



**CONTRACT MA-017-24010670
FOR
MANAGED CARE SERVICES – BILL REVIEW (BR),
UTILIZATION REVIEW (UR), NURSE CASE MANAGEMENT (NCM)
AND PHARMACY BENEFITS MANAGEMENT (PBM) FOR THE COUNTY’S
WORKERS’ COMPENSATION CLAIMS PROGRAM
WITH
PACIFIC SECURED EQUITIES DBA INTERCARE HOLDINGS, INC.**

This Contract MA-017-24010670 for Managed Care Services – Bill Review (BR), Utilization Review (UR), Nurse Case Management (NCM) and Pharmacy Benefits Management (PBM) for the County’s Workers’ Compensation Claims Program, hereinafter referred to as “Contract” is made and entered into as of the date fully executed by and between the County of Orange, a political subdivision of the State of California on behalf of County Executive Office, CEO hereinafter referred to as “County” and Pacific Secured Equities dba Intercare Holdings, Inc., with a place of business at 999 W. Town and Country Road, Suite #450, Orange, CA 92868, hereinafter referred to as “Contractor”, with County and Contractor sometimes individually referred to as “Party”, or collectively referred to as “Parties”.

ATTACHMENTS

This Contract is comprised of this document and the following Attachments, which are attached hereto and incorporated by reference into this Contract:

Attachment A – Scope of Work
Attachment B – Payment and Compensation
Attachment C – Staffing Plan
Attachment D – Case Management Billing Guidelines
Attachment E – County of Orange Prior Authorization Plan
Attachment F - County of Orange Required Reports

RECITALS

WHEREAS, County solicited via a Request for Proposal (“RFP”) Managed Care Services – Bill Review (BR), Utilization Review (UR), Nurse Case Management (NCM) and Pharmacy Benefits Management (PBM) for the County’s Workers’ Compensation Claims Program as set forth herein; and

WHEREAS, Contractor responded and represented that it is qualified to provide Managed Care Services – Bill Review (BR), Utilization Review (UR), Nurse Case Management (NCM) and Pharmacy Benefits Management (PBM) for the County’s Workers’ Compensation Claims Program to the County as further set forth in the Scope of Work, attached hereto as Attachment A; and

WHEREAS, County agrees to pay Contractor based on the schedule of fees set forth in Payment and Compensation, attached hereto as Attachment B; and

NOW, THEREFORE, the Parties mutually agree as follows:

ARTICLES

General Terms and Conditions:

- A. **Governing Law and Venue:** This Contract has been negotiated and executed in the state of California and shall be governed by and construed under the laws of the state of California. In the event of any legal action to enforce or interpret this Contract, the sole and exclusive venue shall be a court of competent jurisdiction located in Orange County, California, and the parties hereto agree

to and do hereby submit to the jurisdiction of such court, notwithstanding Code of Civil Procedure Section 394. Furthermore, the parties specifically agree to waive any and all rights to request that an action be transferred for adjudication to another county.

