Exhibit "C"
SCOPE OF SERVICES

The selected Workers' Compensation Third-Party Administrator ("TPA") shall provide full-service workers' compensation claims administration for the CITY in accordance with all applicable federal and California laws and regulations. The services described herein are minimum requirements and shall be performed in conjunction with all applicable LAWCX Performance Standards, which are incorporated by reference but addressed separately.

The TPA shall be responsible for all tasks, services, coordination, and support necessary to effectively administer the CITY's workers' compensation program, including but not limited to:

1. General Claims Administration
   - Administer all workers' compensation claims from date of injury through final resolution
   - Establish and maintain complete electronic claim files
   - Conduct claim intake, investigation, and compensability determinations
   - Establish, monitor, and adjust claim reserves
   - Coordinate all claim-related activities with the CITY
   - Ensure continuity of claims handling throughout the life of each claim

2. Regulatory Compliance
   - Administer claims in compliance with:
     - California Labor Code
     - DWC regulations
     - WCAB rules and procedures
     - EAMS requirements
   - Prepare, issue, and file all required notices, forms, and documentation
   - Maintain records in compliance with statutory retention requirements
   - Assist the CITY during audits or regulatory reviews

3. Medical Management
   - Coordinate medical treatment within the Medical Provider Network (MPN)
   - Administer and coordinate Utilization Review (UR) and Independent Medical Review (IMR)
   - Coordinate Nurse Case Management services, when applicable
   - Process, review, and pay medical bills
   - Monitor treatment plans, medical progress, and outcomes
   - Coordinate medical evaluations, including QME and AME processes

4. Indemnity and Benefit Administration
   - Calculate and administer all statutory benefits, including:
     - Temporary Disability
     - Permanent Disability
     - Supplemental Job Displacement Benefits

    - Death benefits
- Issue required benefit notices
- Track benefit payments and offsets
- Identify and address overpayments and underpayments

5. Litigation and Legal Coordination
    - Identify and manage litigated claims
    - Coordinate with assigned defense counsel
    - Monitor legal costs and litigation strategy
    - Prepare claim documentation for hearings and proceedings
    - Support settlement negotiations and claim resolution
    - Prepare settlement documentation, including Compromise & Release and Stipulations

6. Return-to-Work and Disability Management
    - Coordinate return-to-work efforts with the CITY
    - Monitor work restrictions and modified duty assignments
    - Support transitional duty programs
    - Track lost time and return-to-work outcomes
    - Communicate regularly with CITY representatives regarding work status

7. Communication and Customer Service
    - Assign dedicated claims staff to the CITY
    - Serve as primary point of contact for claim-related inquiries
    - Maintain regular communication with injured workers
    - Communicate with CITY HR, Risk Management, and supervisors
    - Provide multilingual services as required
    - Respond to CITY requests and inquiries related to claims

8. Reporting and Data Management
    - Provide standard and customized reports, including:
        - Loss runs
        - Financial summaries
        - Claims status reports
        - Litigation summaries
    - Provide electronic access to the claims management system
    - Support actuarial studies and financial reviews
    - Ensure data accuracy and integrity
    - Provide ad hoc reporting upon request

9. Financial and Fiscal Services
    - Administer trust accounting (if applicable)
    - Issue benefit and medical payments
    - Track and allocate indemnity, medical, and expense costs
    - Support excess insurance and reinsurance reporting
    - Assist with budget forecasting and financial analysis

10. Program Management and Account Services
    - Provide a dedicated account manager
    - Conduct regular program review and stewardship meetings
    - Support implementation, transition, and onboarding services
    - Maintain claims continuity during staffing changes
    - Provide escalation procedures for unresolved issues

11. Technology, Data Security, and Confidentiality
    - Utilize a secure claims management system
    - Protect confidential and sensitive information
    - Comply with HIPAA and applicable privacy laws
    - Maintain cybersecurity safeguards
    - Provide business continuity and disaster recovery capabilities

12. Training and Support
    - Provide training for CITY staff on claims processes
    - Provide supervisor training on injury reporting and claim coordination
    - Offer updates on regulatory or legal changes
    - Provide onboarding support for new CITY personnel

13. Risk Management and Loss Control Support
    - Analyze claim trends and loss drivers
    - Provide data to support safety and injury prevention efforts
    - Participate in risk management meetings as requested
    - Support alignment with the CITY's safety programs

14. Optional and Value-Added Services
    - Nurse case management
    - Subrogation recovery
    - Medicare Set-Aside coordination
    - Fraud detection and investigation support
    - Early intervention and return-to-work initiatives

15. General Provisions
    - Services listed are not exhaustive
    - The TPA shall perform all services reasonably necessary to administer the program
    - Failure to explicitly list a service shall not relieve the TPA of responsibility
    - Performance expectations are governed by the LAWCX Performance Standards Exhibit

LAWCX PERFORMANCE STANDARDS FOR CLAIMS ADMINISTRATORS EXHIBIT

1. Caseload

   Each person who handles indemnity claims shall have a caseload not to exceed one hundred fifty (150) open claims, inclusive of all clients and all types of claims. Each person who handles solely medical only or future medical claims shall have a caseload not to exceed two hundred (200) open claims, inclusive of all clients and all types of claims. The supervisor shall not have a caseload unless prior authority is extended by the WCPM on a case-by-case basis.

