evaluation of such work.

Contractor shall comply with all conflict of interest laws, ordinances, and regulations now in effect or hereafter to be enacted during the term of this Agreement. Contractor warrants that it is not now aware of any facts that create a conflict of interest. If Contractor hereafter becomes aware of any facts that might reasonably be expected to create a conflict of interest, it shall immediately make full written disclosure of such facts to City. Full written disclosure shall include, but is not limited to, identification of all persons implicated and a complete description of all relevant circumstances. Failure to comply with the provisions of this section Conflict of Interest, shall be a material breach of this Agreement.

## **ARTICLE D – PAYMENT AND INVOICING**

1. Payment Terms and Deliverables.
  - a. City's total obligation for the period April 1, 2017 through March 31, 2022 will not exceed \$42,868,560 from the Workers' Compensation contractual services account, which includes Flat Annual Service Fee of up to \$22,018,560 and up to \$20,850,000 for Other Service Fees and overages for complete and satisfactory performance of the terms of this Agreement as provided in **Attachment D, Fee Schedule**.

- b. Any additional amounts due to be paid by City to Contractor for Other Service Fees and overages not paid under this Agreement will be paid against the claim in which the service or overage occurred. Other Service Fees and overages will not exceed \$1,000,000 per contract year and will not exceed \$5,000,000 for the term of the Agreement.
2. Limitation of City's Obligation to Make Payments to Contractor. Notwithstanding any other provision of this Agreement, including any exhibits or attachments incorporated therein, and in order for the City to comply with its governing legal requirements, the City shall have no obligation to make any payments to Contractor unless the City shall have first made an appropriation of funds equal to or in excess of its obligation to make any payments as provided in said Agreement. Contractor agrees that any services provided by Contractor, purchases made by Contractor or expenses incurred by Contractor in excess of said appropriation(s) shall be free and without charge to the City and the City shall have no obligation to pay for said services, purchases or expenses. Contractor shall have no obligation to provide any services, provide any equipment or incur any expenses in excess of the appropriated amount(s) until the City appropriates additional funds for this Agreement.
3. Invoicing
    - 3.1. Invoices must be submitted to:

David Noltemeyer  
Workers' Compensation Division Chief  
Personnel Department, Workers' Compensation Division  
700 E. Temple Street, Room 210  
Los Angeles, California 90012
    - 3.2. To ensure that services provided under personal services contracts are measured against services as detailed in the Agreement, the Controller of the City of Los Angeles has developed a policy requiring that specific supporting documentation be submitted with invoices.
    - 3.3. Contractor and subcontractor shall submit invoices that conform to City standards and include, at a minimum, the following information:
      - i. Name and address of Contractor
      - ii. Name and address of City department being billed
      - iii. Date of invoice and period covered.
      - iv. Agreement number or authority (purchase order) number
      - v. Description of completed task and amount due for task
      - vi. Original manufacturer's invoice for items where the cost or cost plus is supported by the contract

- vii. Payment terms, total due and due date
  - viii. Certification by a duly authorized officer
  - ix. Certification that all Contractor's staff and subcontractor's staff performing work related to delivery of services under this Contract have passed background clearance pursuant Article G, Section 3.3. Background and Security Investigations.
  - x. Discount and terms (if applicable)
  - xi. Remittance Address (if different from Contractor's address)
- 3.4. All invoices must be submitted electronically and will be on Contractor's letterhead, contain Contractor's official logo, or other unique and identifying information such as the name and address of Contractor. Evidence that tasks have been completed, in the form of a report, brochure, or photograph, shall be attached to all invoices. Invoices must be submitted on a calendar month basis, within 30 days of service, and will be payable to Contractor no later than 30 days after acknowledged receipt of a complete invoice. Invoices are considered complete when appropriate documentation or services provided are signed off as satisfactory by City's Fiscal Officer. In no event shall payment be made prior to City's verifying and approving: 1) the services were received; 2) the work was approved and; 3) a full and complete invoice has been submitted.
- 3.5. In the event that City pays an invoice after the time specified within this provision, Contractor acknowledges that it will not be entitled to collect any late fees, charges, or interest. City will not pay, and Contractor waives the right to seek, any late fees, late charges, penalties, or interest.
- 3.6. Invoices and supporting documentation must be prepared at the sole expense and responsibility of Contractor. City shall not compensate Contractor for costs incurred in invoice preparation. City may request, in writing, changes to the content and format of the invoice and supporting documentation at any time. City reserves the right to request additional supporting documentation to substantiate costs at any time.
- 3.7. Subcontractors' Requirements. Tasks that are completed by subcontractors must be supported by subcontractor invoices, copies of pages from reports, brochures, photographs, or other unique documentation that substantiates their charges.
- 3.8. ***Failure to adhere to these policies may result in nonpayment or non-approval of demands, pursuant to Charter Section 262(a)***, which requires the Controller to inspect the quality, quantity, and condition of services, labor, materials, supplies, or equipment received

by any City office or department, and to approve demands before they are drawn on the Treasury.

- 3.9. Most Favored Public Entity. If Contractor's or subcontractor's prices decline, or should Contractor or subcontractor at any time during the term of this Contract provide the same goods or services under similar quantity and delivery conditions to the State of California or any City, county, municipality, or district of the State at prices below those set forth in this Contract, then such lower prices shall be immediately extended to City.

## ARTICLE E – REPRESENTATIONS AND WARRANTIES

1. Responsibility to Provide Services in Accordance with Applicable Standards and Requirement to Possess All Valid Permits and Licenses. Contractor represents and warrants that the work performed hereunder shall be completed in a manner consistent with professional standards among those firms in Contractor's profession, doing the same or similar work, under the same or similar circumstances. Contractor must possess and maintain valid licenses and permits required to perform the services described herein.
2. Within 90 days of commencement of this Contract, Contractor must provide City with copies of the following documents:
  - a. Contractor's Articles of incorporation and all amendments thereto, as filed with the Secretary of State.
  - b. Resolutions or other corporate actions of Contractor's Board of Directors, properly attested or certified, which specify the name(s) of the person(s) authorized to obligate Contractor and execute contractual documents.
  - c. Certificate of Good Standing from Secretary of State.

## ARTICLE F – STANDARD PROVISIONS FOR CITY CONTRACTS

1. Standard Provisions for City Contracts. Contractor shall comply with the **Standard Provisions for City Contracts (Rev. 10/17 [v.3])**, attached hereto as **Attachment A** and made a part hereof.
2. Disclosure of Border Wall Contracting. Contractor shall comply with Los Angeles Administrative Code (LAAC) Section 10.50 et seq., "Disclosure of Border Wall Contracting." City may terminate this Contract at any time if City determines that Contractor failed to fully and accurately complete the required affidavit and disclose all Border Wall Bids and Border Wall Contracts, as defined in LAAC Section 10.50.1.

## ARTICLE G – MISCELLANEOUS

1. Insurance. Contractor shall maintain the level of insurance required in the completed Form Gen. 146, Required Insurance and Minimum Limits, which is attached as [Exhibit 1] to Attachment A, Standard Provisions for City Contracts (Rev. 10/17, v. 3). The insurance must name City as additional insured with respect to liability coverage. No policies or certificates with respect to such insurance may be cancelled or materially changed without at least 30 days' prior written notice by the respective insurer to City.

Evidence of insurance and performance security is an industry ACORD Certificate that Contractor must submit electronically to City's online insurance compliance system at <https://kwikcomply.org/>

2. Separation Assistance. In the event of separation, Contractor shall provide separation assistance to City to facilitate separation. Except as permitted by Article C, Section 1, Contractor shall further guarantee elimination from Contractor's services of all City Data upon separation.
3. Contractor's Personnel & Subcontractors. Except as expressly provided in Subsection 3.1 below, Contractor shall use its own employees to perform the services described in this Agreement. City shall have the right to review and approve any personnel who are assigned to work under this Agreement. Contractor agrees to remove personnel from performing work under this Agreement if requested to do so by City. City reserves the right to have Contractor replace any project personnel at its sole discretion by submitting written notice to Contractor. In addition, City reserves the right to approve in advance any changes in project personnel or levels of by Contractor to the project.
  - 3.1 Subcontractors. Contractor may utilize subcontractors to assist in performance of this Agreement. Notwithstanding the fact that Contractor may utilize subcontractors, Contractor shall remain responsible for performing all aspects of this Agreement and resolving any issue identified by City or Contractor. City must expressly approve or disapprove Contractor's subcontractors and services provided in advance of any work performed by them and City reserves the right, at its own discretion, to request replacement of a subcontractor. City does not have any obligation to pay subcontractors and nothing herein creates any privity between City and the subcontractors.

Contractor shall supply the City at no cost, within sixty (60) days of Contract execution, all subcontractor agreements and pricing.

- 3.2 Experience and Training for Contractor Personnel. To ensure appropriate management of medical benefits, all bill reviewers assigned to the City's account must meet specific standards of training experience and skills.

- a. Contractor shall provide City the Annual Certification of Medical Bill Reviewers form required by the Insurance Commissioner of the State of California.
  - b. All medical bill reviewers assigned to the City's account must be a designated medical bill reviewer as stated in California Code of Regulations (CCR) Section 2592.01 and completed training as stated in CCR Section 2592.04. Contractor shall provide City with copies of Medical Bill Reviewer Designation forms for all bill reviewers assigned to the City's account.
  - c. Additionally, Contractor shall ensure that Contractor's staff remain aware of and utilize sound and effective bill review techniques, procedures and strategies, and that they are aware of any adopted legislative changes or legal precedents which develop during the term of this Contract through continuing education and training. Contractor shall provide City with training material and documents as requested by the City.
- 33 Background and Security Investigations. City requires that all Contractor and subcontractor staff performing work under the Contract undergo, and pass, to the satisfaction of City, a background investigation, as a condition of beginning and continuing to work under the Contract.
- a. The background clearances to be used should, at a minimum, include the following:
    - Social Security Number Trace
    - DMV/Driver History
    - County Criminal Court Search (based on SS# trace and Lived/Worked/Studied info from application)
    - Federal District Criminal Court Search (based on same)
    - National Criminal Database Search
    - Basic Employment Verification (up to 3 employers and 7 years)
    - Education Verification
    - Professional Reference Interview
    - Employment Credit Report
  - b. The fees associated with obtaining the background clearance information shall be at the expense of Contractor, regardless of whether Contractor's staff passes or fails the background clearance investigation.
  - c. City may request that any member of Contractor's staff be immediately removed from working on the Contract at any time during the term of this Contract. City will not provide to Contractor or to Contractor's staff any information obtained through City conducted background clearance.
  - d. Contractor shall immediately deny access to the City's dedicated unit for any staff member who does not pass such investigation(s) to the

satisfaction of City and whose background is incompatible with City dedicated unit access, at the sole discretion of City.

- e. Disqualification, if any, of Contractor's staff, pursuant to this Section shall not relieve Contractor of its obligation to complete all work in accordance with the terms and conditions of this Contract.
  - f. Contractor's invoice shall certify all Contractor's staff and subcontractor's staff performing work related to delivery of services under this Contract have passed background clearance in accordance with this Section.
4. Non-Exclusive Agreement. Contractor understands and agrees that this is a non-exclusive agreement to provide services to City and that City has entered into contracts with other contractors and will continue to do so. City may use any of the contractors with whom City has current or future contracts and, therefore, City cannot estimate nor guarantee the volume or amount of work to be received by Contractor under this Agreement.
  5. No Third-Party Beneficiaries. Nothing herein is intended to create a third party beneficiary in any subcontractor. City has no obligation to any subcontractor. No privity is created with any subcontractor by this Agreement. Even if Contractor uses subcontractors, Contractor remains responsible for complete and satisfactory performance of the terms of this Agreement.
  6. Contractor's Interaction with the Media; Publicity. Contractor shall refer all inquiries from the news media to City, shall immediately contact City to inform City of the inquiry, and shall comply with the procedures of City's Public Affairs staff regarding statements to the media relating to this Agreement or Contractor's services hereunder.
  7. Public Records Act. This Agreement and any documents submitted by Contractor and all information obtained in connection with City's right to audit and inspect Contractor's documents, books, and accounting records become the exclusive property of City. All such documents become a matter of public record and shall be regarded as public records. Exceptions will be those elements in the California Government Code Section 6250 et seq. (Public Records Act) or which are marked "trade secret," "confidential," or "proprietary." City shall not in any way be liable or responsible for the disclosure of any such records including, without limitation, those so marked, if disclosure is required by law, or by an order issued by a court of competent jurisdiction.

In the event City is required to defend an action on a Public Records Act request for any of the aforementioned documents, information, books, records, and/or contents of a proposal marked "trade secret," "confidential," or "proprietary," Contractor agrees to defend and indemnify City from all costs and expenses, including reasonable attorney's fees, in action or liability arising under the Public Records Act.

8. Ambiguity. No ambiguity in this Agreement may be interpreted against any one party by virtue of that party being drafter of the Agreement. The Parties have had an opportunity to consult with their respective counsel regarding this Agreement and have read and understand this Agreement.
9. Amendments to Agreement. Any changes in the terms of this Agreement, including changes in the services to be performed by Contractor, extension of the term, and any increase or decrease in pricing, must be incorporated into this Agreement by a written amendment properly executed by both parties.
10. Notice of Delays. Except as otherwise provided under this Agreement, when either party has knowledge that any actual or potential situation is delaying or threatens to delay the timely performance of this Contract, that party shall, within one (1) business day, give notice thereof, including all relevant information with respect thereto, to the other party.
11. Taxes. All costs contained herein are inclusive of any applicable State of California Sales, California Use Taxes or Federal Excise Tax. Such taxes are the only taxes for which the City shall be liable for payment, and any such taxes shall be separately identified on Contractor's invoices. If the City asserts in writing that such fees are not subject to tax and provides reasonable support for its conclusions or provides Contractor with an exemption certificate, Contractor will refrain from collecting and remitting any taxes with respect to any fees charged pursuant to this Contract. Contractor agrees to abide by the Board of Equalization's determination for all Sales or Use Taxes and payment thereof, and shall adjust for any overpayment or underpayment of such taxes to date on the next regularly scheduled invoice following receipt of the determination. Contractor agrees to assist the City in preparing and filing any application for a refund of any overpayment of such taxes. Contractor will be solely responsible for reporting and paying taxes on its income or net worth and the taxes assessed by the City under the Business Tax Revenue Certificate (BTRC). Should Contractor become indebted to the City from its obligations to pay its taxes under its BTRC, the City reserves the right to offset any amounts owed pursuant to Charter Section 264 which requires the Controller to deduct the amount of the indebtedness from any demand on the Treasury
12. Entire Agreement. This Agreement contains the full and complete Agreement between the parties. No verbal agreement or conversation with any officer or employee of either party will affect or modify any of the terms and conditions of this Agreement.
13. Order of Precedence. In the event of any inconsistency between the provisions in the body of this Agreement and the attachments, the provisions in the body of this Agreement take precedence, followed by **Attachment A, Standard Provisions for City Contracts (Rev. 10/17 [v.3])**, followed by any other exhibits or attachments to this Agreement in the order in which they are attached.

This Agreement is executed in three (3) duplicate originals,  
each of which is deemed to be an original.

**(Signature Page to Follow)**

**IN WITNESS THEREOF**, the parties hereto have caused this Agreement to be executed by their respective duly authorized representatives.

**THE CITY OF LOS ANGELES**

By: \_\_\_\_\_  
WENDY G. MACY  
General Manager,  
Personnel Department

Date: \_\_\_\_\_

**APPROVED AS TO FORM:**

MICHAEL N. FEUER, City Attorney

By: \_\_\_\_\_  
Brent L. Nichols  
Deputy City Attorney

Date: \_\_\_\_\_

**Medata, Inc.**

By: \_\_\_\_\_  
Cy King  
Chief Executive Officer

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Tom Herndon  
President / COO

Date: \_\_\_\_\_

**ATTEST:**

HOLLY L. WOLCOTT, City Clerk

By: \_\_\_\_\_  
Deputy City Clerk

Date: \_\_\_\_\_

\* Approved Signature Methods:

1) Two signatures: One of the Chairman of the Board of Directors, President, or Vice-President, and one of the Secretary, Assistant Secretary, Chief Financial Officer, or Assistant Treasurer.