- B. **Entire Contract:** This Contract contains the entire Contract between the parties with respect to the matters herein, and there are no restrictions, promises, warranties or undertakings other than those set forth herein or referred to herein. No exceptions, alternatives, substitutes or revisions are valid or binding on County unless authorized by County in writing. Electronic acceptance of any additional terms, conditions or supplemental Contracts by any County employee or agent, including but not limited to installers of software, shall not be valid or binding on County unless accepted in writing by County's Purchasing Agent or designee.
- C. **Amendments:** No alteration or variation of the terms of this Contract shall be valid unless made in writing and signed by the parties; no oral understanding or agreement not incorporated herein shall be binding on either of the parties; and no exceptions, alternatives, substitutes or revisions are valid or binding on County unless authorized by County in writing.
- D. **Taxes:** Unless otherwise provided herein or by law, price quoted does not include California state sales or use tax. Out-of-state Contractors shall indicate California Board of Equalization permit number and sales permit number on invoices, if California sales tax is added and collectable. If no permit numbers are shown, sales tax will be deducted from payment. The Auditor-Controller will then pay use tax directly to the State of California in lieu of payment of sales tax to Contractor.
- E. **Delivery:** Time of delivery of commodities and services is of the essence in this Contract. County reserves the right to refuse any commodities and services and to cancel all or any part of the commodities not conforming to applicable specifications, drawings, samples or descriptions or services that do not conform to the prescribed scope of work. Acceptance of any part of the order for commodities shall not bind County to accept future shipments nor deprive it of the right to return commodities already accepted at Contractor's expense. Over shipments and under shipments of commodities shall be only as agreed to in writing by County. Delivery shall not be deemed to be complete until all commodities or services have actually been received and accepted in writing by County.
- F. **Acceptance Payment:** Unless otherwise agreed to in writing by County, 1) acceptance shall not be deemed complete unless in writing and until all the commodities/services have actually been received, inspected, and tested to the satisfaction of County, and 2) invoices are to be submitted in advance, once a year for the fixed cost by line of coverage (property, casualty or miscellaneous, as applicable) to the user agency/department to the ship-to address, unless otherwise directed in this Contract.
- G. **Warranty:** Contractor expressly warrants that the commodities covered by this Contract are 1) free of liens or encumbrances, 2) merchantable and good for the ordinary purposes for which they are used, and 3) fit for the particular purpose for which they are intended. Acceptance of this order shall constitute an agreement upon Contractor's part to indemnify, defend and hold County and its indemnittees as identified in paragraph "BB" below, and as more fully described in paragraph "BB," harmless from liability, loss, damage and expense, including reasonable counsel fees, incurred or sustained by County by reason of the failure of the commodities/services to conform to such warranties, faulty work performance, negligent or unlawful acts, and non-compliance with any applicable state or federal codes, ordinances, orders, or statutes, including the Occupational Safety and Health Act (OSHA) and the California Industrial Safety Act. Such remedies shall be in addition to any other remedies provided by law.
- H. **Patent/Copyright Materials/Proprietary Infringement:** Unless otherwise expressly provided in this Contract, Contractor shall be solely responsible for clearing the right to use any patented or copyrighted materials in the performance of this Contract. Contractor warrants that any software as

modified through services provided hereunder will not infringe upon or violate any patent, proprietary right, or trade secret right of any third party. Contractor agrees that, in accordance with the more specific requirement contained in paragraph "BB" below, it shall indemnify, defend and hold County and County Indemnitees harmless from any and all such claims and be responsible for payment of all costs, damages, penalties and expenses related to or arising from such claim(s), including, costs and expenses but not including attorney's fees.

- I. **Assignment:** The terms, covenants, and conditions contained herein shall apply to and bind the heirs, successors, executors, administrators and assigns of the parties. Furthermore, neither the performance of this Contract nor any portion thereof may be assigned by Contractor without the express written consent of County. Any attempt by Contractor to assign the performance or any portion thereof of this Contract without the express written consent of County shall be invalid and shall constitute a breach of this Contract.
- J. **Non-Discrimination:** In the performance of this Contract, Contractor agrees that it will comply with the requirements of Section 1735 of the California Labor Code and not engage nor permit any subcontractors to engage in discrimination in employment of persons because of the race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, marital status, or sex of such persons. Contractor acknowledges that a violation of this provision shall subject Contractor to penalties pursuant to Section 1741 of the California Labor Code.
- K. **Termination:** In addition to any other remedies or rights it may have by law, County has the right to immediately terminate this Contract without penalty for cause or after 30 days' written notice without cause, unless otherwise specified. Cause shall be defined as any material breach of contract, any misrepresentation or fraud on the part of Contractor. Exercise by County of its right to terminate Contract shall relieve County of all further obligation.
- L. **Consent to Breach Not Waiver:** No term or provision of this Contract shall be deemed waived and no breach excused, unless such waiver or consent shall be in writing and signed by the party claimed to have waived or consented. Any consent by any party to, or waiver of, a breach by the other, whether express or implied, shall not constitute consent to, waiver of, or excuse for any other different or subsequent breach.
- M. **Remedies Not Exclusive:** The remedies for breach set forth in this Contract are cumulative as to one another and as to any other provided by law, rather than exclusive; and the expression of certain remedies in this Contract does not preclude resort by either party to any other remedies provided by law.
- N. **Independent Contractor:** Contractor shall be considered an independent contractor and neither Contractor, its employees, nor anyone working under Contractor shall be considered an agent or an employee of County. Neither Contractor, its employees nor anyone working under Contractor shall qualify for workers' compensation or other fringe benefits of any kind through County.
- O. **Performance Warranty:** Contractor shall warrant all work under this Contract, taking necessary steps and precautions to perform the work to County's satisfaction. Contractor shall be responsible for the professional quality, technical assurance, timely completion and coordination of all documentation and other commodities/services furnished by Contractor under this Contract. Contractor shall perform all work diligently, carefully, and in a good and workmanlike manner; shall furnish all necessary labor, supervision, machinery, equipment, materials, and supplies, shall at its sole expense obtain and maintain all permits and licenses required by public authorities, including those of County required in its governmental capacity, in connection with performance of the work. If permitted to subcontract, Contractor shall be fully responsible for all work performed by subcontractors.