2. Claim File Set Up

   Upon receipt of the Employer's Report of Occupational Injury or Illness or Application for Adjudication of Claim, the TPA will prepare an individual claim file within one (1) business day for each claim. Preparation of the claim file shall include entering each new claim into the computer system and establishing a claim number. The file shall be available to the ENTITY, including its members, their representatives, claims auditors, and agents, for inspection and will contain all medical and factual information on each reported claim.

3. Claim File Documentation

   All activity, contact, notification, reconciliation, referrals, reviews, verification, etc, shall be clearly documented in the computer notepad within one (1) business day and maintained in the applicable claim file. A copy of all written documentation, notices, letters, reports, etc. will be maintained in the applicable claim file. This requirement shall apply to all standards contained in this section of the document.

   Use of electronic claim files is appropriate only with assurance that all claim file documentation can be recreated in hard copy as requested and access provided to the electronic claim files.

4. Coverage

   The TPA shall verify the coverage period and that coverage was provided to the member by the ENTITY on the date of injury or illness in accordance with member program dates and governing documents. If applicable, the TPA shall exercise due diligence in joining applicable co-defendants. All activity to verify coverage and join co-defendants shall be clearly documented in the computer notepad within one (1) business day.

5. ISO

   The examiner shall request a report from the ISO on all new indemnity claims. The TPA shall review and analyze all reports.

6. Employer Contact

   The TPA shall immediately request the Employer's Report of Occupational Injury or Illness form when or if notification of any injury or illness by any source is received first.

   If the DWC Form 1 has not been received by the TPA within two (2) business days after receiving the Employer's Report of Occupational Injury or Illness, the examiner will contact the member to ensure the DWC Form 1 was given to the employee/claimant within one (1) business day of knowledge of the injury. If a DWC Form 1 was not provided to the injured employee/claimant, the TPA shall immediately send the DWC Form 1 directly to the employee/claimant.

   The TPA shall contact the member within one (1) business days of receipt of notice of a claim by any source to conduct an initial and meaningful investigation. The TPA shall confirm with the employer the number of employees on the date of injury. Such contact with the member and information received from the member shall be clearly documented in the computer notepad within one (1) business day.

   When a claim reaches or exceeds $150,000 in total incurred value, the TPA shall report to the member every ninety (90) calendar days regarding the status of the claim. A copy of the claim status report will be provided to the ENTITY's WCPM. Such report shall include a current status of the claim, the examiner's plan of action for the future handling of the claim, and the current paid-to-date and total incurred amounts listed by indemnity, Supplemental Job Displacement Benefits, medical, and expense categories.

   The examiner will provide on-site file reviews if requested by a member of the ENTITY. Other periodic on-site file reviews will be scheduled based upon the needs of the members.

   Return phone calls to members and responses to e-mails will be accomplished within one (1) business day and clearly documented in the computer notepad within one (1) business day.

   All correspondence from employers will be responded to within three (3) business days of receipt and clearly documented in the computer notepad within one (1) business day.

7. Employee/Claimant Contact

   In all non-litigated, lost time, or disputed cases, telephone or personal contact will be established with the injured employee/claimant within one (1) business day of receipt of

notice of claim. Such contact will continue as often as necessary, but at least monthly. Any contact with the employee/claimant shall be clearly documented in the computer notepad within one (1) business day.

As required, the TPA will confer with and assist injured employee/claimants in resolving problems that arise from injury or illness claims.

Return phone calls to employee/claimants will be accomplished within one (1) business day of receipt and clearly documented in the computer notepad within one (1) business day.

All correspondence from employee/claimants will be responded to within three (3) business days of receipt and clearly documented in the computer notepad within one (1) business day.

8. Medical Administration

The TPA, absent a Medical Provider Network (MPN), shall select a panel of general practitioners, specialists, hospitals, and emergency treatment facilities to which injured employee/claimants should be referred. The panel shall be regularly reviewed and updated.

The TPA shall assist the members in identifying an industrial clinic and/or medical providers, if requested.

The physician's office will be contacted within three (3) business days of notice of all new claims to conduct an initial investigation as to the medical aspects of the claim and discuss the member's return-to-work goals. Such contact will continue as needed during the continuation of temporary disability to assure that treatment is related to a compensable claim and clearly documented in the computer notepad within one (1) business day.

The TPA shall maintain contact with treating physicians to ensure employee/claimants receive proper medical treatment and are returned to full or modified employment at the earliest possible date.

The TPA shall maintain direct contact with medical providers to ensure their reports are received in a timely manner.

The TPA shall arrange medical evaluations when needed, reasonable, and/or requested in compliance with the current California Labor Code. In accordance with Labor Code Section 4601(a), the examiner will provide the employee/claimant with an alternative physician within five (5) business days of the employee/claimant's request for a change of physicians. Such referral shall be clearly documented in the computer notepad within one (1) business day.

The TPA shall make every attempt to utilize medical providers with contracts for negotiated rates to be paid less then the Official Medical Fee Schedule (OMFS) and/or recommended rates established by the Administrative Director of Workers' Compensation.