1) One signature of a Corporate-designated individual together with a properly attested resolution of the Board of Directors authorizing the individual to sign.

City Business License Number: \_\_\_\_\_

Internal Revenue Service Taxpayer Identification Number: \_\_\_\_\_

Agreement Number: \_\_\_\_\_

## Professional Services Agreement

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### Attachment B – Confidentiality Agreement

I \_\_\_\_\_, (hereinafter referred to as “Contractor”), have entered into a contract (hereinafter referred to as the “Agreement”) with the City of Los Angeles to provide various services to the City of Los Angeles (hereinafter referred to as “City”).

I will provide temporary services to City and as part of these services I will have access to confidential information. “Confidential Information” includes all data, records, documents, audio or visual recordings, materials, products, technology, computer programs, specifications, manuals, business plans, software, marketing plans, financial information, and other information disclosed or submitted, orally, in writing, or by any other media, to me by City pursuant to the Agreement or this Confidentiality Agreement, regardless of whether the information is marked or otherwise identified in writing as confidential, and regardless of whether the Confidential Information is received prior to execution of this Confidentiality Agreement.

I further understand that all Confidential Information provided to me by City, or accessed or reviewed by me during the performance of this assignment will remain the property of City.

Subject to the exception set forth below, I agree:

1. To use Confidential Information solely in connection with providing services to City under the Agreement and for no other purpose;
2. Not to provide Confidential Information, nor disclose its content or any information contained in it, either orally or in writing or in any form to transmit information, to any other person or entity, unless required by law or court order;
3. Not to make copies of any Confidential Information unless a formal request is made and approved by City;
4. To promptly notify City of all requests, notices, subpoenas, pleadings, or other means, for the release of Confidential Information received by me;
5. That I will not divulge to any unauthorized person, Confidential Information or any other information obtained while performing work pursuant to the Agreement between me and City.

I will be responsible for protecting the confidentiality and maintaining the security of all Confidential Information in my possession. I agree to use the same standard of care to protect City’s Confidential Information as I use to protect my own confidential and proprietary information, but not less than a reasonable standard.



## Professional Services Agreement

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### Attachment C – Scope of Work

#### SECTION I - PROGRAM DEFINITIONS

1. Utilization Review. "Utilization Review" (UR) means utilization review and management functions that prospectively, retrospectively, or concurrently review and approve, modify, delay, or deny, based in whole or in part on medical necessity to cure and relieve, treatment recommendations by physicians, as defined in Section 3209.3, prior to, retrospectively, or concurrent with the provision of medical treatment services, pursuant to Section 4600 of Labor Code of Workers' Compensation Laws of California.

Each UR will include the completion of the UR objective (approving, modifying, or denying treatment request) and any resulting appeal. Resubmission from the provider for a lack of medical information denial within 30 days of the lack of medical denial determination is also included.

2. Bill Review. Review of and the recommendation of Workers' Compensation medical and pharmacy or other invoices to State-mandated fee schedule(s), PPO rates, contracted rates in Attachment E - Discount Rates and Fees, other negotiated contracted rates, for provider charges that exceed usual and customary charges, for services that are not medically necessary, and for fraud and other problems, such as inappropriate billing practices, miscoding, duplicate billing, etc. in bills that require adjustments.
3. PPO. Preferred Provider Organization (PPO) is a type of health plan that contracts with medical providers, such as hospitals and doctors, to create a network of participating providers
4. iVOS. iVOS is the City Workers' Compensation Division's claim management system. It is packaged software developed and supported by Ventiv Technology (formerly Aon eSolutions). Ventiv Technology also provides hosting services for the City's instance of the application out of their Atlanta data center. Implemented in May 2014, the Division is currently on version 4.5.

The Division uses iVOS to scan, collect and index document images (e.g., claim forms, bills, and medical reports), manage claim details, generate correspondence, approve and pay bills, manage indemnity payments, and manage litigation activity.

5. Payor. Organization with an arrangement with a PPO network or other network and is entitled to network billing considerations, including discounts and freedom from balance billing.
6. Business Days. With the exception of Saturdays, Sundays, and City legal holidays, all other days are considered business days from 8:00 a.m. to 5:30 p.m. PST. The Contract Administrator will provide a list of the City holidays to the Contractor after Contract is approved and annually at the beginning of the calendar year. The term "days," as opposed to Business Days, shall mean calendar days.
7. Prior Authorization Program (PAP). Pursuant to authorization by the State of California Workers' Compensation Division, the City implemented a Prior Authorization Program on July 1, 2010. This Program requires providers in the City's MPN to send injured workers to the City's Managed Care Providers for routine medical procedures on a pre-approved basis. Since prior authorization is not required, wait times associated with the Utilization Review or analyst-approval process is avoided allowing services to be rendered immediately.
8. PPO Savings. The difference between the state fee schedule amount, or Usual and Customary Rate (UCR) in states without fee schedules, and the PPO contract amount. For example:

Provider Charges = \$100  
Fee Schedule or UCR Amount = \$80  
PPO Contract Amount = \$70  
PPO Savings = \$10

PPO Savings does not include the provider charges billed below Fee Schedule or UCR, whichever is applicable.

## **SECTION II - CONTRACTOR'S SERVICES**

1. Scope of Services. The Contractor shall provide workers' compensation medical bill review, cost containment and managed care services for all existing claims as well as all new claims reported during the contract period for City and Third Party Administrators (TPAs) including, but not limited to:
  1. Medical Bill Review;
  2. Preferred Provider Organizations (PPOs);
  3. Medical Provider Networks (MPN);
  4. MPN Point of Entry Clinics (POE);
  5. Health Care Organization (HCO);
  6. Pharmacy Benefits Management Program;
  7. Durable Medical Equipment (DME) Network;
  8. Post-Surgical DME to include Discharge Planning Services;
  9. Radiology Network;

10. Nurse Case Management Services;
11. Home Health Services;
12. Transportation Services;
13. Translation Services;
14. Ergonomic Services;
15. Job Analysis;
16. Physical Medicine Network;
17. Medicare Reporting and Medicare Set Asides; and
18. Utilization Review.

As specified in this Agreement, Contractor shall take reasonable steps to reduce medical and disability costs, and enhance the quality and the level of the City's medical and disability management and cost containment services program.

Contractor may propose improvements to the Program that will lead to additional cost savings and/or service quality improvements. Contractor must provide the City with detailed description of services, and reasons why it will be of value to the City. The City will approve or disapprove Contractor's proposed changes to Program services at its sole and absolute discretion.

2. Project Coordination. Account Executive and Program Manager. Before performing services under this Contract, Contractor shall designate in writing an account service team and designate an Account Executive and Program Manager, subject to approval of City. If Contractor elects to replace Account Executive or Program Manager, prior notice will be given to City, and City reserves the right to meet with, review and approve the background, education, and experience of any potential assignee to this position throughout the term of this Contract at its sole and absolute discretion.

The Account Executive will have full authority to administer the Contract and serve as the prime contact on behalf of Contractor with City and will have overall management responsibility for the supervision of Contractor's performance under this Contract.

The Program Manager will be responsible for maintaining the day-to-day operational control of all ongoing medical service cost containment management activities related to this Contract. The Program Manager will be responsible for ensuring the quality of medical service cost containment activities provided to City and for promptly resolving any problem or concern that may develop during the term of this Contract.

3. New Contractor Staff, Equipment, Systems, Facilities, and Transition. Contractor shall ensure that all necessary staff, equipment, systems, and facilities are available for full operation and performance of service under this Contract on April 1, 2017. In order to meet April 1, 2017 deadline, implementation services must begin approximately 3 months prior to April 1, 2017. There will be no fees charged to the City for implementation or transition.

Contractor shall have sufficient staffing and systems in place to guarantee all bills received by Contractor are processed within 7 business days and 4 days for electronic billing according to Contract Attachment C, Section II, 5.4. Bill Review.

Contractor must accept and load all historical bill review records and documents from the City or City approved vendor. All historical bill review records will be transferred according to industry best practice standards and City requirements. See Attachment F - Systems Handout for details.

#### 4. Administrative Matters

4.1 Designated Office. Contractor shall establish a single designated claim office to handle City claims. That office shall be located at:

5 Peters Canyon Road, Suite 250  
Irvine, CA 92606

If, during the term of this Contract, any change of office location, alteration of existing office space, or reconfiguration takes place, it shall be the sole responsibility of Contractor to ensure the electronic data transfer process continues for ongoing City business and to directly bear any costs associated with such a reconfiguration.

4.2. Computerized Claims Management System. Contractor and/or subcontractor must be able to interface with the iVOS system. iVOS is the Workers' Compensation Division's claim management system. It is packaged software developed and supported by Ventiv. They also provide hosting services for the City's instance of the application out of their Atlanta data center. City uses iVOS to scan, collect and index document images (e.g., claim forms, bills, and medical reports), manage claim details, generate correspondence, approve and pay bills, manage indemnity payments, and manage litigation activity. At this time, all interfaces between the City and Contractor will be to and from iVOS. See Attachment F - Systems Handout for additional information and requirements.

City may at its discretion replace or update iVOS. When and if this occurs, Contractor shall assist City in the development and implementation of the new or updated system(s) to ensure a smooth transition.

If City updates or replaces iVOS during the life of this agreement, Contractor will provide the necessary interfaces to the updated or new replacement system(s) at Contractor's cost, during the term of this Contract for all fields and functionality required as part of the Contractor's system and services.

4.3 Reporting Responsibilities. The Contractor will consistently update and enhance all software systems necessary to insure compliance with Contract and the State of California workers' compensation regulations and

requirements at no cost to the City. See Attachment F - Systems Handout for additional information.

- 4.4 Meetings. Contractor is required to attend in-person, monthly or as requested by the City, performance assessment meetings facilitated by City's Contract Administrator. The meetings will focus on Contractor's and City's performance in fulfilling the services in this Contract. The meetings will provide a forum to informally discuss opportunities for improving procedures and conditions, service level agreements, and cost reductions for both parties.

Contractor shall be responsible for preparing and distributing an agenda at least (2) two business days prior to meetings and minutes to document such meetings within a week after the meetings, as well as any periodic reports as required by City.

- 4.5 Legislation Reviews. On an ongoing basis, Contractor shall monitor and evaluate any and all proposed legislative changes or State directives, rules, and regulations, which directly apply to the current scope and current functionality of services delivered under this Contract and implement, at no cost to the City any changes necessary for the performance of work under this Contract.

- 4.6 Training. Contractor shall provide City and TPA claims staff periodic training as necessary, at no additional cost, to ensure City achieves maximum cost containment including but not limited to legislative changes, and industry best practice standards, Contractor's system, and other cost saving techniques and strategies related to services provided by Contractor.

- 4.7 Information Management Requirements. Contractor must be able to interface with the iVOS system utilized by the City related to the performance of Contract service(s) (at their own cost) See Attachment F - Systems Handout for additional information and requirements. If City updates or replaces iVOS during the life of this agreement, Contractor will provide the necessary interfaces to the updated or new replacement system(s) at Contractor's cost, during the term of this Contract for all fields and functionality required as part of the Contractor's system and services.

- a. Contractor must provide the City with an acceptable electronic data transfer process for all services covered under this Contract (See Attachment F - Systems Handout).
- b. Contractor must provide a pdf format image of electronic bill documents (i.e. medical bill, reports, etc.) along with identifying index information, in the standard iVOS document image import format or other format as requested by the City. See Attachment F - Systems Handout for additional information and requirements

- c Contractor will ensure all electronic files are received, processed and returned to the City and notify the City of missing files daily and implement corrective action subject to City approval.
  - d The Contractor will consistently update and enhance all software systems to ensure compliance with the State of California workers' compensation regulations and requirements at no cost to the City. See Attachment F - Systems Handout for additional information.
  - e Contractor must provide the City with Electronic and standardized medical billing, in accordance with California Code of Regulations, Sections 9792.5 to 9792.5.3 and must ensure Electronic billing integrates seamlessly with iVOS.
  - f Contractor shall provide its own computers with Internet and e-mail capability and all necessary communication and office equipment that Contractor deems necessary to perform the services pursuant to this Contract.
- 4.8 Internal Controls. Contractor shall provide City with Service Organization Controls (SOC 1 and SOC 2) Report(s) and most recent SOC 1 and SOC 2 Report audit annually or as requested by the City.
- a Contractor shall provide City with its internal control procedures to prevent errors and misrepresentation of data and information related to the performance of work and delivery of services provided under this Contract and by subcontractor(s).
  - b Contractor shall audit these internal controls and implement any changes necessary, at no cost to the City.
  - c Thirty days after contract execution, Contractor shall submit an audit plan to audit subcontractors at least once a year.
  - d Contractor shall provide City with the audit results, at no cost to the City.
5. Medical Bill Review, Cost Containment, and Managed Care Services Program
- 5.1 Contractor Responsibilities. Contractor shall control costs in the Workers' Compensation Program by providing integrated medical and disability cost containment services including but not limited to the following areas:
- 1. Medical Bill Review;
  - 2. Preferred Provider Organizations (PPOs);
  - 3. Medical Provider Networks (MPN);
  - 4. Pharmacy Benefits Management Program;
  - 5. Durable Medical Equipment (DME) Network;

6. Post-Surgical DME to include Discharge Planning Services;
7. Radiology Network;
8. Nurse Case Management Services;
9. Home Health Services;
10. Transportation Services;
11. Translation Services;
12. Ergonomic Services;
13. Job Analysis;
14. Physical Medicine Network;
15. Hearing Aid Network;
16. Medicare Reporting and Medicare Set Asides; and
17. Utilization Review.

- 52 Discounts and Fees for Services. Contractor must ensure that the City is listed as a payor on the payor list created by Contractor and/or subcontractor network(s) for all services under this Contract, and shall include any language required to ensure that the City obtains all benefits described in this Contract between the City and the Contractor, including but not limited to maximum PPO discounts and subcontractor network/service rates detailed in Attachment E - Discount Rates and Fees. City must be provided a copy of all contracts and payor lists for all services under the Contract for the City's reference, at no cost to the City.

Contractor agrees that when discounts have been applied as per the PPO contract or discount pricing listed in Attachment E – Discount Rates and Fees, the Contractor shall enforce the terms of the Contractor's contracts with the PPO or subcontractor(s), including but not limited to compelling providers to refrain from filing liens for amounts discounted as per their contracts, from "selling" these liens for collections, or otherwise depriving the City of these discounts. If a network provider habitually and wrongly files liens and/or abuses the appeals process, the provider shall be given written notice by Contractor, of the City's concerns upon approval of the City, and shall be advised that continued abuse of the process will lead to recommendation of the removal from the City's PPO or subcontractor network. At no additional cost, the Contractor and PPO or subcontractor(s) shall provide any reasonable assistance to the City as requested in legal or other proceedings at the City's request, including but not limited to providing testimony and copies of documents, such as Contractor's contract with the PPO or subcontractor(s) without necessity of subpoena. This provision shall extend beyond the term of this Agreement.

Contractors must use their bill review system or other system(s) expressly approved by the City to validate and ensure the City receives discount pricing listed in Attachment E - Discount Rates and Fees.

- 53 Fraud. Before performing services under this Contract, Contractor shall implement a program approved by City, to identify and intervene in potentially

fraudulent billing issues. Contractor shall ensure that staff is properly trained in the identification of potential fraud and abuse of the workers' compensation process, and shall aggressively investigate and resolve such issues when raised. To the extent that fraudulent activity is discovered, Contractor shall immediately notify City and shall cooperate with appropriate local and State authorities in the development of cases for criminal prosecution. Additionally, there shall be efforts to identify instances of over utilization, questionable billing, and "self-referral" by vendors. Contractor shall provide written or other relevant documentation of any and all efforts taken to identify and intervene in potentially fraudulent claims upon reasonable request of City. Contractor will provide a report on this program in their annual report to the City.