- P. **Insurance:** Prior to the provision of services under this contract, Contractor agrees to purchase all required insurance at Contractor's expense, including all endorsements required herein, necessary to satisfy County that the insurance provisions of this contract have been complied with. Contractor agrees to keep such insurance coverage, Certificates of Insurance, and endorsements on deposit with County during the entire term of this contract. In addition, all subcontractors performing work on behalf of Contractor pursuant to this contract shall obtain insurance subject to the same terms and conditions as set forth herein for Contractor.

Contractor shall ensure that all subcontractors performing work on behalf of Contractor pursuant to this contract shall be covered under Contractor's insurance as an Additional Insured or maintain insurance subject to the same terms and conditions as set forth herein for Contractor. Contractor shall not allow subcontractors to work if subcontractors have less than the level of coverage required by County from Contractor under this contract. It is the obligation of Contractor to provide notice of the insurance requirements to every subcontractor, and to receive proof of insurance prior to allowing any subcontractor to begin work. Such proof of insurance must be maintained by Contractor through the entirety of this contract for inspection by County representative(s) at any reasonable time.

All self-insured retentions (SIRs) shall be clearly stated on the Certificate of Insurance. Any self-insured retention (SIR) in an amount in excess of Fifty Thousand Dollars (\$50,000) shall specifically be approved by County's Risk Manager, or designee, upon review of Contractor's current audited financial report. If Contractor's SIR is approved, Contractor, in addition to, and without limitation of, any other indemnity provision(s) in this Contract, agrees to all of the following:

1. In addition to the duty to indemnify and hold County harmless against any and all liability, claim, demand or suit resulting from Contractor's, its agents, employee's or subcontractor's performance of this Contract, Contractor shall defend County at its sole cost and expense with counsel approved by Board of Supervisors against same; and
2. Contractor's duty to defend, as stated above, shall be absolute and irrespective of any duty to indemnify or hold harmless; and
3. The provisions of California Civil Code Section 2860 shall apply to any and all actions to which the duty to defend stated above applies, and Contractor's SIR provision shall be interpreted as though Contractor was an insurer and County was the insured.

If Contractor fails to maintain insurance acceptable to County for the full term of this contract, County may terminate this contract.

Qualified Insurer

The policy or policies of insurance must be issued by an insurer with a minimum rating of A- (Secure A.M. Best's Rating) and VIII (Financial Size Category as determined by the most current edition of the **Best's Key Rating Guide/Property-Casualty/United States or ambest.com**). It is preferred, but not mandatory, that the insurer be licensed to do business in the State of California (California Admitted Carrier).

If the insurance carrier does not have an A.M. Best Rating of A-/VIII, the CEO/Office of Risk Management retains the right to approve or reject a carrier after a review of the company's performance and financial ratings.

The policy or policies of insurance maintained by Contractor shall provide the minimum limits and coverage as set forth below:

Coverage	Minimum Limits
Commercial General Liability	\$1,000,000 per occurrence \$2,000,000 aggregate
Automobile Liability including coverage for owned, non-owned and hired vehicles	\$1,000,000 combined single limit per occurrence
Workers' Compensation	Statutory
Employers' Liability Insurance	\$1,000,000 per occurrence
Professional Liability Insurance	\$5,000,000 per claims or per occurrence \$5,000,000 aggregate
Blanket Fidelity/Crime Bond	\$5,000,00 per occurrence
Network Security and Privacy Liability	\$5,000,00 per occurrence

Required Coverage Forms

The Commercial General Liability coverage shall be written on Insurance Services Office (ISO) form CG 00 01, or a substitute form providing liability coverage at least as broad.