The TPA shall ensure that medical bills are reduced to at least the OMFS and/or recommended rates established by the Administrative Director of Workers' Compensation. The use of a service contractor is acceptable provided approval is first obtained from the ENTITY's Administrator. The ENTITY shall pay for the use and benefits of the services provided; however, fees charged by the service contractor shall have been approved by the ENTITY's WCPM prior to the provision of and payment for services. The ENTITY's WCPM will approve the service contractor's fees on a monthly basis prior to payment by the TPA to the service provider. Such fees will be charged to the applicable claim file and will be paid from the appropriate category as determined by Self-Insurance Plans.

The TPA shall provide, at the ENTITY's expense, utilization review and/or professional managed care services on an as-needed basis to injured employee/claimants in compliance with Utilization Review approved guidelines. The use of a service contractor to provide this service is acceptable provided the ENTITY's approval is first obtained. Such fees will be charged to the applicable claim file and will be paid from the appropriate category as determined by Self-Insurance Plans.

9. Compensability

The compensability determination (accept claim, deny claim, or delay acceptance pending the results of additional investigation) and the reasons for such determination will be made and clearly documented in the file within two (2) business days from the receipt date by the TPA. Delay of benefit notices shall be mailed in compliance with the Division of Industrial Relations' guidelines. Copies of benefit notices will be maintained in the applicable claim file. The TPA shall notify the member of delay or denial of any claim.

In no case shall a final compensability decision be extended beyond ninety (90) calendar days from the date of knowledge of the claim.

10. Investigations

The TPA shall promptly initiate investigation of issues identified as material to potential litigation and subrogation recovery. The member shall be notified of the need for an outside investigation as soon as possible. The member shall be kept informed on the scope and results of all investigations. All activities and communication with the member shall be clearly documented in the computer notepad within one (1) business day.

11. Reserves

Establish appropriate initial reserves within three (3) business days based on the information obtained at the time of claim set up. A copy of the detailed worksheet establishing the initial reserves shall be maintained in the applicable claim file and available for on-line review by the WCPM.

Reserves shall be established based on the facts of the claim and the ultimate probable cost of each claim. All reserve categories shall be reviewed on a regular basis but not less than at least every ninety (90) calendar days. Such detailed reviews shall be clearly documented in the computer notepad within one (1) business day. Any changes to reserves shall include an explanation of the change. A copy of the reserve worksheet will be maintained in the applicable claim file and available for on-line review by the WCPM.

12. Payments

The ENTITY has established a zero-balance account, which shall at all times contain sufficient funds to enable the TPA to make timely payments of claims, allocated loss expenses, and other amounts the TPA is authorized to make on behalf of the ENTITY. To comply with the positive pay requirements, the TPA shall electronically submit the information required by the ENTITY's financial institution on a daily, weekly, or monthly basis. The submissions will be at no additional cost to the ENTITY.

The ENTITY'S WCPM and the TPA shall determine an individual payment threshold which would require immediate notification to the ENTITY prior to the release of funds.

13. Provision of Benefits

The TPA shall provide all compensation and medical benefits in a timely manner and in compliance with the statutory requirements of the California Labor Code. The TPA shall compute and pay benefits to injured employee/claimants based upon earnings information and authorized disability periods. The TPA shall review, compute, and pay all informal ratings, death benefits, Findings and Awards, life pensions, or Compromise and Release settlements. However, all such benefits shall be paid from the ENTITY's established zero-balance account that will be linked to the ENTITY's "positive pay" account.

14. Initial Indemnity Payment

The initial indemnity payment or voucher will be issued and mailed to the injured employee/claimant or employer, if appropriate, together with a properly completed DWC benefit notice within ten (10) business days of the knowledge of the first day of disability. Copies of benefit notices will be maintained in the applicable claim file with a copy to the member if not previously provided.

Late payments must include the self-imposed increase in accordance with the Labor Code. Reasons for the late payment shall be clearly documented in the computer notepad within one (1) business day.

15. Subsequent Indemnity Payments

All indemnity payments or vouchers subsequent to the first payment will be verified, except for obvious long-term disability, and issued timely in compliance with the Labor Code. Copies of benefit notices issued with subsequent benefits will be maintained in the applicable claim file with a copy to the member.

Late payments must include the self-imposed increase in accordance with the Labor Code. Reasons for the late payment shall be clearly documented in the computer notepad within one (1) business day.

16. Medical Payments

Medical bills will be reviewed for accuracy, approved for payment on the appropriate claim file, and paid within time limits established by the Labor Code. If all or part of the bill is being disputed, the TPA will notify the medical provider, on the appropriate form letter, within time limits established by the Labor Code.

Late payments must include the self-imposed increase and penalties in accordance with the Labor Code. Reasons for the late payment shall be clearly documented in the computer notepad within one (1) business day.

17. Transportation/Self-Procured Expenses

Transportation/Self-Procured Expenses reimbursement will be reviewed for accuracy, approved for payment, and paid within three (3) business days of the receipt of the claim for reimbursement. Advance travel expense payments will be mailed to the injured employee/claimant at least ten (10) calendar days prior to the anticipated date of travel.

18. Return-to-Work

The TPA shall provide assistance to the ENTITY in coordinating return to work information that is appropriate for injured employees while recovering and prior to their return to regular duties.

The TPA shall consult with the member at least once a month in those cases where the injury residuals might involve work restrictions and assist the member in the provision of modified duty when appropriate.