54 Bill Review.

- a. Contractor shall analyze all medical, pharmacy and other invoices with their bill review system and staff and provide maximum reductions for each bill to amounts allowed by the California Division of Workers' Compensation's Official Medical Fee Schedule or the respective fee schedule for out-of-state bills, PPO rates, usual customary and reasonable (UCR) rates, contract rates listed in Attachment E - Discount Rates and Fees and other negotiated contract rates. Additionally Contractor shall identify and correct fee schedule excesses, duplicate charges, billing infractions and have the ability to unbundle service codes as needed to achieve savings. The bill review, analysis, and reduction shall be conducted by qualified staff according to above Article G. Section 3.2 Experience/Training for Contractor Personnel. Bill review services under this Contract shall not be subcontracted.
- b. Contractor shall identify and process duplicate bills at no cost to the City. Duplicate bills include those bills submitted for reconsideration with no substantial additional information, resulting in no further payment.
- c. Contractor must complete the bill review process within 7 business days and 4 days for electronic billing; provided that City provides Contractor with a "clean" bill that includes all necessary documentation, including without limitation all vendor and claimant information, and shall be calculated inclusive of the date the bill is available to the Contractor and inclusive of the availability of the completed bill to the City by Contractor.
- d. City shall be reimbursed by Contractor for failure to meet these timeframes according to Attachment C, Section II, 6.6, Adjustments to Total Fees Paid.
- e. Contractor shall analyze all invoices for medical-legal professional consultations and reduce each bill to amounts allowed by the Medical Fee Schedule (Relative Value Studies) of the State of California Division of

Workers' Compensation. Contractor shall complete the medical-legal bill review process within five (5) business days.

- f Contractor shall maintain a computer system capable of tracking such information as duplicate bills, service dates, diagnostic codes, graphic bill amount, and recommended reduction, and shall provide individual reports of discount savings by type (PPO, discount network, medical legal, etc.) and an integrated savings report. City reserves the right to exclude any specific claim from assignment to Contractor at its own discretion.
- g Contractor shall audit all hospital bills, including those cases that received an initial Utilization Review and those that were not reviewed at the time of hospitalization, to ensure that only appropriate charges are made and appropriate standards, fee schedules, and discounts applied. All hospital bills are to be analyzed and adjusted to disallow duplicate charges, charges for treatment not received, charges for treatment received but not ordered by a physician and charges that are outside the scope of the City's liability. Contractor also agrees to conduct cursory audit of hospital bills as requested by the City on a real-time basis.
- h Contractor must provide a secondary quality assurance audit for all bills with a recommended allowance of over \$10,000 and/or any bill where pricing is based on Diagnosis Related Group (DRG) or Ambulatory Payment Classification (APC). Secondary quality assurance audit will occur during the bill review process to avoid overpayments. Contractor's audit will ensure accuracy and a thorough review of documentation to compare level of service and coding is appropriate. Audit will be conducted by an expert with extensive experience in reviewing complex bills that may include consultations, surgeries, catastrophic injuries, inpatient hospital, multiple anesthesia codes, extensive diagnostic testing and/or medical-legal evaluations. There will be no fee for this service.
- i Contractor must incorporate bill review with all services provided in this Contract to ensure only authorized services are paid and with maximum savings. Services not authorized will include non-certification language and a legal objection in the EOB and be sent to Provider, Injured Worker and Applicant Attorney.
- j Contractor shall make licensed Registered Nurses and medical panel providers available to assist with difficult reviews such as pain management, experimental, new or not commonly performed procedures, multiple injuries/medications, addictive drug, catastrophic claim, head trauma and comatose patients, medical/legals, and review of surgical bills at no additional cost to the City.
- k Contractor must defend any review recommendations and services provided in this Contract in arbitration or at the Workers' Compensation

Appeals Board (WCAB) when requested by the City or its designated Third Party Administrator (TPA) within 15 business days of notice or sooner if mutually agreeable by both parties. At no additional cost Contractor shall:

- Make WCAB appearances.
- Re-evaluate bills.
- Make recommendations and adjustments to bill review.
- Gather all documentation necessary to defend bill review recommendation.
- Prepare lien affidavits for arbitration at the WCAB.
- Prepare and deliver Kunz package within 10 business days of request by City, on surgical center and outpatient hospital bill issues

- l Contractor must provide a highly qualified representative(s) from their staff for all appearances including but not limited to hearings and mediations at the WCAB on lien, bill and UR issues. These services will not be performed by Contractor's on-site representatives as described below. This provision will survive the term of the Contract.
- m Contractor shall provide three (3) on-site representatives to be located in the space provided by the City and TPAs. Services provided by these representatives will include but not be limited to, providing direct liaison to the City's workers' compensation management and TPA, resolving billing problems of an unusual nature, performing on-site rush reviews, preparing and completing lien affidavits, providing unique statistical reports, and responding to quality service issues or problems. On-site representatives will not attend lien hearings or trials. Three (3) on-site representatives will be responsible for servicing the City located in the City of Los Angeles and the three (3) TPAs located in Alhambra, Temecula and Pomona California or any future locations. One (1) on-site representative will service the Los Angeles location and one (1) on-site representative will service the Alhambra location on a full time basis during regular business hours. One (1) on-site representative will serve TPAs in Temecula and Pomona on a rotating, full time basis, dependent on service needs during regular business hours.
- n Contractor shall provide and maintain an on-line terminal and office equipment in the space provided by the City and TPA(s) at Contractor's own expense. (See Attachment F Systems Handout).
- o Contractor shall provide the City with an itemized report of the bills reviewed by claim number, including the savings achieved, on a monthly basis or as otherwise requested by the City. The report may be a customized report as necessary to meet the City's needs, at no additional charge.

- p. Contractor shall provide the City with an acceptable electronic data transfer process that can be used for direct input of reviewed bills into the City's automated claims management system (see Attachment F – Systems Handout).
- q. Contractor shall be responsible for retrieving all bills and/or information necessary for review electronically from the City's Workers' Compensation Division and TPAs (see Attachment F – Systems Handout).
- r. Contractor shall be responsible for generating, faxing, and mailing an explanation of benefits (EOB) to vendors, injured workers and any appropriate parties including Applicant Attorneys at no additional charge to the City. The EOB shall meet all State requirements in accordance with but not limited to Labor Code Sections 5307.1 and 5307.3 and shall include, at minimum:
  - 1. An itemized listing of charges reviewed,
  - 2. An indication of which services have had billing adjustments made, and the allowance made on each service adjusted,
  - 3. The reason and amount for each adjustment, including amount previously paid, and total recommended payment,
  - 4. A legal objection if appropriate, with legally acceptable language required by the Labor Code and defensible at the WCAB,
  - 5. A statement instructing the service provider to contact Contractor in writing or telephonically for any inquiries or disputes regarding the reduction of charges,
  - 6. For EOB sent to the injured worker, a monthly statement advising them "This is not a bill" and to verify the services were provided and to contact the specific City or TPA contact for any questions or concerns, and
  - 7. Any additional State requirement which may be enacted.
- s. Contractor must provide a pdf format image of all electronic bill documents (i.e. medical bill, reports, etc.) along with identifying index information in the standard iVOS document image import format or other format requested by the City (see Attachment F - Systems Handout).
- t. Contractor shall be responsible for responding to inquiries from vendors who question the recommended payment, and for re-evaluations,

reconsiderations, and WCAB appearances. Contractor shall provide a designated toll free phone number during Business days and hours for City and TPA analysts to refer such calls. These services are included in the service fee for medical bill review and there will be no additional charge for these services.

- u. Contractor must provide the City with Electronic and standardized medical billing, in accordance with California Code of Regulations, Sections 9792.5 to 9792.5.3 5 and must ensure Electronic billing integrates seamlessly with the City's current claims administration program iVOS (see Attachment F - Systems Handout). The City may at its discretion replace or update iVOS. If and when this occurs, the Contractor will assist the City in the implementation of the new or updated system(s) to ensure a smooth transition. Contractor must be able to integrate with the current and new system(s) at no cost to the City.
  - v. Contractor shall load all City's payment history data from prior Contractor, regardless of the amount of data, at no cost to the City, and, as requested by the City, will transmit this data to other vendor(s) or the City when the workload is reassigned, and in the format and method designated by the City.
  - w. Contractor shall work with the City in its use of the document management and workflow system, at no additional cost to the City, to ensure that the Contractor will interface with this system as required by the City.
  - x. Contractor shall provide any systems requirements and agreed upon method to City for connection to iVOS or new or updated system at no additional cost.
  - y. City, through its Workers' Compensation Division, may provide to Contractor specific written instructions detailing its requirements for cost containment strategies or procedural requirements. Contractor shall ensure that its staff is properly notified of such requirements, and that its entire staff consistently applies them.
  - z. Contractor shall audit and negotiate Inpatient Hospital Rehabilitation Fees, DRG code 945, to ensure maximum discounts.
- 55 Preferred Provider Organization (PPO). Contractor shall utilize PPO(s) as approved by the City, for hospital, physician and other medical services, which will provide quality medical services at discount rates to the City and which includes a large number of participating providers in the greater Los Angeles area as well as throughout California and the United States. Contracts with PPO(s) shall be entered into and maintained by Contractor.

- a. Contractor shall be responsible for making and maintaining contracts with PPO networks (e.g. Anthem Blue Cross), which will be approved by the City. The PPO networks shall be responsible for making and maintaining contracts with hospitals, medical providers, pharmacies and other provider networks to provide a discounted rate, and will make an electronic and hardcopy listing of providers available, at no additional cost, to the City on a regular basis.
- b. Contractor shall provide a designated customer service toll free phone number available during Business days and hours.
- c. Contractor will provide web address and system access to electronically search and view participating providers and facilities in the PPO(s).
- d. Contractor shall be responsible for making and maintaining contracts with PPO networks (e.g. Anthem Blue Cross), which will be approved by the City. The PPO networks shall ensure that hospitals, physicians, medical providers, pharmacies and other provider networks within the PPO(s) comply with the Workers' Compensation treatment standard recognized by State law, which is currently the latest Medical Treatment Utilization Schedule (MTUS), American College of Occupational and Environmental Medicine's Occupational Medicine Practice (ACOEM) guidelines or Official Disability Guidelines (ODG).
- e. Contractor shall provide monthly, quarterly and annual savings reports that clearly demonstrate PPO penetration, savings below fee schedule and discounts by specialty.
- f. City has the right to approve or disapprove Contractor's PPO and City reserves the right, at its own discretion, to request replacement of a PPO. Should the City decide to switch PPOs, the City will negotiate associated costs.
- g. Contractor shall obtain for the City the maximum discounts available from the PPO(s) based on the pricing schedules provided by such PPO(s) for this Contract.
- h. Contractor agrees to continual quality assurance monitoring of the PPO(s) as well as individual hospitals, physicians, pharmacies, and other providers associated with the PPO.
- i. In no event shall the provider's billing, after discounted by the Contractor for services provided through PPO(s), be above the California Division of Workers' Compensation's official Medical Fee Schedule or the respective fee schedule for out-of-state bills except for those providers identified by the PPO(s) which may be above fee schedule.

- j. Contractor shall ensure that the City is listed as a payor on the payor list created by PPO(s) on all of their contracts, and Contractor's contracts with their PPO(s) shall include any language required to ensure that the City obtains all benefits described in this Contract between the City and the Contractor, including but not limited to maximum PPO discounts.

56 Medical Provider Network. On May 1, 2018 the City of Los Angeles implemented three (3) custom MPNs for the City's Workers' Compensation Program. One custom MPN has been developed for members of the Police Protective League, in conjunction with an Alternative Dispute Resolution and Prevention Program. Another custom MPN has been developed for those civilian unions that have negotiated a separate Alternative Dispute Resolution Program. A third MPN has been established for all other City employees. The City may implement additional custom MPNs.

- a. Contractor shall provide custom MPNs and propose MPN providers approved by the City to improve medical outcomes, and produce cost savings.
- b. Contractor shall, at the City's request, assist the City in completing the required State documents to certify the MPN is in compliance with State requirements and guidelines. The City may request the Contractor to provide ancillary services at Contract pricing, associated with certifying and maintaining the MPN, including, but not limited to State mandated employee notification.
- c. Contractor will be responsible for issuing initial employee notifications and material change notifications as required by Title 8 California Code of Regulations.
- d. Contractor's MPN as approved by the City for hospital, physician and other medical services, will provide quality medical services at discount rates to the City and will include a large number of participating providers in the greater Los Angeles area as well as throughout California and the United States. Contract with MPN shall be entered into and maintained by Contractor.
- e. Contractor will be responsible for and follow the City's PAP program as described in Attachment C, Section I, 6. Prior Authorization Program.
- f. Contractor shall be responsible for making and maintaining contracts with MPN network which must be approved by the City. The MPN network shall be responsible for making and maintaining contracts with hospitals, medical providers, pharmacies and other provider networks to provide a discounted rate, and will make an electronic and hardcopy listing of providers available, at no additional cost, to the City on a regular basis.

- g. Contractor shall provide a designated customer service toll free phone number available during Business days and hours.
- h. Contractor will provide web address and system access to electronically search and view participating providers and facilities in the MPN.
- i. Contractor at the request of the City will be required to provide, hardcopy and electronic directories to the City during the term of the Contract at no cost to the City.
- j. The MPN network shall ensure that hospitals, physicians, medical providers, pharmacies and other provider networks within the MPN comply with the Workers' Compensation treatment standard recognized by State law, which is currently the latest Medical Treatment Utilization Schedule (MTUS), American College of Occupational and Environmental Medicine's Occupational Medicine Practice (ACOEM) guidelines or Official Disability Guidelines (ODG).
- k. Contractor shall provide monthly, quarterly and annual MPN reports that clearly demonstrate MPN penetration, savings, and provider performance.
- l. City has the right to approve or disapprove Contractor's MPN and City reserves the right, at its own discretion, to discontinue or request replacement of MPN. Should the City decide to switch MPN, the City will negotiate associated costs.

5.6.1. MPN Point of Entry (POE) Clinics. On May 1, 2018 the City of Los Angeles implemented three (3) custom MPNs which include POE clinics also known as First Care Panel clinics.

- a. The Contractor shall create a contracted panel of POE Clinics, physicians and occupational health facilities experienced in workers' compensation to be utilized for the initial and ongoing treatment of employees. Initial treatment must be immediately scheduled and provided with timely reporting to the City. Every status report must have work restrictions and/or fully explain any Temporary Total Disability (TTD).
- b. Initial and walk in visits must be completed within 90 minutes and scheduled follow up visits must be completed within 45 minutes including any wait time. The City may allow Contractor and/or Subcontractor exception from this provision at its sole and absolute discretion.
- c. The Contractor's POE must be educated and provide services according to the City's Mandatory Return-to-Work Program, Managed

Care Program, PAP and the necessity of issuance of work restrictions (if any) during the initial visit and all follow up visits.

- d. Contractor shall be responsible for making and maintaining contracts with POE hospitals, medical providers, pharmacies and other provider networks to provide services at or below FS rates, and will make an electronic and hardcopy listing available, at no additional cost, to the City on a regular basis.
- e. Contractor shall provide a designated customer service toll free phone number available during Business days and hours.
- f. Contractor shall ensure that hospitals, physicians, medical providers, pharmacies and other provider networks within the POE comply with the Workers' Compensation treatment standard recognized by State law, which is currently the latest MTUS, ACOEM or, when not applicable, the AMA guidelines, or other industry recognized, evidence based, medical criteria. Contractor shall insure that all POE providers comply with terms of this Contract. The City reserves the right to request any POE provider be removed at the City's sole discretion.
- g. All initial visits must be provided by a Physician during business days from 8:00 a.m. to 5:00 p.m. Physicians are preferred but not required for non-business days and after hours. The City prefers subsequent visits also be provided by a Physician.