The Business Auto Liability coverage shall be written on ISO form CA 00 01, CA 00 05, CA 00 12, CA 00 20, or a substitute form providing liability coverage as broad.

Required Endorsements

The Commercial General Liability policy shall contain the following endorsements, which shall accompany the Certificate of Insurance:

1. An Additional Insured endorsement using ISO form CG 20 26 04 13 or a form at least as broad naming County of Orange, its elected and appointed officials, officers, employees and agents as Additional Insureds, or provide blanket coverage, which will state *As Required By Written Contract*.
2. A primary non-contributing endorsement using ISO Form CG 20 01 04 13, or a form at least as broad evidencing that Contractor's insurance is primary and any insurance or self-insurance maintained by County of Orange shall be excess and non-contributing.

The Workers' Compensation policy shall contain a waiver of subrogation endorsement waiving all rights of subrogation against ***County of Orange, its elected and appointed officials, officers, employees and agents***, or provide blanket coverage, which will state ***As Required by Written Contract***.

The Network Security and Privacy Liability policy shall contain the following endorsements which shall accompany the Certificate of Insurance:

1. An Additional Insured endorsement naming the County of Orange, its elected and appointed officials, officers, employees, and agents as Additional Insureds for its vicarious liability.
2. A primary and non-contributory endorsement evidencing that the Contractor's insurance is primary, and any insurance or self-insurance maintained by the County of Orange shall be excess and non-contributing.

All insurance policies required by this contract shall waive all rights of subrogation against County of Orange, its elected and appointed officials, officers, employees and agents when acting within the scope of their appointment or employment.

The County of Orange shall be the loss payee on the Employee Dishonesty coverage. A Loss Payee endorsement evidencing that the County of Orange is a Loss Payee shall accompany the Certificate of Insurance. (Only include this provision when Employee Dishonesty Insurance is required).

Contractor shall notify County in writing within thirty (30) days of any policy cancellation and ten (10) days for non-payment of premium and provide a copy of the cancellation notice to County. Failure to provide written notice of cancellation may constitute a material breach of Contract, upon which County may suspend or terminate this contract.

If Contractor's Professional Liability or Network Security & Privacy Liability are "Claims-Made" policy(ies), Contractor shall agree to the following:

1. The retroactive date must be shown and must be before the date of the contract or the beginning of the contract services.
2. Insurance must be maintained, and evidence of insurance must be provided for at least three (3) years after expiration or earlier termination of contract services.
3. If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a retroactive date prior to the effective date of the contract services, Contractor must purchase an extended reporting period for a minimum of three (3) years after expiration of earlier termination of the Contract.

The Commercial General Liability policy shall contain a severability of clause, also known as a "separation of insureds" clause (standard in the ISO CG 001 policy).

Insurance certificates should be forwarded to the agency/department address listed on the solicitation.

If Contractor fails to provide the insurance certificates and endorsements within seven (7) days of notification by CEO/Procurement or the agency/department purchasing division, award may be made to the next qualified vendor.

County expressly retains the right to require Contractor to increase or decrease insurance of any of the above insurance types throughout the term of this contract. Any increase or decrease in insurance will be as deemed by County of Orange Risk Manager as appropriate to adequately protect County.

County shall notify Contractor in writing of changes in the insurance requirements. If Contractor does not deposit copies of acceptable Certificates of Insurance and endorsements with County incorporating such changes within thirty (30) days of receipt of such notice, this contract may be in breach without further notice to Contractor, and County shall be entitled to all legal remedies.

The procuring of such required policy or policies of insurance shall not be construed to limit Contractor's liability hereunder nor to fulfill the indemnification provisions and requirements of this contract, nor act in any way to reduce the policy coverage and limits available from the insurer.

If the Contractor fails to maintain insurance acceptable to the County for the full term of this Contract, the County may terminate this Contract.