The TPA shall notify the member immediately upon receipt of an employee's permanent work restrictions so that the member can determine the availability of permanent

modified or alternative work. Notification shall clearly be documented in the computer notepad within one (1) business day.

19. Permanent Disability

    The TPA shall determine the nature and extent of permanent disability and arrange for an informal disability rating whenever possible to avoid Workers' Compensation Appeals Board (WCAB) litigation. Determination of the level of permanent disability shall be clearly noted in the computer notepad within one (1) business day.

    The TPA shall take advantage of any potential apportionment potential to prior claims, disabilities, and impairments. The TPA shall also advise the member with fifty (50) or more employees on the date of injury of potential credits and increases to permanent disability benefits should the member accommodate permanent/alternative work for at least twelve (12) months.

    All permanent disability benefit notices shall be sent to the employee/claimant as required by the California Labor Code. Copies of benefit notices will be maintained in the applicable claim file with a copy to the member.

20. Supplemental Job Displacement Benefits (SJDB)

    In accordance with all applicable California laws, the TPA shall advise the injured employee/claimant of his/her right to SJDB, provide appropriate SJDB, control SJDB costs, attempt to secure the prompt conclusion of SJDB, and provide notification to the ENTITY's members should work restrictions require permanent or modified alternative accommodations.

21. Diary Review

    All claim files shall be reviewed by the claims adjusting staff at least every forty-five (45) calendar days for active claims and at least every one hundred eighty (180) calendar days for claims that have settled but are open to monitor future medical care. The examiner shall distinguish the regular diary review from routine file documentation in the computer notepad. The examiner is to update the system on any current "activity" that has occurred since the last file review. The computer notepad should include all steps/actions taken according to the plan of action previously entered.

22. Plan of Action

    A plan of action will be included and separately labeled in the file notes. Each claim file shall contain the examiner's plan of action for the future handling of that claim.

    The plan of action on new claims will be clearly documented in the computer notepad within ten (10) business days of initial claim set up. Such plan of action shall be clearly stated including the reasoning, strategy, and course of action(s) for the plan.

The plan of action will be updated at least every ninety (90) calendar days on active claims and at least every one hundred eighty (180) calendar days for claims that have settled but are open for the employee/claimant's future medical care. The plan of action shall include, but not be limited to accident history, current disability status, employee/claimant's return-to-work status, medical status, type and duration of future medical care recommended by the applicable medical provider, litigation status, subrogation potential, detailed review of reserves, excess information, and future activity to move the claim towards resolution.

23. Supervision

The TPA shall provide supervisory staff that will regularly review the work product of the examiners. The Supervisor shall review all new claims within the first thirty (30) calendar days of receipt from any source. The supervisor shall review at least ten percent (10%) of each examiner's caseload each month to ensure each examiner is following the performance standards outlined in this document. Written verification of the ten percent (10%) requirement will be provided to the WCPM upon request. In addition, the supervisor shall conduct a regular quarterly review of all open indemnity claims with future reserves in excess of $100,000 and all problem or complex claims. Such reviews shall include directions, recommendations, and/or appropriate feedback and be labeled as "Supervisor Review" and clearly documented in the computer notepad within one (1) business day.

The supervisor shall monitor the diary reviews by printing a report each month to identify any files that have fallen off the diary system.

The supervisor must review all medical only claims open beyond ninety (90) calendar days from the date of entry by the TPA for potential closure or conversion to indemnity claim status. Claims with $5,000 or more paid-to-date on any claim open beyond one hundred eighty (180) calendar days from date of entry shall be converted to indemnity status and an appropriate precautionary indemnity reserve placed on the claim.

24. Report Requests

Written claim status reports requested by members, in addition to the regular ninety (90) calendar day status reports, shall be provided by the TPA to the respective member and WCPM within ten (10) business days or a timeframe agreed upon with the member. Verbal status reports requested by members shall be provided by the TPA to the respective member within two (2) business days and clearly noted in the computer notepad within one (1) business day.

25. Settlements

The TPA shall obtain the member's authorization on all settlements. If the settlement exceeds an amount established by the ENTITY's governing body, the written settlement

proposal shall also be directed to the ENTITY's WCPM to provide authority in addition to the member's authority. The TPA or defense counsel shall forward settlement proposals to the member in a format approved by the ENTITY's WCPM.

All requests for settlement authority shall be clear and concise and include a written claim analysis, estimate of permanent disability, coverage, and the defense counsel's comments and recommendations along with the dates of any pending litigation activity or conferences at the WCAB. If multiple claims are included in a settlement, the request shall outline the amount to be paid for each applicable benefit type to be paid on each claim.

Settlement considerations must include an evaluation of the need for a Medicare Set Aside (MSA). Any referral for an MSA evaluation must have the prior approval of the WCPM.

26. Award Payment

Payments on Awards, computations, commutations, or Compromise and Release agreements will be issued within ten (10) calendar days, following receipt of the appropriate document. Payments will be made sooner if necessary to ensure payments are made within twenty (20) calendar days of the WCAB approval date. Late payments must include the self-imposed increase and appropriate interest in accordance with the Labor Code.

The TPA shall document the computer notepad with the date of WCAB approval, the amount of the settlement, and the type and duration of future medical care recommended by the applicable medical provider. The TPA shall also document the reason(s) for any late payment of the Award.