57 Utilization Review. Contractor shall provide utilization review services and will comply with those provisions of California Labor Code 4610 applicable to the services being provided by Contractor.

- a. Utilization Review (UR) will include determination of compliance with Workers' Compensation treatment standards recognized by State law (which is currently the California Code of Regulations 9792.21 Medical Treatment Utilization Schedule), latest American College of Occupational and Environmental Medicine's Occupational Medicine Practice (ACOEM) guidelines or Official Disability Guidelines (ODG), when not applicable, in accordance with other scientifically and evidence-based, peer-reviewed, medical treatment guidelines that are nationally recognized by the medical community, in accordance with subdivisions (b) and (c) of Section 9792.25, and pursuant to the Utilization Review Standards found in Section 9792.6 through Section 9792.10.
- b. Contractor shall maintain a designated toll free phone number during business days from 8:00 a.m. to 5:30 p.m. PST for provider, City, or TPA inquiries.

- c. Contractor shall request all medical information necessary to complete a UR review.
- d. Contractor shall coordinate UR with City's workers' compensation TPAs, in-house staff, Bill Review vendor and Managed Care vendors and enter UR data into bill review system to ensure adherence with treatment approvals and denials and payments only for approved services.
- e. Within five (5) business days of the receipt date of a UR request from the City or TPAs, Contractor shall provide a UR determination for UR request and all needed information to all parties including the City or TPA claims analysts, medical providers, and employees or their representative, so all State-mandated deadlines are met.
- f. Contractor shall perform outpatient UR upon request and notification by the claims analyst of a pending procedure, or for disability management upon request and notification by the physician, employer or claim analyst. Contractor's outpatient UR program shall include advance review upon notification by the claims analyst of a pending procedure of outpatient surgery. Contractor will determine the medical necessity, appropriateness of placement and the proposed treatment plan. Outpatient UR shall also include chiropractic and physical therapy services.
- g. In situations where pre-certification of treatment through UR did not occur, Contractor shall perform a retrospective review, as (or when) requested by the City, for medical necessity and appropriateness of care. Decisions for retrospective reviews will be completed within the State-mandated 30-day deadline.
- h. Contractor's UR reviewers shall contact attending physicians or other ordering providers by telephone or in-person to discuss appeals when necessary or as requested by the City. UR reviewers must be licensed physicians in accordance with Labor Code 4610 (e).
- i. Contractor review shall include the completion of the UR objective (approving, modifying, or denying treatment request) and any resulting appeal. Resubmission from the provider for a lack of medical information denial within 30 days of the lack of medical denial determination is also included. There will be no charge for incomplete reviews.
- j. Contractor must defend any UR recommendation in arbitration or at the Workers' Compensation Appeals Board (WCAB) when requested by the City or designated TPA. Contractor must provide a highly qualified representative from their staff for all appearances at the WCAB at no additional cost.

k. Contractor must provide the City with proof of (URAC) accreditation for the entire term of the contract.

l. Utilization Review has the following five (5) levels:

Level 1: UR determinations are made by City or TPA. City or TPA will enter request information into Utilization Review Organization (URO) system. City or TPA will produce letters and, fax and mail letters to stakeholders.

Level 2: UR determinations are made by City or TPA. City or TPA will enter request information into URO system. URO will produce letters, and fax and mail letters to stakeholders.

Level 3: UR determinations are made by City or TPA. UR request is sent to URO via courier or electronic transmission. URO will enter request information into its system, produce letters, and fax and mail letters to stakeholders.

Level 4: UR determinations are made by URO Nurse or Chiropractor. URO will enter request information into its system, produce letters, and fax and mail letters to stakeholders.

Level 5: UR determinations are made by URO physician with peer-to-peer review when necessary or at City's request. URO will enter request information into its system, produce letters, and fax and mail letters to stakeholders. Please note each UR review will include the completion of the UR objective (approving, modifying, or denying treatment request) and any resulting appeal. Resubmission from the provider for a lack of medical information denial within 30 days of the lack of medical denial determination is also included

58 Medicare Set Asides (MSA) and Medicare, Medicaid, and SCHIP (State Children's Health Insurance Program) Extension Act of 2007 (MMSEA) Reporting.

a. Contractor will provide full and complete MSA services and be knowledgeable and cost effective in ensuring eligible benefits will be accounted for and paid efficiently in accordance with regulated guidelines.

b. The Contractor will provide full and complete Medicare Mandatory Reporting services and be responsible for compliance with Centers for Medicare/Medicaid Services (CMS) as defined by the Medicare/Medicaid laws, and MMSEA.

- c. Contractor will be responsible for and provide services such as, initial claims reporting, verification and monitoring of Medicare/Medicaid eligibility, etc. and ensure compliance with MMSEA.
- d. In accordance with CMS Reporting, Section 111 of the MMSEA, Contractor will be designated as City's Responsible Reporting Entity (RRE) and will be responsible for fully complying with all reporting requirements.
- e. Contractor shall provide the City with all documentation necessary to defend the City's position for any potential Medicare disputes or lien exposure. City will use documentation provided by Contractor for defense purposes only.
- f. Contractor shall provide monthly status reports of outstanding debts.
- g. Contractor shall provide the City with Medicare Case Resolve letter 60 days from the date of Medicare Valid Dispute letter.
- h. Contractor shall meet in-person with the City monthly or as requested by the City to discuss the Medicare program, concerns and any issues which may arise.

59 Managed Care Program. Contractor shall be responsible for making and maintaining contracts with a variety of providers and networks for services covered under the Contract to deliver prompt and appropriate medical care to the City's injured employees at the rates contained in this Contract, Attachment E - Discount Rates and Fees or as explicitly agreed to by City management or designee(s).

The City of Los Angeles Managed Care Program is designed to:

1. Protect the health and safety of City employees.
2. Provide immediate and appropriate quality medical care.
3. Return injured workers to duty in a productive and timely manner.
4. Provide these benefits at a reasonable cost to the City.
5. Ensure compliance with all applicable State Workers' Compensation Laws.
6. Prevent Fraud.
7. Increase the efficiency of the Workers' Compensation Analyst.

Contractor shall provide monthly, quarterly, and annual savings reports that clearly demonstrate savings below fee schedule and other discounts.

5.10 Pharmacy Benefits Management (PBM), Durable Medical Equipment (DME) Network, Post-Surgical DME to include Discharge Planning

- a. Contractor shall provide City with retail and mail order programs, which may be utilized by workers' compensation claimants to obtain pharmacy benefits and DME at or below State fee schedule. Approved City employees shall obtain prescriptions without incurring out-of-pocket expenses. All pharmacy and DME bills shall be re-priced to the corresponding State fee schedule or contracted rate, whichever is lower, to ensure maximum savings to City.
- b. The PBM/DME program will be capable of screening out medications/equipment that are not prescribed to cure or relieve the effects of the accepted injury as described in Sections 4600.1 and 4600.2 of the Labor Code. The PBM/DME program shall dispense authorized medications/equipment directly to injured employees in the most convenient and expedient method possible to the employee, minimizing any delays.
- c. Contractor's PBM/DME program will include/provide:
  - 1. The availability of a workers' compensation formulary so that prescriptions for drugs typically associated with workers' compensation claims are automatically approved and dispensed. Those drugs which fall outside the formulary shall only be dispensed upon approval from City or TPA. City reserves the right to modify such formulary at any time and to restrict or enable dispensing of specific drugs based on individual employee or other identifiable category, such as employee group.
  - 2. Twenty-four (24) hour turnaround time for non-mail orders, from the time the prescription is submitted to the pharmacy.
  - 3. Forty-eight (48) hour turnaround time for mail orders, from the receipt of order.
  - 4. On-line access of the Contractor's database of employee's bill information/utilization.
  - 5. Preclusion of issuance of drugs that have an adverse interaction by notifying the prescribing physician.
  - 6. Prescription of generic drugs unless the prescribing physician specifies brand name only.
  - 7. Intake of prescriptions shall be accepted by employee's physician telephone call, fax, mail, or in person.
  - 8. A call center with a dedicated toll-free line to provide customer service support on a 24/7/365 basis. Call center shall be staffed by personnel

who have a clear understanding of City's pharmacy design plan, drug coverage, formulary, and DME services.

9. A process to identify RX or DME procedure(s) that fall outside the PBM DME program and provide a resolution process and timeline.
  - d. At any time upon City's request, Contractor shall provide within (3) three business days of request, all City employees' account information, including but not limited to all prescription information, authorizing physician, status of fill, refill available, etc. in an electronic format acceptable to the City. The Contractor shall fully cooperate as permitted by law to transfer prescriptions and related information to another provider, so as to facilitate uninterrupted prescription service with another vendor.
  - e. All pharmacy and DME bills will be subject to bill review before payment is made.
  - f. DME rental price or costs must not exceed the DME purchase price. All rental charges paid will be applied toward the cost of purchase.
  - g. DME with allowance amount over \$250 must be authorized by Utilization Review and must include an invoice from the supplier with the specific information for each DME billed.
  - h. Special order DME items, home modifications, vehicle modifications and all other non-standard items with billed charges of \$15,000 or more require 3 pricing quotes submitted to the City for review and approval.
  - i. Discharge planning services will be provided on all Post-Surgical DME. These services include coordinating with the City's Physical Medicine Network, PBM, NCM, Home Health and Transportation.
- 5.11 Radiology Network. Contractor shall provide a full service Radiology Network to include MRI, CT scans and other radiology and diagnostic procedures at rates contained in this Contract.
- a. Contractor shall contact patients to schedule appointments within 1 business day of receiving referral information.
  - b. Contractor shall complete all radiology services within 2 business days. Business days shall be calculated inclusive of the date and time MRI and/or CT scan is available to the Contractor and inclusive of the availability of the completed reading to the City by Contractor.
  - c. Contractor shall provide referral and MRI/CT reading turnaround time report monthly or as requested by the City.

- d. Contractor shall provide patient with a compact disc (CD) containing their MRI, CT and other radiology images and scans.
- e. All radiology bills will be subject to bill review before payment is made.

5.12 Nurse Case Management, Home Health. Contractor shall provide a Nurse Case Management and Home Health Network which will include registered nurse case managers and peer review physicians licensed and based in California or as approved by the City for services outside California to ensure the appropriateness of treatment and adherence by medical providers to generally accepted treatment protocols.

- a. Contractor shall comply with workers' compensation treatment standards recognized by State law, which is the latest Medical Treatment Utilization Schedule (MTUS), American College of Occupational and Environmental Medicine's Occupational Medicine Practice (ACOEM) guidelines or Official Disability Guidelines (ODG). All case management referrals are subject to review and approval by City.
- b. Contractor shall provide one (1) dedicated full time on-site registered nurse with extensive experience in Utilization Review and the Workers' Compensation System in California. City reserves the right to meet with, review and approve the background, education, and experience of any potential assignee to this position at the inception of services and throughout the term of this Contract at its sole and absolute discretion. Responsibilities of the on-site nurse include but are not limited to the following:
  - 1. Review treatment requests, Request for Authorizations (RFAs), and make necessary and appropriate recommendations such as referral to UR, authorize internally, or seek additional information as necessary.
  - 2. Review cases to provide high quality and aggressive nurse case management with the goal of assisting injured employees obtain appropriate and prompt medical care and timely return to work.
  - 3. Collaborates with other medical professionals in the management of difficult cases in order to provide appropriate care.
  - 4. Interfaces with vendors providing DME, home health, diagnostic services, UR, and other suppliers to resolve any problems and concerns encountered by the City.

5.13 Transportation and Translation Network. Contractor shall provide a full service Transportation and Translation Network which will be reliable, timely and affordable.

- a. Contractor shall use appropriate mode of transportation, licensed and insured in California, based on the condition of the injured worker, and have a sufficient number of vans with lifts for non-ambulatory injured workers.
- b. Contractor shall provide safe transportation and follow all applicable safety standards. Drivers must be licensed in California and communicate effectively in English and treat injured workers with courtesy and respect.
- c. All vehicles and drivers must be licensed and insured. Vehicles must be clean, appropriately maintained and equipped with adequate heat and air conditioning.
- d. Translation services must be provided by a State approved and certified translator with fees at or below Fee Schedule and subject to bill review.
- e. All Translation and Transportation fees will be reimbursed at rates found in Attachment E - Discount Rates and Fees.

5.14 Ergonomic Services. Contractor shall provide a full service ergonomic network and performs:

- On-site evaluations, follow-up evaluations and reevaluations for City employee work areas and workstations.
  - Direct consultation with employee on proper posture, ergonomic best practices, risk factors, tips, exercises, and behavior modification to prevent and/or reduce injuries and reduce pain.
- a. Contractor shall provide ergonomic equipment and pricing in accordance with the list provided by the City's Safety Division or as approved by the City on a case by case basis.
  - b. Contractor shall provide written reports in three formats, hard copy and electronically in Word and PDF. The written reports must include at minimum:
    1. Person authorizing evaluation.
    2. Date of evaluation.
    3. Employee name and location being evaluated.
    4. Description of current workstation configuration.
    5. Information on observations and discussions with employee including if any evaluation criteria, risk factors chart, pain and discomfort levels.
    6. Findings and recommendations, including the most cost effective product recommendations and/or specifications, adjustments and suggestions for improving workstation efficiency and safety, and work habit corrections.

7. Photographs of workstation, before and, if applicable, after workstation modifications.
8. Employee's supervisor name, comments and signature.
9. Hard copy and PDF reports must be signed by the evaluator.

5.15 Job Analysis Services. Contractor shall provide a full service Job Analysis Network and perform on-site evaluations to obtain a complete job analysis.

- a. Contractor shall develop a Job Bank consisting of job analyses for the City in an acceptable format.
- b. Contractor shall provide written reports in three formats, hard copy and electronically in Word and PDF. The written reports must include at minimum:
  1. Person authorizing evaluation.
  2. Date of evaluation.
  3. Employee name and location being evaluated and signature.
  4. Employee's supervisor name, comments and signature.
  5. Observations and discussions with employee.
  6. Metrics, risk factors chart, pain and discomfort levels.
  7. Hard copy and PDF reports must be signed by the evaluator.

5.16 Physical Medicine Network. Contractor shall provide City with Physical Medicine Network to include Physical Therapy, Occupational Therapy, Chiropractic treatment, functional capacity evaluations, work hardening/work conditioning, aqua therapy and other services.

- a. Contractor shall contact the patient to schedule appointments within 1 business day of receiving referral.
- b. Contractor shall provide report of turnaround times monthly or as requested by the City.
- c. All physical medicine bills will be subject to bill review before payment is made.

6. Minimum Standards of Performance

61 General Performance Guarantee Provisions. City and Contractor have agreed to the following performance standards and to utilize Contractor's proposed "Quality Control Program" standards, procedure manuals, policy statements, and to utilize industry best practice standards, unless otherwise agreed or specified by the City. In addition, Contractor must conform with Contractor Responsibility Ordinance, and agree to conduct activities in accordance with its requirements.

- a. One or more formal audits of medical cost containment services during the term of this Contract may be conducted at City's expense unless otherwise stated in this Contract, to independently assess and critique the degree to which Contractor adheres to industry best practice standards and the terms of this Contract. Contractor costs including but not limited to document production associated with the audit will be at Contractor's expense and cannot be charged to the City.
- b. City and Contractor have agreed to a reasonable estimate of fees for failing to meet certain performance requirements specified in Attachment G - Performance Requirements and Fees (PRF). City shall offset payments due to Contractor for failure to comply with PRF. No reimbursement by the Contractor is required under this Section if PRF violations were expressly approved or directed by an authorized City representative.
- c. This Section will not, in any manner, restrict or limit the City's right to damages and will not in any manner restrict or limit the City's right to terminate this Contract.

62 General Performance Guarantee Provisions. City will review and audit all services provided under this Contract physically and electronically throughout the term of this Contract. Contractor shall assist the City with reports and other information as necessary. Additionally, experienced City staff will be available to Contractor to serve as a reference and consultant on existing City procedures and policies for the management of Cost Containment Services.

- a. To facilitate the review of activities and to establish and maintain effective lines of communication, monthly meetings shall be held with staff of the Personnel Department, or as reasonably determined to be desirable by City. The City expects meetings to include all subcontractors initially or as requested by the City. Contractor will meet with Council Committees as reasonably necessary to address Contract performance or other concerns which may arise. Working meetings to discuss the program, policies, and any problems which may occur will also be held with liaison staff of the Fire and Police Departments and other City Departments as requested by the City.
- b. Contractor shall provide copies to the City annually or as requested by the City, Contractor's SOC 1 Report(s) (Service Organization Controls Report) and SOC 1 Report Audit which must include written financial control procedures and internal audit procedures used in providing services under this Contract, notify City of any modifications to those procedures during the term of this Contract, and be subject to audit by City's Controller's Office with regard to systems for controlling payments and reporting financial information. City's Controller may audit any or all payments using a method to be determined by the Controller. Controller's

audit may be performed by City staff or contracted auditors working for City's Controller.

- c. Upon demand by the Workers' Compensation Division Chief or designee, Contractor shall fully cooperate and make all relevant records available for any audit. The scope of any financial audit related to this Contract shall be determined by City, but shall only include financial records directly related to the services being provided by Contractor under this Contract. Notwithstanding any other provision of this Contract to the contrary, City's Controller may audit that portion of the books and records of Contractor which apply to City's account at the sole discretion of City's Controller. The scope of any financial audit related to this contract shall be determined by City's Controller, but shall only include financial records directly related to the services being provided by Contractor under this Contract.
- d. Contractor shall immediately notify City of any internal or external audit scheduled by State or Federal auditors, which involves City claims and services under this Contract. Contractor shall provide City with a copy of the results of any such audit.
- e. City reserves the right to an independent audit by an auditor(s) selected by the City to assess the quality of services being provided and the extent to which the vendor and its subcontractors are conducting City business within Contract terms and generally accepted industry standard practices. Each Contractor will be required to cooperate fully with any external audit.
- f. City costs associated with the audit will be at the City's expense unless otherwise expressed under this Section. Contractor costs including but not limited to document production associated with the audit will be at Contractor's expense and cannot be charged to the City. Adjustments and/or payments that must be made as a result of any such audit will be made in accordance with Attachment C, Section II, 6.6, Adjustments to Total Fees Paid.
  - If the audit identifies that the percent of dollars paid correctly is below 99%, the Contractor will reimburse the City for the total costs of the audit work performed by the City or contracted auditors. Contractor will also be responsible for implementing recommendations provided in the audit.
  - If the audit identifies that the percent of bills paid correctly is below 97%, the Contractor will reimburse the City for the total costs of the audit work performed by the City or contracted auditors. Contractor will also be responsible for implementing recommendations provided in the audit.

- Contractor will reimburse the City for all overpayment errors found by the audit.

63 Performance Reporting Requirements. Contractor shall provide the City with reports and records related to the performance of services under this Contract. The City reserves the right to final review and approval of the format on all reports, to request additional reports and/or request changes to existing reports, during the term of this Contract at no additional cost. Contractor generated reports shall include, but are not limited to:

- Utilization review status
- Bill review status
- PPO network(s) penetration and savings below Fee Schedule
- Duplicate bills reviewed
- Aging report
- Bill review turnaround time
- Savings

Contractor shall provide ad hoc reports upon request within a mutually agreed upon timeframe at no cost to the City.

Contractor shall provide a comprehensive annual statistical summary and narrative report evaluating the City's cost containment program documenting savings and making recommendations for improvement.

64 WorkCompStat. The City plans to utilize computerized statistics, called WorkCompStat, as a management tool to track and monitor Contractor's performance. Such statistics will include, but not be limited to, bill turnaround time, bill counts, PPO penetration and PPO savings, UR request turnaround, PBM savings and penetration and nurse case management outcomes. Contractor will compile statistics and charts as reasonably required by the City to track Contractor's performance, and meet with appropriate staff on a monthly basis to review the data and discuss methods for improvement. Contractor is expected to share such data and discussions with the City on a regular basis, and to aggressively pursue compliance with minimum goals established by the City in the area the City selects for inclusion in WorkCompStat. The City may also attend such meetings at its discretion.

65 Quality Assurance. Contractor shall establish and maintain a Quality Control Plan to assure that the requirements of this Contract are met. The plan shall include, but not be limited to, the following:

1. The methods for assuring and verifying that Contractor's staff are qualified and properly trained to perform the services required under this Contract.

2. A system for monitoring compliance with all the services under this Contract. It must specify the activities to be inspected/audited on either a scheduled or unscheduled basis and the title of the individual(s) who will perform the inspection/audits.
3. The methods of identifying, correcting and preventing deficiencies in the quality of service performed before the level of performance becomes unacceptable.

66 Adjustments to Total Fees Paid. The total fees paid pursuant to this Contract will be reduced for overpayments, fines, penalties, attorney's fees, interest, and other costs incurred by City due to the Contractor's or Subcontractor(s) acts, errors, and/or omissions which violate existing law, administrative procedure, or which fail to comply with industry generally accepted standard practices or failure to comply with any term or condition of this Contract. Any adjustments and/or payments will be made within a reasonable amount of time (not to exceed 60 days) from notice of findings by Contractor or City. No reimbursement by the Contractor is required under this Section if Contractor's or Subcontractor(s) act(s) and/or omission(s) were expressly approved or directed by an authorized City representative.

- 6.6.1 Acts, Errors and Omissions include but are not limited to the following:
- Late payment or nonpayment of any medical bill as a result of Contractor's or Subcontractor(s) acts, errors, and/or omissions to any medical provider resulting in penalty, interest or attorney fees.
  - Overpayment of any medical bill owed to any medical provider in a case due to Contractor's or Subcontractor(s) failure to comply with the general standards of care and generally accepted best practices of the workers' compensation claims administration industry or any written City policy provided to Contractor prior to the overpayment.
  - Excessive payment to any medical provider in a case due to Contractor's or Subcontractor(s) failure to apply contracted PPO/Network rates or does not comply in a timely manner with the general standards of care and generally accepted best practices of the workers' compensation claims administration industry or any written City policy provided to Contractor prior to the excessive payment.
  - Fines or penalty assessed against the Contractor or the City due to the Contractor's or Subcontractor(s) failure to comply with the general standards of care and generally accepted practices in the workers' compensation claims administration industry or any written City policy provided to Contractor prior to the failure by Contractor.

- Any security breach that occurs through Contractor's or Subcontractor's system, website, offices or network
- Any overpayments, fines, penalties and interest caused by Contractor's or Subcontractor(s) failure to provide services under the Contract.

## Professional Services Agreement

### Attachment D – Fee Schedule

1. Flat Annual Service Fees. The service fees shall be based on the fees specified in this Contract and payment shall be subject to the availability of City budgeted funds.
  - a. The flat annual service fee shall be \$4,403,712 (“Flat Annual Fee”) covers bill review fees up to the annual maximum and all PPO fees which will be invoiced to the City by Contractor on a monthly basis in an amount equal to \$366,976 (“Monthly Service Fee”). The annual bill review fee is based on review of up to 279,770 bills per year. Any bill reviewed over the Annual Maximum will be charged based on the Overage Fees listed below. Bill Review Overage Fees as detailed below will be invoiced to the City by Contractor on an annual basis at the end of each Contract year.

	<b>Services Included</b>	<b>Fee</b>	<b>Annual Maximum</b>	<b>Overage Fees</b>
1	Bill Review	\$3,358,704	279,770 Bills	\$9.00/bill includes PPO fees
2	Anthem Blue Cross PPO California, Nevada, Colorado, Missouri, Kansas, Illinois, Indiana	\$1,020,000	none	none
2a	Prime PPO all other States outside of Anthem Blue Cross PPO	\$25,008	none	none
3	Point of Entry	Management included in Bill Review and PPO fees	none	none
4	Pharmacy Benefits Management Program	Management included in Bill Review and PPO fees	none	none
5	DME Network, Post-Surgical DME to include Discharge Planning Services	Management included in Bill Review and PPO fees	none	none
6	Radiology Network	Management included in Bill Review and PPO fees	none	none
7	Nurse Case Management, Home Health Services	Management included in Bill Review and PPO fees	none	none

	<b>Services Included</b>	<b>Fee</b>	<b>Annual Maximum</b>	<b>Overage Fees</b>
8	Transportation Services	Management included in Bill Review and PPO fees	none	none
9	Translation Services	Management included in Bill Review and PPO fees	none	none
10	Ergonomic Services	Management included in Bill Review and PPO fees	none	none
11	Job Analysis Services	Management included in Bill Review and PPO fees	none	none
12	Physical Medicine Network	Management included in Bill Review and PPO fees	none	none

- b. Notwithstanding any other provision of this Contract, including any exhibits or attachments incorporated therein, and in order for the City to comply with its governing legal requirements, equal to or in excess of its obligation to make any payments as provided in said contract, City shall not be obligated for Contractor's performance hereunder or by any provision of this Contract during any of City's future fiscal years unless and until City appropriates funds for this Contract in City's Budget for each such future fiscal year. If no appropriation is made, then Contractor's obligation to perform services shall cease when funding is exhausted and this Contract will terminate on the last day of the fiscal year for which there was an appropriation. City shall notify Contractor in writing of any such non-allocation of funds at the earliest possible date. Contractor agrees that any services provided by Contractor, purchases made by Contractor or expenses incurred by Contractor in excess of said appropriation(s) shall be free and without charge to City and City shall have no obligation to provide any services, provide any equipment or incur any expenses in excess of the appropriated amounts(s) until City appropriates additional funds for this Agreement.
- c. Contractor understands and agrees that it may not make any financial commitment on behalf of City, incur any cost or expense on behalf of City, or obligate City to make payments for any costs or expenses, unless express prior written approval is granted by the City.
2. **Other Service Fees.** The fees outlined in the table below ("Other Service Fees") will be invoiced to City by Contractor on a monthly basis or at City's request, as such Other Service Fees are incurred.
- a. Other service fees in addition to the Flat Annual Fee shall be as follows:

	<b>Services Included</b>	<b>Fee</b>	<b>Description</b>
1	Utilization Review	\$10 \$10 \$20 \$80 \$245	Level 1 – see Section II, 5.7 UR Level 2 – see Section II, 5.7 UR Level 3 – see Section II, 5.7 UR Level 4 – see Section II, 5.7 UR Level 5 – see Section II, 5.7 UR
2a	MPN Signature	\$55,000  \$4.98/employee  \$80,791	Initial Setup Cost (one-time)  Initial notices for City employees with open cases including those residing outside California (one-time)  Monthly Administration Fee
2b	MPN Blue Cross	none  none  \$69,200	Initial Setup Cost (one-time)  Initial notices for City employees with open cases including those residing outside California (one-time)  Monthly Administration Fee
3	HCO	\$181,471  \$55,000	Annual Notice Fee  Monthly HCO Fee
4	Medicare Mandatory Reporting	\$20,000  \$200/hour	Annual Fee – see Contract Attachment C, Section II 5.8  Implementation. Maximum fee will not exceed \$2,000

### 3. Total Obligation.

- a. City's total obligation for the period April 1, 2017 through March 31, 2018 will not exceed \$8,573,712 from the Workers' Compensation contractual services account, which includes Flat Annual Service Fee of up to \$4,403,712 and up to \$4,170,000 for Other Service Fees and overages for complete and satisfactory performance of the terms of this Contract.
- b. City's total obligation for the period April 1, 2018 through March 31, 2019 will not exceed \$8,573,712 from the Workers' Compensation contractual services account, which includes Flat Annual Service Fee of up to \$4,403,712 and up to \$4,170,000 for Other Service Fees and overages for complete and satisfactory performance of the terms of this Contract.
- c. City's total obligation for the period April 1, 2019 through March 31, 2020 will not exceed \$8,573,712 from the Workers' Compensation contractual services account, which includes Flat Annual Service Fee of up to

\$4,403,712 and up to \$4,170,000 for Other Service Fees and overages for complete and satisfactory performance of the terms of this Contract.

- d. City's total obligation for the period April 1, 2020 through March 31, 2021 will not exceed \$8,573,712 from the Workers' Compensation contractual services account, which includes Flat Annual Service Fee of up to \$4,403,712 and up to \$4,170,000 for Other Service Fees and overages for complete and satisfactory performance of the terms of this Contract.
- e. City's total obligation for the period April 1, 2021 through March 31, 2022 will not exceed \$8,573,712 from the Workers' Compensation contractual services account, which includes Flat Annual Service Fee of up to \$4,403,712 and up to \$4,170,000 for Other Service Fees and overages for complete and satisfactory performance of the terms of this Contract.
- f. Any additional amounts due to be paid by City to Contractor for Other Service Fees and overages not paid under this Contract will be paid against the claim in which the service or overage occurred. Other Service Fees and overages will not exceed \$1,000,000 per contract year and will not exceed \$5,000,000 for the term of the Contract.

**ATTACHMENT E**  
**Discount Rates and Fees**

## APPENDIX 1: Discount Rates and Fees Effective April 1, 2020

1. Pharmacy Benefits Management	Brand*	Generic*
Retail (card program)	State FS	State FS
Mail Order	State FS	State FS
\$7.50 CA State dispensing fee is reduced to \$4.00 on both Retail and Mail Order. There will be no PBM Administrative Fees		

FS – Fee Schedule

2. Durable Medical Equipment, Post-Surgical DME to include Discharge Planning Services	CA FS	No CA FS
Percentage discounts below CA FS	32%	Invoice plus 22%
* Codes in which a CA FS exists will be billed at 32% below CA FS		
* If no CA FS exists then pricing will be based on Invoice plus 22%		

3. Radiology, Diagnostic, Imaging/Neuro	Discount below applicable state fee schedule
MRI with & w/o Contrast	5%
MRI w/o Contrast	5%
MRI with Contrast	5%
CT with & w/o Contrast	5%
CT w/o Contrast	5%
CT with Contrast	5%
X-Rays	20%
EMGs / NCs	10%
Other	20%

#### 4. Transportation Network

Transportation Network	
<b>a. Service Ambulatory</b>	<b>Fee</b>
Round trip service for the first 26 miles	\$68.00 flat fee
Per Mile above 26 miles	\$3.50 per mile
Authorized wait time after 2 hour from drop off time. Per 15 min.	\$14.50 per quarter hour
No show fee	\$15.00
Late cancellation (less than 4 hours)	\$15.00
<b>b. Service Wheelchair</b>	<b>Fee</b>
Round trip service for the first 26 miles	\$248.00 flat fee
Per Mile above 26 miles	\$4.80 per mile
Authorized wait time after 2 hour from drop off time. Per 15 min.	\$14.80 per quarter hour
No show fee	\$15.00
Late cancellation (less than 4 hours)	\$15.00
<b>c. Service Stretcher</b>	<b>Fee</b>

Round trip service for the first 26 miles	\$484.75 flat fee
Per Mile above 26 miles	\$7.39 per mile
Authorized wait time after 2 hour from drop off time. Per 15 min.	\$18.75 per quarter hour
No show fee	\$150.00
Late cancellation (less than 4 hours)	\$150.00
<b>d. Service BLS</b>	<b>Fee</b>
Round trip service for the first 26 miles	\$971.25 flat fee
Per Mile above 26 miles	\$9.09 per mile
Authorized wait time after 2 hour from drop off time. Per 15 min.	\$23.75 per quarter hour
No show fee	\$175.00
Late cancellation (less than 4 hours)	\$175.00
<b>e. Service ALS</b>	<b>Fee</b>
Round trip service for the first 26 miles	\$1198.50 flat fee
Per Mile above 26 miles	\$12.74 per mile
Authorized wait time after 2 hour from drop off time. Per 15 min.	\$23.75 per quarter hour
No show fee	\$195.00
Late cancellation (less than 4 hours)	\$195.00
<b>f. Service Travel Coordination</b>	<b>Fee</b>
Air/Flight	Cost of Travel + 20%
Hotel/Lodging	Cost of Lodging +20%
Travel Coordination Maximum Surcharge	\$1,000.00

### 5. Translation Network

In-Person Interpretation (All Languages Including ASL)	Fee
Interpreting fees per hour and languages covered (includes first 25 miles)	\$65.00 or \$16.25 per 15 minutes
Missed Appointments/Cancellations (less than 4 hours)	2 hours minimum charge
Mileage & travel fees for mileage over 25 miles	Mileage = \$0.54 Travel time = \$5.80 per 15 minutes

### 6. Ergonomic Network\*

	Flat Fee <sup>(1)</sup>
Ergonomic Assessment	\$360 6AM - 6PM \$450 6PM - 6AM
Workstation Analysis - Initial visit	\$135 <sup>(2)</sup> 6AM - 6PM Hourly fee billed in 15 min increments
Workstation Analysis - Follow-up visit within 30 to 45 days	\$135 <sup>(3)</sup> 6AM - 6PM \$215 6PM - 6AM
Equipment Installation	\$135 6AM - 6PM \$215 6PM-6AM

\*All visits must include reports that are available within 48 hours of visit completion

(1) The Flat Fee for an ergonomic assessment and equipment/installation will be \$495 (\$360 for the Ergonomic Assessment and \$135 for the Equipment Installation). These fees include documentation and administration charges. The charge for "Workstation Analysis" – Follow up Visit is recommended for all evaluations conducted where modifications are made to the work environment and the City desires that the injured worker receive

education and training on proper ergonomic posture, equipment use, and safe ergonomic habits that would reduce symptoms. This service also ensures the employee receives follow up interactions with the ergonomist to ensure the modifications have been successful in reducing ergonomic risk and symptoms. An additional charge of \$90

will apply for all services if they must be conducted during the hours of 6PM – 6AM because of the shift schedule of the injured worker.