27. Future Medical Claims

Claims that remain open to monitor future medical care shall remain open for two (2) years from the last payment of any benefit. Reviews shall be documented in the claim notes to include settlement information, future medical care outline, last date and type of treatment, name of excess carrier, excess carrier reporting level, and date last reported to the excess carrier.

Reserves for future medical treatment will be reviewed every one hundred eighty (180) calendar days and adjusted for use over a three (3) year average and the injured employee/claimant's life expectancy based on the latest version of the U.S. Life Table. The reason(s) and calculation(s) for the adjustment(s) shall be clearly documented in the computer notepad within one (1) business day.

The TPA shall evaluate the claim at least annually to determine a reasonable amount for settlement of future medical benefits and any remaining benefits due. The reason(s) and calculation(s) for the recommended settlement amount shall be clearly documented in the computer notepad within one (1) business day. The TPA shall clearly document the computer notepad with the outcome of the settlement negotiations with the employee/claimant and/or applicant's attorney. Refer to Item 25 regarding the consideration of MSA settlements.

Should active litigation develop after the claim has been settled, the claim will be considered active and will no longer be considered a future medical claim. All appropriate performance standards contained in this document pertaining to active claims will apply.

28. Subrogation

The TPA shall promptly initiate investigation of issues identified as material to potential litigation and subrogation recovery. In all cases where a third party is responsible for the injury to the employee/claimant, the TPA shall send a letter to the member indicating they will pursue subrogation unless instructed otherwise by the member and WCPM. If the injured worker brings a civil action against the party responsible for the injury, the TPA shall consult with the WCPM about the value of the subrogation claim and other considerations.

When subrogation is to be pursued, the third party shall be contacted within ten (10) business days with notification of the member's right to subrogation and the recovery of certain claim expenses. If the third party is a governmental entity, a claim shall be filed with the governing entity within six (6) months of the injury or notice of injury.

Periodic contact shall be made with the responsible third party and/or insurer to provide notification of the amount of the estimated recovery.

Subrogation rights will not be waived without written from the ENTITY's WCPM and ENTITY's excess carrier. Upon the member's authorization, subrogation counsel shall be assigned to file a Lien or a Complaint in Intervention in the civil action within the applicable Statute of Limitations.

Whenever practical, the TPA should take advantage of any settlement in a civil action by attempting to settle the workers' compensation claim by means of a Third Party Compromise and Release. Refer to Item 25 regarding the consideration of MSA settlements. If such attempt does not succeed, then every effort should be made through the WCAB to offset claim expenses through a credit against the proceeds from the employee/claimant's civil action.

The TPA shall be responsible for collecting subrogation recoveries from the appropriate third party on a quarterly basis. A copy of the request to the third party shall be forwarded to the ENTITY's WCPM until such time as the TPA is instructed otherwise. Any

discrepancy in the recovery or reimbursement amount shall be clarified in the claim notes at the time of each request for reimbursement. Settlement negotiations will include involvement of the WCPM and ENTITY's Excess Carrier if appropriate.

29. Litigated Cases

Notice of applicant representation shall be clearly documented in the computer notepad and include allegations of injury. All assignments to defense counsel will be appropriate and done with the member's authorization and consent. Litigation direction shall remain with the claims examiner. The TPA shall prepare clear and concise litigation referrals to outside counsel outlining the issues of the claim and duties that will be handled by defense counsel, which shall not be clerical in nature. Defense counsel shall clearly outline a written plan to defend the litigated issues and provide a written initial analysis and periodic written updates timely. The TPA shall monitor the outside counsel's progress. The TPA shall audit all defense counsel's bills before payment is authorized.

In the absence of defense counsel, the TPA shall work closely with the applicant's attorney in disposition of litigated cases. The TPA shall confirm the defendant is properly named on all legal documents.

All preparation for a trial shall involve the member so that all material evidence and witnesses are utilized to obtain a favorable result for the defense.

The TPA's manager, supervisor, or claims examiner shall attend WCAB hearings and meetings with defense counsel as necessary and as requested to do so.

30. Fraudulent Claims

Any claim with suspected fraudulent activity shall be referred to the TPA's special investigation process for further investigation and potential referral to the appropriate authorities. The claim will be referred to an investigator with the member's and WCPM's prior approval, to conduct further investigation. The member and WCPM will be notified of the referral and be provided with periodic updates.

31. Excess Coverage

Cases that have the potential to exceed the ENTITY's self-insured retention shall be reported in accordance with the reporting criteria established by the excess coverage policies. All cases that meet the established reporting criteria are to be reported within ten (10) business days of the day on which it is known the criteria is met, or sooner if required by the excess carrier. The report shall be on a form satisfactory to the excess carrier and submitted electronically ninety (90) calendar days from the date of the initial notice and every ninety (90) calendar days thereafter, unless indicated otherwise by the excess carrier.

A copy of the submission to the excess carrier and subsequent reports shall be forwarded electronically to the ENTITY's WCPM until such time as the TPA is instructed otherwise.

32. Excess Reimbursements/Recoveries

The TPA shall be responsible for collecting reimbursements and recoveries from the excess carrier and on a quarterly basis. Reimbursements shall be requested by the twentieth (20th) of the following month after the quarter ending March 31, June 30, September 30, and December 31. If the claim remains open to monitor future medical care, reimbursements shall be immediately requested when the claim is reviewed semi-annually.