(2) This service is included, however is not commonly ordered by the City. If ordered, this service would include the following: *Collection and Documentation of Objective Risk scores*: Objective quantification of risk utilizing the Modified RULA, biomechanical modeling, surface EMG, other risk quantification tools validated in the field of ergonomics, collection and documentation of detailed workstation dimensions.

(3) Workstation Analysis – Follow-up Visit within 30-45 days includes follow up documentation of the ergonomic observations described above AFTER the equipment has been installed. This is not part of the standard “Equipment Installation” or “Ergonomic Assessment” and will be applied whenever workstation modifications or employee training are required.

*Note: Additional onsite billing time will be added only for unusually complex office ergonomics cases (requiring greater than 2.0 hours onsite at the employee’s workstation(s) or for “non-office” field ergonomic assessments when they take longer than 2.0 hours onsite.)*

*Note: A fee will be charged for no-shows on all appointments as follows: \$115 6AM – 6PM/\$185 6PM-6AM. All appointments are confirmed with the claimant 24-48 hours in advance of their appointment. Claimants are provided contact information to cancel or reschedule if they are unable to make it to their scheduled time.*

**7. Job Analysis Network**

Completion of Job Analysis with detailed report, including all activities such as travel and mileage: \$425.00
*All Job Analysis reports must be available within 48 hours of receipt of all necessary information.

**8. Nurse Case Management**

	Fee*
Telephonic	\$87 per hour billed in .1 (6 min. increments)
Field	\$92 per hour billed in .1 (6 min. increments); plus standard IRS mileage reimbursement
Task	\$92 per hour billed in .1 (6 min. increments); plus standard IRS mileage reimbursement
On-Site Nurse Case Managers	\$92 per hour billed in .1 (6 min increments)

\* Travel time is not billable for any assignment unless approved by the City.

**9. Home Health Care**

	Fee
Registered Nurse	\$130.50 per visit
Licensed Vocational Nurse	\$90 per visit
Certified Nurses Aid	\$26.50 per hour, \$54.50 per visit
Companion Care	\$6.00 per 15 minutes
IV Infusion	\$142.50 per visit
<b>Evaluation Services</b>	<b>Flat Rates</b>
Physical Therapy Evaluation	\$200.00
Occupational Therapy Evaluation	\$200.00



**Collateral Services:**

Rated Age Services	\$250
Social Security status check	\$250
Consulting Services – flat rate	\$350/file
Settlement Resolution Services	TBD on a per case basis
Protocol Design	TBD on a per case basis

**Conditional Payment Services:**

<p>Case by Case:                  Conditional Payment Review</p> <ul style="list-style-type: none"> <li>• Obtain Letter of Authority</li> <li>• Request Conditional Payment Letter</li> <li>• Conditional Payment Lien Negotiation Services</li> <li>• Treasury Service</li> </ul> <p><input type="checkbox"/> Initiate review, analysis and dispute of charges (if appropriate) for files identified with outstanding Treasury debt.</p>	\$500 flat rate
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**CP Link:**

<ul style="list-style-type: none"> <li>• Identify claimant to initiate conditional payment referral/service;</li> <li>• If liability insurance type, seek requisite Medicare authorization from claimant or claimant's counsel (if applicable). Blanket Medicare authorization is required for work-comp/no-fault.:</li> <li>• Register the matter and request a conditional payment letter from the applicable MSP contractor;</li> <li>• Review listed Medicare charges, provide recommendation to customer with regard to potential conditional payment dispute and/or resolution of matter with applicable MSP contractor</li> <li>• If requested by adjuster or as agreed to as part of protocol, submit dispute or appeal with the applicable MSP contractor;</li> <li>• Where appropriate, will seek Demand / Case Closure with applicable MSP contractor.</li> <li>• Treasury Service                         <ul style="list-style-type: none"> <li>○ Initiate review, analysis and dispute of charges (if appropriate) for files identified with outstanding Treasury debt.</li> </ul> </li> </ul>	\$200 flat rate (Medicare beneficiaries identified 2/2018 going forward)
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**Attachment F**  
**Systems Handout**

# **SYSTEMS HANDOUT FOR MEDICAL BILL REVIEW, COST CONTAINMENT AND MANAGED CARE SERVICES PROGRAM**

## **System Requirements**

1. Provide a Secure File Transfer Protocol (SFTP) Server for the purpose of importing and exporting documents between the City of Los Angeles' (City) claims management system (iVOS) and the Contractor. The server must have sufficient capacity to handle the expected files and be accessible to the iVOS servers
2. Provide professional staff as necessary to:
  - a. Support the system interfaces with iVOS or other City system(s) necessary to perform services under the Contract.
  - b. Modify the Contractor's applications in order to properly interface with any system requirements when needed to perform services under the Contract
4. Provide support staff and environment to import and export daily files related to claims, vendors, payments, Explanation of Benefit (EOB) details, and document images to and from iVOS and other City system(s).
5. Provide support staff to respond timely to inquiries related to files imported, exported and Contractor's systems' status.
6. Provide communication network and software to comply with the State of California's mandated Electronic Data Interchange (EDI) program.
7. Provide the State of California with mandated claim information.
8. Provide off-site disaster recovery facility for the storage of system data and application files. Disaster implementation plan will ensure system downtime is avoided.
9. Provide services, support, and system(s) necessary to perform services under the Contract.

## **1 System Interfaces**

### **1.1 iVOS**

iVOS is the City Workers' Compensation Division's claim management system. It is packaged software developed and supported by Ventiv Technology (formerly Aon

eSolutions). Ventiv Technology also provides hosting services for the City's instance of the application out of their Atlanta data center. Implemented in May 2014, the Division is currently on version 4.5.

The Division uses iVOS to scan, collect and index document images (e.g., claim forms, bills, medical reports), manage claim details, generate correspondence, approve and pay bills, manage indemnity payments, and manage litigation activity.

At this time, all interfaces between the Division and Contractor will be to and from iVOS. The City may at its discretion replace or update iVOS. If and when this occurs, the Contractor will assist the City in the implementation of the new or updated system(s) to ensure a smooth transition. Contractor must be able to integrate with the current and new or updated system(s).

## 2 System Input/Output

### 2.1 Documents Received by the City

The City and its TPAs scan and index documents they receive. These documents are currently stored only in Acrobat (.pdf) or Image (.tif) format. As currently set up in iVOS, when Medical bills and reports are received together, they are scanned and stored as a single document image file. Each document image is assigned to a claim and has a limited set of identifying index information. This includes a status that controls whether the document should be exported for bill review and indicates the type of review request. Status values, which may be updated at any time, currently include:

- To Bill Review
- To Bill Review – Ancillary
- To Bill Review – Review Only
- To Bill Review – Objection
- To Bill Review – Reconsideration
- To Bill Review – Special Handling
- To Bill Review – Rush

Images are exported on a daily basis, zipped with a text file which contains index information. The zipped file is encrypted and placed on the Contractor's FTP server. Refer to **Exhibit B Document image Index File Specification** for current interface. Additional data fields may be added or removed by the City as required. Contractor must be able to accept this or any updated City file format.

Once an image is exported from iVOS, it may not be exported again. There is no facility to update document image index values through an interface (e.g., change the status to indicate a payment has been provided).

Contractor is required to ensure that Contractor's computerized system(s) can accept the above file formats and any other file formats that the City deems necessary.

## **2.2 Claim/Vendor/Payment (Check)**

The City uses the standard iVOS Bill Review interface to transmit claim, vendor and payment information to the Bill Review Contractor on a daily basis. Refer to **Exhibit C Bill Review Export Specification**. This includes:

- A claim file containing information on claims that were added or updated during the day. There are approximately 17,000 open claim records with 200 added or updated daily.
- A vendor file containing information on vendors that were added or updated during the day. There are approximately 85,000 vendor records with 10 added or updated daily.
- A payment file containing check number and date details for processed payments that were updated during the day. There are approximately 1,000 payment record updates daily.

The City expects to place these files on the Contractor's FTP server. Contractor is required to import these files for bill reviewing process. Contractor is also required to send the State of California the updated claim payment information in accordance with State regulations and requirements.

## **2.3 Payment**

The Contractor is required to provide, on a daily basis, a file of recommended payments in the standard iVOS Bill Review payment import format, which includes EOB details. This format includes four separate files: master, detail, reason, and statemsg. Refer to **Exhibit A iVOS Bill Review Payment File Specifications** for file format details. For documents submitted to Bill Review as Review Only, a zero payment should be provided along with the EOB details. These Review Only payments should reference the City-specified payment transaction code.

## **2.4 Documents Received by Contractor**

The Contractor may receive some "documents" directly (e.g., eBills). Contractor must provide pdf-format images of these documents along with identifying index information in an accompanying XML file, in the standard iVOS document image import format or other format requested by the City. Contractor document images should be submitted at the same time as their associated payments, with data that allows them to be related in iVOS. This set of files should not contain images originally provided by the City.

## 2.5 Other

1. The Contractor is required to provide a secure, encrypted, password controlled web site where the City's Workers' Compensation staff and its Third Party Administrator's (TPA) staff can access and verify the status of bills submitted for review. Staff should be able to view, print or download the documents (i.e. EOBs, bills) from the site into their computerized system for further processing when needed.
2. The Contractor will ensure compliance with the State of California workers' compensation regulations and requirements at no cost to the City. This includes providing the Electronic Data Interchange (EDI) in the format that the State of California requires. This EDI process includes downloading the payment file from iVOS, merging it with the related data that is in Contractor's claim database and transmitting the file based on the schedule that is determined by the State.
3. Contractor is responsible for selecting and entering proper Pay Code from City provided list for each bill and service during bill review process. Pay Codes identify specific categories of services for iVOS reporting.

## Attachment F, Exhibit A – iVOS Bill Review Payment File Specifications

### Revision History:

Date	Version	Story #		Author
6/12/2013	1	V127766 V128410	Aon standard layout for Bill Review Import - eor_aon1 format to support ICD 10 coding. Add and Change indicators are relative to the existing fixed_eor_vos2 specification. Fields added to the bottom of record types, total size changed. Note, Vendor ID logic change in Header, fields 113-115	Anne Holman
9/13/2013		na	Detail Field 16 corrected to have the valid iVOS field name which is updated: payment_detail.fee_schedule_allowed_amount	Anne Holman

### EOR Import Specifications:

This document contains the file layouts for importing payment and explanation of review (EOR) information from a bill review company into the iVOS system.

Format name: eor\_aon1

Numeric fields should be right justified with leading zeroes. The decimal point is implicit for all money fields.

Non-monetary number fields can be left justified, space filled. If no value, space filled.

Character fields should be left justified with trailing spaces.

All dates are YYYYMMDD

Files are to be named using the following naming convention. The xxxx in the descriptions below is to be replaced by any prefix that the bill review company wants to use. iVOS Bill Review takes the name provided for the master file and builds the file names of the other files by replacing the \_Master with the strings shown.

Bill Header file: xxxx\_master.txt

Bill Detail file: xxxx\_detail.txt

Reason Codes file: xxxx\_reason.txt

State Message file: xxxx\_state.txt

If the Req/Opt setting for the field is blank, the data in that field is not captured in the iVOS system. The field can be left blank. If data is provided, it is ignored.

Reason Codes – eor\_aon1:

Field	Description	Begin	End	Length	Type	Req/Opt.	
1	Record Transaction Type	1	1	1	C	R	"R"
2	Reason Code	2	11	10	C	R	bill_review_reason.bill_review_vendor_reason_key/ bill_review_reason.bill_review_reason_code
3	Reason Code Text	12	266	255	C	O	bill_review_reason.bill_review_reason_desc
	Total Length excluding CR/LF			266			

State Messages – eor\_aon1:

*NOTE – In addition to the official state-specific message, this table should also contain the text of any messages that are more than 255 characters.*

Field	Description	Begin	End	Length	Type	Req/Opt.	VOS Column/Comment
1	Record Transaction Type	1	1	1	C	R	"X"
2	StateMessageKey	2	51	50	C	R	state_eor_message.state_message_id
3	State Disclaimer Text	52	4051	4000	C	R	state_eor_message.state_eor_message
	Total Length excluding CR/LF			4051			

Header – eor\_aon1:

Field	Description	Begin	End	Length	Type	Req/Opt.	VOS Column
1	Record Transaction Type	1	1	1	C	R	B
2	Document Number	2	31	30	C	R	payment.document_number Unique <i>NOTE: This field needs to be unique across the City's iVOS payments. The City and selected vendor will need to agree on an alpha prefix that will ensure uniqueness.</i>
3	Claim Number	32	51	20	C		
4	Claim Id	52	76	25	C	R	payment.claim_id
5	Claimant Name, First	77	96	20	C		
6	Claimant Name, Middle Initial	97	97	1	C		
7	Claimant Name, Last	98	127	30	C		
8	Claimant SSN	128	136	9	C		
9	Employer Name	137	186	50	C		
10	Employer Division Name	187	226	40	C		
11	Insurer Name	227	276	50	C		
12	Insurer FEIN	277	285	9	C		
13	Insurer State ID Number	286	305	20	C		
14	Insurer Address - Street	306	335	30	C		
15	Insurer Address - City	336	365	30	C		