A copy of the request to the excess carrier shall be forwarded to the ENTITY's WCPM until such time as the TPA is instructed otherwise. Any discrepancy in the recovery or reimbursement amount shall be clarified in the claim notes at the time of each request for reimbursement.

33. Overpayments

The TPA shall be responsible for collecting any overpayment of any benefit. In the event that the TPA fails to collect the overpayment, the TPA may be responsible to reimburse the ENTITY for the amount of the overpayment. Any settlement which considers credit for an overpayment against "new and further" disability must be reviewed and approved by the WCPM. The claim notes shall outline the reason and amount of the overpayment and the efforts taken to request reimbursement for the overpayment.

34. Penalties/Self-Imposed Increases

Late payment of all benefits must include the self-imposed penalty/increase in accordance with California law. The claim notes shall outline the reason and amount of the penalties/increases.

The TPA shall adhere to the requirements outlined in Section 25, Settlements, when settling exposures for penalties/increases.

35. Case Closure

All cases, where permanent disability is not an issue, will be closed within sixty (60) calendar days of the final financial transaction or final correspondence to the employee/claimant as required by law. All indemnity claims where permanent disability is an issue will remain open for two (2) years from the last payment of any benefit and then closed within sixty (60) calendar days of that date.

36. Compliance with Labor Code

The TPA shall comply with all provisions of the Labor Code and Rules and Regulations.

37. Performance Expectations

The above Performance Standards shall be reviewed and implemented by all TPA staff assigned to the ENTITY's Program within thirty (30) calendar days of approval of an agreement and/or staff assignments.

Verification of compliance shall be made available upon request by the WCPM.

A. SPECIAL PROVISIONS

1. Financial Administration

The ENTITY will establish a zero-balance trust account from which the TPA shall make all indemnity, medical, and allocated loss expense payments. Payment authorization limits and payment policies will be established by the ENTITY and reviewed from time to time with the TPA. The TPA's monthly service fee shall not be paid from the trust account.

The TPA shall maintain complete and accurate records with respect to costs, expenses, receipts, and other such information required by the ENTITY that relate to the performance of services under this RFP. The TPA shall maintain adequate records of services provided in sufficient detail to permit an evaluation of services. All such records shall be maintained in accordance with generally accepted accounting principles and shall be clearly identified and readily accessible.

2. Allocated Loss Expenses

All allocated loss expenses shall be the responsibility of the ENTITY. It is agreed and understood that, whenever practicable, allocated loss expenses should be paid directly from the applicable claim file. The above fee arrangement shall include all services included in this RFP except for payments made by the TPA on the ENTITY's behalf for medical, disability, or other benefits, and allocated loss expense.

Allocated Loss Expense shall mean all WCAB or court costs, fees, and expenses; fees for service of process; fees to attorneys; fees of independent adjusters or attorneys for investigation or adjustment of claims for AOE/COE investigations not performed by the TPA's workers' compensation claims personnel; the cost of employing experts for the purpose of preparing maps, photographs, diagrams, chemical or physical questions; the cost of copies of transcripts of testimony of coroner's inquests or private records; the cost of depositions and court reporter or recorded statements; and any similar costs or expenses properly chargeable to the defense of a particular claim or to the protection of the subrogation rights of the ENTITY; provided, however, that all of the above services performed by the TPA's personnel shall not be considered allocated loss expenses unless the ENTITY is informed by the TPA that an AOE/COE investigation is necessary and the ENTITY requests, in writing, that the TPA perform that investigation; the TPA personnel can then perform the investigation and the costs of that investigation shall be considered as allocated loss expenses. If the ENTITY does not request the AOE/COE investigation be performed by the TPA personnel, such investigation shall be referred by the TPA to an independent investigator.

Allocated loss expense shall also include medical cost containment program costs as defined in Title 8, Division 1, Chapter 8, Subchapter 2, Article 6, and Section 15300.

3. Right to Audit

   The ENTITY or its designated representative is authorized to visit the TPA's processing and/or storage premises for the purpose of performing a claims audit, and shall have access to all data, including paper documents, microfilm, microfiche, and magnetically stored data which relate to payments or non-payments made by the TPA. Any assistance or service provided in response to a claims audit described above will be rendered at no additional cost to the ENTITY.

4. Payments Outside of Coverage Period

   No charges to the ENTITY for payments made on behalf of persons who were not valid employees of the covered ENTITY on the date of injury shall be accepted for payment by the ENTITY. The TPA may be responsible to reimburse the ENTITY for any amounts paid in error.

5. Personnel

   The TPA agrees to assign only competent personnel according to the reasonable and customary standards of training and experience in the relevant field to perform services pursuant to an agreement. Failure to assign such competent personnel shall constitute grounds for termination of an agreement. The examiners and claims assistants shall be dedicated to the exclusive handling of the ENTITY's claims. The TPA shall be allowed to use a non-dedicated or part-time, experienced examiner when caseloads exceed the number specified in the caseloads outlined in the "SCOPE OF WORK".

   Each examiner shall have passed the State of California, Department of Industrial Relations, Self Insurance Administrator's Examination; or as a minimum requirement, no more than one (1) examiner in the ENTITY's dedicated unit shall not have successfully passed the State examination; however, an examiner that has not passed the State examination shall be enrolled in appropriate courses leading to certification within two years. The TPA shall annually certify to the ENTITY that each claims examiner handling the members' claims is in compliance with all legal and regulatory licensing and continuing educational requirements as presently or in the future shall be promulgated and required by the State of California. It is understood that the ENTITY has the right to require examiners to be removed from their program based on unsatisfactory performance.