16	Insurer Address - State	366	367	2	C		
17	Insurer Address - Zip	368	376	9	C		
18	Batch Number	377	381	5	N	O	payment.batch_number. The bill review company defines this number. It is captured on the import and can be used as selection criteria when running reports. It is not used by VOS for anything but reporting.
19	BR Client Number	382	385	4	C		
20	Client Account Number	386	391	6	C		
21	Bill Jurisdiction Code (state code)	392	393	2	C	O	payment_bill_review.bill_jurisdiction_code with jurisdiction.jurisdiction_code where jurisdiction.state_code = this field value. TX has codes 53 and 36 - use jurisdiction code is 53
22	BR Bill Type Code	394	395	2	C	O	payment_bill_review.bill_type_code. The value specified in this field must match those in the bill_type tables bill_type_code column.
23	Payment Transaction Code	396	398	3	C	R	payment.payment_transaction_code. The value specified in the field must match those in the payment_transaction tables payment_transaction_code column. Provided values should align with services rendered e.g., pharmacy, hospital.
24	Date of Injury	399	406	8	YYYYM MDD		
25	Date of Service Begin	407	414	8	YYYYM MDD	O	payment.from_date
26	Date of Service End	415	422	8	YYYYM MDD	O	payment.through_date
27	Primary ICD-9 Code	423	428	6	C	O	payment_bill_review.icd9_code 1 icd_payment_bill_review with icd_version = 9
28	Primary ICD-9 Description	429	458	30	C		
29	Examiner ID	459	463	5	C		
30	Authorizing Examiner ID	464	468	5	C		
31	Date BR Received Bill	469	476	8	YYYYM MDD	O	payment_bill_review.bill_review_received_date
32	Date BR Processed Bill	477	484	8	YYYYM MDD	O	payment_bill_review.bill_review.processed_date
33	Date Client Received Bill	485	492	8	YYYYM MDD	O	payment.invoice_received_date
34	2nd ICD-9 Code	493	498	6	C	O	payment_bill_review.icd9_code 2 icd_payment_bill_review with icd_version = 9
35	3rd ICD-9 Code	499	504	6	C	O	payment_bill_review.icd9_code 3 icd_payment_bill_review with icd_version = 9
36	4th ICD-9 Code	505	510	6	C	O	payment_bill_review.icd9_code 4 icd_payment_bill_review with icd_version = 9
37	5th ICD-9 Code	511	516	6	C	O	payment_bill_review.icd9_code 5 icd_payment_bill_review with icd_version = 9
38	DRG Code	517	519	3	C	O	payment_bill_review.drg_code

39	StateMessageKey	520	569	50	C	O	payment_bill_review.state_message_id. The bill review company assigns the value. It needs to match the key values in the state_eor_message table. This table is populated from the xsxx_state.txt file as defined in the StateMessage Codes tab of this specification.
40	Provider Tax ID Number	570	578	9	C		
41	Rendering Physician NPI	579	589	11	C	O	rendering_physician.national_provider_id
42	Rendering Physician First Name	590	609	20	C	O	entity.first_name payment_bill_review.rendering_physician_id from rendering_physician (see logic in iVOS_UI_Bill_Review_import.xlsx)
43	Rendering Physician Last Name	610	639	30	C	O	entity.last_name payment_bill_review.rendering_physician_id from rendering_physician (see logic in iVOS_UI_BillReviewImport.xlsx)
44	Rendering Phys. State Specialty Code	640	649	10	N	O	rendering_physician.vendor_specialty_type_code (validate to vendor_specialty_type else skip) (see logic in iVOS_UI_BillReviewImport.xlsx)
45	Provider Name	650	699	50	C		
46	Provider Mailing Street 1	700	749	50	C		
47	Provider Mailing Street 2	750	799	50	C		
48	Provider Mailing City	800	849	50	C		
49	Provider Mailing State	850	851	2	C		
50	Provider Mailing Zip	852	860	9	C		
51	Filler	861	885	25	C		Old formats contained the vendor id. The vendor is determined in fields 113-115
52	BR Provider Reference Code	886	897	12	C		
53	Transaction/Control Number	898	922	25	C	O	payment.transaction_number (20 characters)
54	Total Billed Charges Amount	923	931	9	N7.2	R	payment.amount_billed
55	Total Adjusted Amount	932	940	9	N7.2		
56	Total PPO Discount	941	949	9	N7.2		
57	Recommended Payment Amount	950	958	9	N7.2	R	payment.amount
58	Provider Invoice Number	959	993	35	C	O	payment.invoice_number
59	Provider Patient Account Number	994	1013	20	C	O	payment.account_number
60	BR PPO Organization Code	1014	1016	3	N		
61	BR PPO Organization Name	1017	1046	30	C	O	payment_bill_review.ppo_name
62	BR Bill Review Fees	1047	1055	9	N7.2	O	payment added with this amount for fee vendor - payment.fee
63	BR PPO Fees	1056	1064	9	N7.2	O	payment added with this amount for ppo fee vendor - payment.ppo_fee
64	Client/TPA Bill Review Fees	1065	1073	9	N7.2		
65	Other Fees	1074	1082	9	N7.2	O	payment added with this amount for other fee vendor - payment.other_fee
66	BR Fee Invoice Number	1083	1117	35	C	O	payment.invoice_number on fee payment (fee_invoice_number)
67	BR Office Code	1118	1127	10	C	O	payment_bill_review.bill_review_office_code

68	Reconsideration	1128	1128	1	C	O	payment_bill_review.reconsideration. Y = reconsideration, N or blank = not reconsideration. Requires Y for KY if a reconsideration
69	mbi_number	1129	1148	20	C	O	payment_bill_review.mbi_number. State of Texas MBI number
70	jurisdiction_amount1	1149	1157	9	N7.2	O	payment_bill_review.jurisdiction_amount1. NY: HCRA Surcharge elector amount
71	jurisdiction_amount2	1158	1166	9	N7.2	O	payment_bill_review.jurisdiction_amount2. NY: HCRA Surcharge non-elector amount
72	Comment	1167	1216	50	C	O	payment.check_comment
73	Lien Objection Date	1217	1224	8	YYYYM MDD	O	payment.lien_objection_date
74	Invoice Date	1225	1232	8	YYYYM MDD	O	payment.invoice_date
75	Correction Comment	1233	1487	255	C	O	payment.correction_comment
76	Billing Provider Taxonomy Code	1488	1507	20	C	O	bill_review_provider_taxonomy.provider_taxonomy_codeThe value specified in the field must match those in the vendor_taxonomy_type.
77	Place of Service	1508	1509	2	C	O	payment_bill_review.place_of_service
78	Inpatient Hospital Indicator	1510	1510	1	C	O	payment_bill_review.inpatient_hospital_indicator '0' = No '1' = Yes
79	Document Control Number	1511	1560	50	C	O	payment.document_number2
80	Check Date	1561	1568	8	YYYYM MDD	O	payment.check_date
81	Check Number	1569	1588	20	C	O	payment.check_number
82	Check Status	1589	1589	1	C	O	payment.payment_method_code If V, payment_method_code = 60, Void If S, payment_method_code = 50, Stop Else use the code from the sch job setup. (Document number includes Check Status so duplicate checking is not changed); check_status
83	Texas Bill Type "I" = Interim or "F" = Final	1590	1590	1	C	O	payment_bill_review.type_of_service
84	Professional State License Number (PPO/MPN)	1591	1620	30	C	O	payment_bill_review.medical_license
85	Recommended Payment Status For CA only: 1 = Paid, 4 = Denied and 22 = Reversal.	1621	1622	2	C	O	payment_bill_review.recommended_payment_status
86	Bill Frequency Type CA Bill Frequency Type - Required only on Institutional bills, value 1, 2 or 3	1623	1626	4	C	O	payment_bill_review.bill_frequency_type 1= One Time, 2 = Twice, 3 = Three Times
87	Facility NPI	1627	1636	10	C	O	payment_bill_review.facility_npi
88	PPO Sub Network Name	1637	1676	40	C	O	payment_bill_review.ppo_vendor_subnet
89	Original Document Number of the reconsideration	1677	1706	30	C	O	payment.related_bill_review_payment (find the payment_id based on this payment.document_number else blank)

90	Bill Status Indicator D - Duplicate Bill E - Re-Eval Bill	1707	1707	1	C	O	payment_bill_review.bill_review _related_type D - Duplicate Bill = 2 E - Re-Eval Bill = 1
91	Primary ICD-10 Code Up to 10 ICD-10 Diagnosis Codes allowed per bill If the length > 3, the Code has the dot after position 3	1708	1717	10	C	O	icd_payment_bill_review.icd_co de and icd_version = 10 code1 is the primary icd 10 code
92	ICD-10 Code 2	1718	1727	10	C	O	icd_payment_bill_review.icd_co de and icd_version = 10
93	ICD-10 Code 3	1728	1737	10	C	O	icd_payment_bill_review.icd_co de and icd_version = 10
94	ICD-10 Code 4	1738	1747	10	C	O	icd_payment_bill_review.icd_co de and icd_version = 10
95	ICD-10 Code 5	1748	1757	10	C	O	icd_payment_bill_review.icd_co de and icd_version = 10
93	ICD-10 Code 6	1758	1767	10	C	O	icd_payment_bill_review.icd_co de and icd_version = 10
97	ICD-10 Code 7	1768	1777	10	C	O	icd_payment_bill_review.icd_co de and icd_version = 10
98	ICD-10 Code 8	1778	1787	10	C	O	icd_payment_bill_review.icd_co de and icd_version = 10
99	ICD-10 Code 9	1788	1797	10	C	O	icd_payment_bill_review.icd_co de and icd_version = 10
100	ICD-10 Code 10	1798	1807	10	C	O	icd_payment_bill_review.icd_co de and icd_version = 10
101	ICD-10 Procedure Code 1 Up to 10 ICD-10 Procedure Codes allowed per bill	1808	1817	10	C	O	icd_proc_payment_bill_review.ic d_procedure_code and icd_version = 10
102	ICD-10 Procedure Code 2	1818	1827	10	C	O	icd_proc_payment_bill_review.ic d_procedure_code and icd_version = 10
103	ICD-10 Procedure Code 3	1828	1837	10	C	O	icd_proc_payment_bill_review.ic d_procedure_code and icd_version = 10
104	ICD-10 Procedure Code 4	1838	1847	10	C	O	icd_proc_payment_bill_review.ic d_procedure_code and icd_version = 10
105	ICD-10 Procedure Code 5	1848	1857	10	C	O	icd_proc_payment_bill_review.ic d_procedure_code and icd_version = 10
106	ICD-10 Procedure Code 6	1858	1867	10	C	O	icd_proc_payment_bill_review.ic d_procedure_code and icd_version = 10
107	ICD-10 Procedure Code 7	1868	1877	10	C	O	icd_proc_payment_bill_review.ic d_procedure_code and icd_version = 10
108	ICD-10 Procedure Code 8	1878	1887	10	C	O	icd_proc_payment_bill_review.ic d_procedure_code and icd_version = 10
109	ICD-10 Procedure Code 9	1888	1897	10	C	O	icd_proc_payment_bill_review.ic d_procedure_code and icd_version = 10
110	ICD-10 Procedure Code 10	1898	1907	10	C	O	icd_proc_payment_bill_review.ic d_procedure_code and icd_version = 10
111	Admission Date	1908	1915	8	YYYYM MDD	O	payment_bill_review.admission_ date
112	Discharge Date	1916	1923	8	YYYYM MDD	O	payment_bill_review.discharge_ date

113	Vendor ID Type	1924	1924	1	N	R	1 = Vendor ID, 2 = Vendor Source and Source ID, 3 = Vendor Number, 4 = External Vendor NumberMatch fields to iVOS vendor to find the vendor.vendor_id for payment_bill_reveiw.vendor_id <i>Recommend use (iVOS is the system of record for the vendors) is Vendor ID Type = 1 and Vendor ID1 is the Vendor ID (previously field 51)</i>
114	Vendor ID 1 (Note, if Vendor ID Type is 1, the value is a number, left justified, space filled.	1925	1964	40	C	R	If Vendor ID Type = 1, match Vendor ID1 to Vendor.vendor_id If Vendor ID Type = 2 match Vendor ID1 to vendor.source and Vendor ID 2 to vendor.source_id If Vendor ID Type = 3, match Vendor ID1 to vendor.vendor_number If Vendor ID Type = 4, match Vendor ID1 to external_vendor_number If there is no match, or multiple matches, the bill is rejected and log information indicates the vendor id type and field value(s) causing the error condition. (see assumption 6)
115	Vendor ID2	1965	2004	40	C	C	Conditionally required if the Vendor ID Type = 2, contains vendor.source_id.
116	Document Image ID	2005	2029	25			The document image id of the related City-provided image.
116	Filler	2030	2500	471	C		
	Total Length, excluding CR/LF			2500			

**Notes:**

R = Required. O = Optional. C = Conditionally Required. Blank means field currently not used but defined for future use.

StateMessageKey: Used to locate State EOR Message text in State Message record set

Records included in file named xxxx\_Master.Txt

xxxx is any string that is the same for each of the three files in a batch.

Even though Claim export has both a claimant\_id and claim\_id, only the claim\_id is required in the import.

If client is not importing BR fees, fields 62, 63, and 65 must be zero or blank.

Vendor ID Type, field 113, and related fields 114 and 115 determine the iVOS vendor\_id.

**Detail – eor\_aon1:**

Field	Description	Begin	End	Length	Type	Req/Opt.	VOS Column
1	Record Transaction Type	1	1	1	C	R	"L"
2	Document Number	2	31	30	C	R	document_number
3	Line Number	32	34	3	N	R	payment_detail.line_number
4	DOS From	35	42	8	D	O	payment_detail.payment_detail_from_date
5	DOS To	43	50	8	D	O	payment_detail.payment_detail_through_date
6	Billed Code	51	61	11	C	O	payment_detail.billed_code
7	Billed Modifier 1	62	64	3	C	O	payment_detail.billed_modifier1
8	Billed Modifier 2	65	67	3	C	O	payment_detail.billed_modifier2
9	Reviewed Code	68	78	11	C	O	payment_detail.reviewed_code

Field	Description	Begin	End	Length	Type	Req/Opt.	VOS Column
10	Reviewed Modifier 1	79	81	3	C	O	payment_detail.reviewed_modifier1
11	Reviewed Modifier 2	82	84	3	C	O	payment_detail.reviewed_modifier2
12	Revenue Code	85	87	3	C	O	payment_detail.revenue_code
13	Description	88	137	50	C	O	payment_detail.reviewed_desc
14	Units	138	142	5	N	O	payment_detail.units
15	Billed Amount	143	151	9	N7.2	O	payment_detail.amount_billed
16	Allowed Amount	152	160	9	N7.2	O	payment_detail.fee_schedule_allowed_amount
17	PPO Discount	161	169	9	N7.2	O	payment_detail.ppo_discount_amount
18	Recommended Amount	170	178	9	N7.2	O	payment_detail.amount_recommended
19	Reason Code 1	179	188	10	C	O	payment_detail.reason_code1/ payment_detail.bill_review_reason_key
20	Reason Code 2	189	198	10	C	O	payment_detail.reason_code2
21	Reason Code 3	199	208	10	C	O	payment_detail.reason_code3
22	Reason Code 4	209	218	10	C	O	payment_detail.reason_code4
23	Reason Code 5	219	228	10	C	O	payment_detail.reason_code5
24	Reason Code 6	229	238	10	C	O	payment_detail.reason_code6
25	Reason Code Inline	239	248	10	C	O	payment_detail.reason_code_inline (see Assumption #7)
26	Other Discount Amount	249	257	9	N7.2	O	payment_detail.other_discount_amount
27	Prescriber License Number State License number assigned and required by a State Board or other State regulatory agency that uniquely identifies a pharmacy by category, as defined by each State or Territory or a prescriber by practice specialty for which they reside/practice.	258	267	10	C	O	payment_detail.prescriber_license_number
28	Prescription Number	268	287	20	C	O	payment_detail.prescription_number
29	DAW (Dispensed as written) 0=No production selection indicated 1=Substitution not allowed by prescriber 2=Substitution allowed – patient requested product dispensed 3=Substitution allowed – pharmacist selected product dispensed 4=Substitution allowed – generic drug not in stock 5=Substitution allowed – brand drug dispensed as a generic 6=Override 7=Substitution not allowed – brand drug mandated by law 8=Substitution allowed – generic drug not available in marketplace 9=Other	288	288	1	N	O	payment_detail.dispensed_as_written
30	Drug Type Generic or Brand Name indicator B - Brand Name G - Generic	289	289	1	C	O	payment_detail.type_of_drug
31	Days Supply Estimated Number of Days the prescription will last	290	293	4	N	O	payment_detail.days_supply_medication

Field	Description	Begin	End	Length	Type	Req/Opt.	VOS Column
32	New/Refill Code N - New Prescription R - Refill	294	294	1	C	O	payment_detail.prescription_type_code
33	Re-evaluation Previous Line Amount Recommended (aggregate of previous bill's line amount. This amount plus field 18, Recommended Amount, is the total line amount paid for the bill)	295	303	9	N7.2	O	payment_detail.related_amount_recommended
34	Reason Description Inline (Custom description associated with field 25, for this bill and line. Note: field 25, Reason Code Inline + field 34, Reason Description Inline, are unique combinations for different lines on the same bill.)	304	558	255	C	O	bill_review_reason_custom.reason_code_inline_desc, bill_review_reason_custom.payment_detail_id, bill_review_reason_custom.payment_detail_id and from field 25: bill_review_reason_custom.reason_code_inline (See Assumption #7)
35	Filler	559	1000	442	C	R	spaces
	Total Length exclude CR/LF			1000			

**Notes:**

R = Required. O = Optional. Blank means field currently not used but defined for future use.