   The TPA shall maintain, at all times, one (1) or more of the examiners assigned to the ENTITY's claims, or in their absence, the supervisor or management above the supervisory level, are on-site and available by telephone for emergencies through a 24-hour emergency telephone number. The TPA shall provide a toll-free telephone number at no additional charge to the ENTITY.

The TPA shall require an examiner to be available and to readily respond to a member's request for assistance with problem cases, which may include in-person visits with the members.

The TPA shall require its examiners or other TPA personnel, as necessary, to attend the ENTITY's regularly scheduled Board of Directors and Executive Committee meetings to report on the general state of the program since the last meeting, and on any particular cases of interest to the Board and Executive Committee.

The TPA shall ensure that other personnel, such as management, clerical, accounting, and data processing, which may be required to satisfactorily provide the services required by an agreement, shall be provided by the TPA within the agreed fee for services contained in this RFP. It is understood that the personnel referred to in this paragraph need not be dedicated to the exclusive use of the ENTITY.

6. Forms

The TPA shall provide all forms necessary for the processing of benefits or claims information including the Employer's Report of Occupational Injury or Illness (DWC Form 5020), Employee Claim Form (DWC Form 1), vouchers, checks, and other related forms. The cost of providing these forms shall be included within the contract price.

7. Member Services

The TPA shall provide special, in-person training services annually to the members' staff to ensure that the members' staff that process workers' compensation claims are effectively carrying out the procedures required for a successful program. A copy of the ENTITY's approved Workers' Compensation Claims Procedures Manual should be readily available for review by the members' staff or representative.

The TPA shall consult annually with the ENTITY on the establishment and coordination of necessary procedures and practices to meet the needs of the ENTITY with respect to the administration and processing of claims.

The TPA shall provide the ENTITY with information regarding statutes, proposed changes to statutes, and changes to the rules and regulations affecting the ENTITY and its responsibility as a legally uninsured workers' compensation authority.

8. Computer Access

The TPA shall provide online access at no additional charge to the ENTITY's Administrator and members. Such data shall be in a format accessible from the ENTITY's Administrator's computers and will permit the ENTITY's Administrator to print copies of the data on its printers. The TPA shall provide training for use of the computer system for the ENTITY's Administrator. If the ENTITY's Administrator, under the TPA's guidance, is not able to maintain online interface with data maintained by the TPA, the TPA may be

required to provide a copy of all data processed during the previous month to the ENTITY's Administrator's office on a disk by the tenth (10th) calendar day following month end.

9. Record Retention

All claim files and associated data shall be maintained in accordance with statutory time requirements and the ENTITY's Record Retention Policy. The members shall be notified prior to any destruction of files to determine if the member wishes to retain the claim file at their own expense.

10. Confidentiality of Information

All data, documents, or other information developed or received, verbally or in writing, in performance of the agreement between the TPA and the ENTITY are confidential and not to be disclosed to any person except as authorized by the ENTITY, the TPA, or as required by law.

11. Protection of Data

It is the TPA's responsibility to develop and implement processes and procedures relating to the protection of the ENTITY's electronic data, including a suitable security and back-up system for all stored data and a written policy with respect to disaster recovery, physical and electronic data security, and electronic data retention, as per the standards for Accreditation with Excellence by the California Association of Joint Powers Authorities (CAJPA).

12. Computer Generated Reports/Loss Runs

The TPA shall, at its expense, by the tenth (10th) calendar day of the following month, unless otherwise specified below:

A. Electronically provide the following information monthly to the members, as it pertains to their respective claims,:

   i. A listing of all open claims showing the employee/claimant's name, claim number, date of injury, paid amount, future liability, total incurred, and any amounts recovered;

   ii. A listing of information needed for the ENTITY's members to complete the applicable OSHA logs for claims where temporary disability benefits were paid during the applicable month showing the paid-to-date amounts, from and through dates of temporary disability benefits paid, claim number, and date of injury; and

iii. A summary listing by fiscal year showing paid-to-date amounts, future liability or reserve amounts, total incurred amounts, number of open claims, and number of closed claims.

B. Provide the following information monthly to the ENTITY's Administrator electronically in Excel, PDF, and the appropriate formats:

i. All open and closed claims run by fiscal year and then alphabetically by member, to include the employee/claimant's name, claim number, date of injury, occupation, free form text description of the injury, free form text description of the cause, site, and nature of the injury, number of days temporary disability benefits were paid, paid amount separated by type, future liability or reserves separated by type, total incurred separated by type, and any amounts recovered for subrogation or excess insurance;

ii. A summary listing run alphabetically by member and then by program year showing paid amount with Labor Code 4850 benefits, paid amount without Labor Code 4850 benefits, future liability or reserve amounts, total incurred with Labor Code 4850 benefits, total incurred without Labor Code 4850 benefits, number of open claims, and number of closed claims;

iii. A summary listing run by program year showing paid-to-date amounts, future liability or reserve amounts, total incurred amounts, number of open claims, and number of closed claims;

iv. A check register, excluding vouchers, in check number order, including any voids, refunds, and recoveries received with a page showing the total payments for the month by fiscal year;

v. A check register, including all activity, in check number order, including any voids, refunds, and recoveries received with a page showing the total payments for the month to be run by member and then fiscal year;

vi. A voucher register run by fiscal year and then by member; and

vii. A "No Activity" report listing the claims that have had no activity during the previous one hundred eighty (180) calendar days. The report components should include no reserve changes, no payments, no recoveries, no refunds, and/or no computer notepad activity.

C. Provide the following quarterly reports, in addition to the regular monthly reports, to the ENTITY's Administrator electronically in Excel format:

i. A listing of any administrative penalties/increases paid during the quarter. The report shall designate the party responsible for the penalty/increase;

ii. A listing of subrogation claims showing the employee/claimant's name, claim number, date of injury, paid amount with Labor Code 4850 benefits, paid amount without Labor Code 4850 benefits, future liability, total incurred with Labor Code 4850 benefits, total incurred without Labor Code 4850 benefits, and any excess or subrogation recoveries;

iii. As of June 30, September 30, December 31, and March 31, a listing of all open and closed claims with a total incurred value in excess of $50,000 to be run by fiscal year alphabetically. The report should include the employee/claimant name, claim number, date of injury, paid amount with Labor Code 4850 benefits, paid amount without Labor Code 4850 benefits, future liability, total incurred with 4850 benefits, total incurred without 4850 benefits, and any excess insurance or subrogation recoveries;

iv. As of June 30, September 30, December 31, and March 31, a listing of all open and closed claims with a total incurred value in excess of $125,000 to be run by fiscal year alphabetically. The report should include the employee/claimant name, claim number, date of injury, paid amount with Labor Code 4850 benefits, paid amount without Labor Code 4850 benefits, future liability, total incurred with Labor Code 4850 benefits, total incurred without Labor Code 4850 benefits, and any excess insurance or subrogation recoveries; and

v. As of June 30, September 30, December 31, and March 31, a listing of all open and closed claims with a total incurred value in excess of $250,000 to be run by fiscal year alphabetically. The report should include the employee/claimant name, claim number, date of injury, paid amount with Labor Code 4850 benefits, paid amount without Labor Code 4850 benefits, future liability, total incurred with Labor Code 4850 benefits, total incurred without Labor Code 4850 benefits, and any excess insurance or subrogation recoveries;

D. The TPA shall provide loss data information to the excess carrier on a monthly basis in the format outlined by the excess carrier. The submissions shall be submitted to the excess carrier's secure File Transfer Protocols (FTP) server or website by the tenth (10^{th}) calendar day of the following month. The submission shall include the required fields outlined by the excess carrier. The submissions will be made electronically in addition to the loss runs provided to the members and the ENTITY and will be made at no additional costs to the member, the ENTITY, or excess carrier.

E. Provide a report to the ENTITY's Administrator annually in Excel format as of the end of the fiscal year, in addition to the regular monthly and quarterly reports, a year-end report. The report shall include all open and closed claims run by fiscal year and then alphabetically by member, to include the employee/claimant name, claim number, date of injury, occupation, text description of the injury, number of days temporary disability benefits were paid, paid amount separated by type, future liability or reserves separated by type, total incurred separated by type, and any amounts recovered for subrogation or excess insurance; and

F. The TPA shall also provide appropriate reports as requested documenting the timely and accurate reporting of the ENTITY'S claims to the Centers for Medicare and Medicaid Services (CMS).

G. The TPA shall assist in the preparation of all reports that are now, or will be required by the State of California or other government agencies with respect to self-insurance programs. The TPA will also assist in the preparation of all reports to statistical database organizations as requested by the ENTITY.

H. The TPA shall, at its expense, provide to the ENTITY's WCPM electronically by the tenth (10^{th}) of the following month a written summary report showing the number of claims reported during the prior month, separated by category (i.e. indemnity or medical only); the number of claims closed during the prior month, separated by category, and any medical cost savings. This report shall show a comparison of the same information for the same month for the prior year.

I. The TPA shall provide a computer generated monthly caseload report to the ENTITY's Administrator for all examiners handling the ENTITY's claims. The report shall include a total of all claims each person is handling, including those handled outside of the ENTITY's program, and shall be provided to the ENTITY's Administrator electronically within ten (10) calendar days of closure of the previous month.

J. The TPA will provide the ENTITY a quarterly listing of any administrative penalties/increases paid in the quarters ending March 31, June 30, September 30, and December 31. The report shall designate the party responsible for the penalty/increase. If the penalty/increase was the responsibility of the TPA, the TPA shall issue a check payable to the ENTITY for reimbursement of the penalties/increases. The check and report shall be submitted to the ENTITY by the twentieth (20^{th}) calendar day of the following month after the quarter ends.

K. Provide other special reports required of the ENTITY or its Administrator including, but not limited to, loss trend reports, claim abstract reports, reports required by actuaries, excess insurance carriers, etc. If new programming is required in order to provide such special reports, the TPA shall pay at its own expense for new or special programming costs.

Any corrections to the loss runs shall be made within thirty (30) calendar days of a request for correction.

Other than standard monthly loss runs referenced in this section, computer generated loss data reports requested by members or the WCPM shall be provided within five (5) business days.