Reason Code x: Used to locate reason code text in Reason Codes record set

**Definitions:**

Billed Amount : Actual line item amount on providers invoice

Allowed Amount : Amount to be paid for this line item based on jurisdictions fee schedule

PPO Discount Amount : Discount based on ppo arrangement

Other Discount Amount : Another discount applied to this line item

Recommended Amount : Amount to be paid provider for this line item.

Recommended Amount : Allowed Amount - PPO Discount - Other Discount Amount - Amountx

Amountx is a calculated amount that makes the above equation true.

**Assumptions:**

- 1 New layout with additions added to the end of the file. Base format was fixed\_eor\_vos2
- 2 The scheduled job is in the Bill Review Export-Import job group.  
Job name is com.valleyoak.db.io.BillReviewImportFixedEor. Bill\_review\_vendor.import\_type = eor\_aon1
- 3 ICD-10 diagnosis codes are sent and stored with dot after the 3rd position if the length > 3
- 4 ICD codes are stored in upper case (diagnosis and procedure codes)
- 5 Same logic for validating ICD10 diagnosis and procedure codes as ICD9 will be implemented, with the icd code not inserted into the icd table, but the bill is created.

- 6 Vendor matching by Vendor ID type assumes the format of the iVOS field is used for matching. Right trim and case insensitive.  
 Example for Vendor ID type 1, match to vendor.vendor\_id. The source file containing '001234' or '1234'  
 Right trim and convert to a number. The match is found where vendor.vendor\_id = 1234.  
 If the Vendor ID type is other than 1, the iVOS fields are alphanumeric. The source fields are right trimmed and case is ignored.  
 Example for Vendor ID Type 2 (match Vendor Source and Source ID):  
 Vendor ID 1 = '001234Abc ' and Vendor ID 2 = 'Some System '  
 Right trim and ignore case.  
 Find the vendor id by: select vendor\_id where upper(source) = Upper( 'Some System' ) and upper(source\_id) = upper('001234Abc').  
 None or multiple matches is logged as an error.
- 7 Detail fields for Reason Code Inline and Reason Description Inline are unique for the payment/bill and line (multiple lines will NOT have the same Reason Code Inline and Reason Description Inline values.) If the same code and description for the bill are found, the line item is created but bill\_review\_reason\_custom is not added for the additional lines.
- 8 bill\_review\_provider\_taxonomy default fields when Bill Provider Taxonomy (Header field 76) are:  
 taxonomy\_vendor\_type = 'BIL' and isprimary = 1

#### Dependencies:

Rendering Physician technical information is in iVOS\_UI\_BillReviewImport.xlsx

#### External References:

svn\doc\iVOS\Product\Interfaces\Bill Review Non-Mitchell\iVOS\_UI\_BillReviewImport.xlsx)

**Attachment F, Exhibit B – Document Image Index File Specification**

**Report Template Description:**

This comma-delimited file will be transmitted and consumed by the bill review vendor. This export will generate a file containing document image indexing information and will accompany the actual document images.

**Layout:**

#	Field Name	Datatype	Req/Opt	Description
1	Claim Number	Text	R	iVOS claim number
2	Claim ID	Integer	R	iVOS internal claim identifier
3	Image ID	Integer	R	iVOS document image identifier
4	Client Received Date	Date	R	Date image was added to iVOS. Format ("yyyymmdd")
5	Document Type Code	Text	R	iVOS code for the document type
6	Document Type Code Description	Text	R	Description of the document type
7	Document Status Code	Text	R	iVOS code for the document status
8	Document Status Description	Text	R	Description of the document status
9	Sent Date	Date	R	Date image exported. Format ("yyyymmdd")
10	Description	Text	O	Description of the document
11	Objection Reason Code	Text	O	iVOS code for the objection reason
12	Objection Reason Description	Text	O	Description of the objection reason
13	Instructions	Text	O	Additional handling information

**Assumptions:**

1. *There are no header or trailer records for this layout*
2. *Any data available is sent. Required fields cannot be validated.*

Attachment F, Exhibit C – Bill Review Export Specification

Revision History:

Date	Version	Story#	Description	Author
3/29/2012	1.1	V125721	Added positions 1454 to 1699 so as to include Claimant Home Address attributes.	Dana Shields
7/10/2012	1.2	V125721	<b>Claimant Export</b> 1. Added Pharmacy Eligibility Status in position 1620 – 1650 and moved the filler 2. Fixed Claimant.home_phone from Claimant.home_home_phone	Megha Gunda
6/12/2014	2.0	V129963	Claimant Export Added WCAB_case_number as last field and reduced the filler. File length remains 1750. Field is needed for SB 863 for UR	Ron Gjerde
11/20/2014	3.0	V130168	SSN Export Changes	Ambili Varma
7/30/2015	4.0	V130595	Updating spec from WCAB claim number to claim.jurisdiction_claim_number	Ron Gjerde
10/16/15	4.1	V130595	Corrected the field size from 15 to 25 for Claim.Jurisdiction Claim Number. Remainder is filler. Total length remains at 1750	Anne Holman

Claimant Information Export File: fixed12

Field	Type	Start	Len	Comment	Source Column
Claim Number	char	1	20		claim.claim_number
claim ID	numeric	21	11	Field to be returned with each payment entry  For VOS EOR, this is value returned in Host Claim ID field	claim.claim_id
claimant ID	numeric	32	11	Field to be returned with each payment entry	claimant.claimant_id
Last Name	char	43	30		claimant.last_name
First Name	char	73	15		claimant.first_name
Middle Name	char	88	15		claimant.middle_name
Address1	char	103	50		claimant.address1
Address2	char	153	50		claimant.address2

Field	Type	Start	Len	Comment	Source Column
City	char	203	35		claimant.city
State	char	238	2		claimant.state_code
Zip code	char	240	9		claimant.zip_code
Work Phone	char	249	20		claimant.work_phone
Employee Number	char	269	12		employment.employee_number
SSN	char	281	9		claimant.ssn( Blank, Partial or Full SSN based on job configuration)
Sex	char	290	30		sex.sex_desc
Birth Date	date	320	8		claimant.birth_date
Injury Date	date	328	8	yyyymmdd	claim.incident_date
Status	char	336	30		claimant_status.claimant_status_desc
Claimant Type	char	366	30		claimant_type.claimant_type_desc
Close Date	date	396	8	yyyymmdd	claimant.closed_date
Insured Name	char	404	80		insured.insured_name1
Location	char	484	80		organization1.org1_desc
Examiner	char	564	30		examiner.examiner_desc
Insured Number	char	594	40		insured.external_insured_code
Insured ID	numeric	634	8		insured.insured_id
Insurer Number	char	642	10		insurer.insurer_number
Insurer Name	char	652	80		insurer.insurer_name
Funding Source Number	char	732	10		funding_source.funding_source_number
Jurisdiction State	char	742	2		jurisdiction.state_code
Body Part Desc	char	744	50		body_part.body_part_desc
Adjusting Office Code	char	794	3		claim.adjusting_office_code
Escalated	char	797	1	0 = not escalated 1 = escalated	claim.escalated
Accepted	char	798	1	0 = no accepted	claimant.accepted

Field	Type	Start	Len	Comment	Source Column
				1 = accepted	
Accepted Date	date	799	8	yyyymmdd	claimant.accepted_date
Delayed	char	807	1	0 = not delayed 1 = delayed	claimant.delayed
Delayed Date	date	808	8	yyyymmdd	claimant.delayed_decision_date
Delayed Reason	char	816	255		claimant.delayed_reason
Denied	char	1071	1	0 = not denied 1 = denied	claimant.denied
Denied Date	date	1072	8	yyyymmdd	claimant.denied_date
Denied Reason	char	1080	255		claimant.denied_reason
Denial Reason Code	char	1335	2		denial_reason.iaibc_code
Examiner Code	char	1337	40		claimant.examiner1_code
OSHA Privacy Case	char	1377	1	0 = not OSHA privacy case 1 = OSHA privacy case	work_comp_claimant.osha_privacy_case
Nature of Injury Desc	char	1378	50		nature_of_injury.nature_of_injury_desc
MPN_code	Number	1428	4		Work_comp_claimant.MPN_code
MPN_edit_date	Date	1432	8		Work_comp_claimant.MPN_edit_date
Producer_number	Varchar	1440	10		Policy_period.producer_number
Nature of Injury NCCI code	Char	1450	2		Nature_of_injury.ncci_code associated with the claimant.nature_of_injury_code
Body Part NCCI code	Char	1452	2		Body_part.ncci_code associated with the claimant.body_part_code
Home Address1	char	1454	50		claimant.home_address1
Home Address2	char	1504	50		claimant.home_address2
Home City	char	1554	35		claimant.home_city
Home State	char	1589	2		claimant.home_state_code
Home Zip code	char	1591	9		claimant.home_zip_code

Field	Type	Start	Len	Comment	Source Column
Home Phone	char	1600	20		Claimant.home_phone
RX Eligibility Status	Char	1620	30	It is an optional field, fill space if no value is found	Code_list.Code_value WHERE lower(group_name) = 'rx_eligibility'  AND code_list.code_key = claimant_rx_eligibility_status
WC Jurisdiction Claim Number	Char	1650	25		claim.jurisdiction_claim_number
Filler	Char	1675	76	Total length = 1750	

Vendor Information Export File:

Field	Type	Start	Length	Comment
Vendor ID	numeric	1	5	To be returned with each payment entry
Firm name1	char	7	80	
Firm name2	char	87	80	
Firm phone	char	167	20	
Firm fax	char	187	20	
Address1	char	207	50	
Address2	char	257	50	
City	char	307	50	
State	char	357	2	
Zip code	char	359	9	
Tax Id	char	368	9	
Active Vendor	char	377	1	1 = yes, 0 = no.
Tax ID Type	char	378	1	1 = ssn, 0 = employer id
Vendor License Number	char	379	15	

Post Payment Information Export File:

Field	Data Type	Start	Length	Comment
Payment ID	Numeric	1	10	payment_id
Document Number	Char	11	30	document_number
Claim Number	Char	41	20	claim_number
Vendor ID	Numeric	61	8	vendor_id
Amount Paid	Numeric	69	20	Amount
Check Date	Date	89	8	check_date (yyyymmdd)
Check Number	Char	97	20	check_number
Bank Account Number	Char	117	20	bank_account_number
Invoice Number	Char	137	35	invoice_number

## Attachment G - Performance Requirements and Fees

#	Location	Contract Section	Language	Audit Method	Fees
1	Article G	3.1	<b>Subcontractors.</b> Contractor shall supply the City at no cost, within sixty (60) calendar days of Contract execution, all subcontractor agreements and pricing.	Submission	\$1,000 For each non compliant month
2	Attachment C, Section II	4.8.	<b>Internal Controls.</b> Contractor shall provide City with Service Organization Controls (SOC 1 and SOC 2) Report(s) and most recent SOC 1 and SOC 2 Report audit annually or as requested by the City	Submission	\$1,000 For each non compliant month
3	Attachment C, Section II	4.8.c.	<b>Internal Controls.</b> Thirty (30) calendar days after contract execution, Contractor shall submit an audit plan to audit subcontractors at least once a year.	Submission	\$1,000 For each non compliant month
4	Attachment C, Section II	5.4.c.	<b>Bill Review.</b> Contractor must complete the bill review process within seven (7) business days and four (4) business days for electronic billing; provided that City provides Contractor with a "clean" bill that includes all necessary documentation, including without limitation all vendor and claimant information, and shall be calculated inclusive of the date the bill is available to the Contractor and inclusive of the availability of the completed bill to the City by Contractor	Contractor reporting	\$1,000 For first non compliant month. Fees will double for each continuous non compliant month. Performance requirements and fees will be based on monthly average. Bill reviews exceeding the performance requirement as determined by the City to be beyond the Contractor's control, will not be included in the average.
5	Attachment C, Section II	5.4.h.	<b>Bill Review.</b> Contractor must provide a secondary quality assurance audit for all bills with recommended allowance of over \$10,000 and any bill where pricing is based on DRG or Ambulatory payment Classification (APC). Secondary quality assurance audit will occur during the bill review process to avoid overpayments. Contractor's audit will ensure accuracy and a thorough review of documentation to compare level of service and coding is appropriate. Audit will be conducted by an expert with extensive experience in reviewing complex bills that may include consultations, surgeries, catastrophic injuries, inpatient hospital, multiple anesthesia codes, extensive diagnostic testing and/or medical-legal evaluations. There will be no extra fee for this service	Contractor reporting	\$1,000 For each non compliant bill
6	Attachment C, Section II	5.6.1.b.	<b>MPN.</b> Initial and walk in visits must be completed within ninety (90) minutes and scheduled follow up visits must be completed within forty-five (45) minutes including any wait time. The City may allow Contractor and/or Subcontractor exception from this provision at its sole and absolute discretion.	Contractor reporting	\$1,000 For first non compliant month. Fees will double for each continuous non compliant month. Performance requirements and fees will be based on monthly average. Visits exceeding the performance requirement as determined by the City to be beyond the Contractor's control, will not be included in the average.
7	Attachment C, Section II	5.7.e.	<b>Utilization Review.</b> Within five (5) business days of the receipt date of a UR request from the City or TPAs, Contractor shall provide a UR determination for UR request and all needed information to all parties including the City or TPA claims analysts, medical providers, and employees or their representative, so all State-mandated deadlines are met	Contractor reporting	There will be no charge for non compliant URs. City will offset payments due to Contractor for any resultant costs caused by non compliant UR.
8	Attachment C, Section II	5.9.c.2.	<b>PBM.</b> Twenty-four (24) hour turnaround time for non-mail orders, from the time the prescription is submitted to the pharmacy.	Contractor reporting	\$1,000 For first non compliant month. Fees will double for each continuous non compliant month. Performance requirements and fees will be based on monthly average.
9	Attachment C, Section II	5.9.c.3.	<b>PBM.</b> Forty-eight (48) hour turnaround time for mail orders, from the receipt of order.	Contractor reporting	\$1,000 For first non compliant month. Fees will double for each continuous non compliant month. Performance requirements and fees will be based on monthly average.
10	Attachment C, Section II	11	Attachment C, Section II	5.10.a. R a d i	<b>ology Network.</b> Contractor shall contact patients to schedule appointments within one (1) business day of receiving referral information monthly average.

5.10.b.	<b>Radiology Network.</b>	Contractor reporting	\$1,000
	Contract	Contractor reporting	For first non compliant month.
	or shall complete all radiology services within two (2) business days. Business days shall be calculated inclusive of the date and time MRI and/or CT scan is available to the Contractor and inclusive of the availability of the completed reading to the City by Contractor		Fees will double for each continuous non compliant month. Performance requirements and fees will be based on monthly average. \$1,000 For first non compliant month. Fees will double for each continuous non compliant month. Performance requirements and fees will be based on

monthly average.

## Attachment G - Performance Requirements and Fees

#	Location	Contract Section	Language	Audit Method	Fees
12	Attachment C, Section II	5.16.a.	<b>Physical Medicine Network.</b> Contractor shall contact the patient to schedule appointments within 1 business day of receiving referral	Contractor reporting	\$1,000 For first non compliant month. Fees will double for each continuous non compliant month. Performance requirements and fees will be based on monthly average.