- Q. **Bills and Liens:** Contractor shall pay promptly all indebtedness for labor, materials, and equipment used in performance of the work. Contractor shall not permit any lien or charge to attach to the work or the premises, but if any does so attach, Contractor shall promptly procure its release and, in accordance with the requirements of paragraph "BB" below, indemnify, defend, and hold County harmless and be responsible for payment of all costs, damages, penalties and expenses related to or arising from or related thereto.

- R. **Changes:** Contractor shall make no changes in the work or perform any additional work without County's specific written approval.
- S. **Change of Ownership/Name, Litigation Status, Conflicts with County Interests:** Contractor agrees that if there is a change or transfer in ownership of Contractor's business prior to completion of this Contract, and County agrees to an assignment of Contract, the new owners shall be required under the terms of sale or other instruments of transfer to assume Contractor's duties and obligations contained in this Contract and complete them to the satisfaction of County.

County reserves the right to immediately terminate Contract in the event County determines that the assignee is not qualified or is otherwise unacceptable to County for the provision of services under Contract.

In addition, Contractor has the duty to notify County in writing of any change in Contractor's status with respect to name changes that do not require an assignment of Contract. Contractor is also obligated to notify County in writing if Contractor becomes a party to any litigation against County, or a party to litigation that may reasonably affect Contractor's performance under Contract, as well as any potential conflicts of interest between Contractor and County that may arise prior to or during the period of Contract performance. While Contractor will be required to provide this information without prompting from County any time there is a change in Contractor's name, conflict of interest or litigation status, Contractor must also provide an update to County of its status in these areas whenever requested by County.

Contractor shall exercise reasonable care and diligence to prevent any actions or conditions that could result in a conflict with County interests. In addition to Contractor, this obligation shall apply to Contractor's employees, agents, and subcontractors associated with the provision of goods and services provided under this Contract. Contractor's efforts shall include, but not be limited to establishing rules and procedures preventing its employees, agents, and subcontractors from providing or offering gifts, entertainment, payments, loans or other considerations which could be deemed to influence or appear to influence County staff or elected officers in the performance of their duties.

- T. **Force Majeure:** Contractor shall not be assessed with liquidated damages or unsatisfactory performance penalties during any delay beyond the time named for the performance of this Contract caused by any act of God, war, civil disorder, employment strike or other cause beyond its reasonable control, provided Contractor gives written notice of the cause of the delay to County within 36 hours of the start of the delay and Contractor avails himself of any available remedies.
- U. **Confidentiality:** Contractor agrees to maintain the confidentiality of all County and County-related records and information pursuant to all statutory laws relating to privacy and confidentiality that currently exist or exist at any time during the term of this Contract. All such records and information shall be considered confidential and kept confidential by Contractor and Contractor's staff, agents and employees.
- V. **Compliance with Laws:** Contractor represents and warrants that services to be provided under this Contract shall fully comply, at Contractor's expense, with all standards, laws, statutes, restrictions, ordinances, requirements, and regulations (collectively "laws"), including, but not limited to those issued by County in its governmental capacity and all other laws applicable to the services at the time services are provided to and accepted by County. Contractor acknowledges that County is relying on Contractor to ensure such compliance, and pursuant to the requirements of paragraph "BB" below, Contractor agrees that it shall defend, indemnify and hold County and County Indemnitees harmless from all liability, damages, costs and expenses arising from or related to a violation of such laws.

- W. **Pricing:** The Contract bid price shall include full compensation for providing all required services in accordance with required specifications, or services as specified herein or when applicable, in the scope of work attached to this Contract, and no additional compensation will be allowed therefore, unless otherwise provided for in this Contract.
- X. **Severability:** If any term, covenant, condition or provision of this Contract is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions hereof shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby.
- Y. **Attorney Fees:** In any action or proceeding to enforce or interpret any provision of this Contract, each party shall bear their own attorney's fees, costs and expenses.
- Z. **Interpretation:** This Contract has been negotiated at arm's length and between persons sophisticated and knowledgeable in the matters dealt with in this Contract. In addition, each party had been represented by experienced and knowledgeable independent legal counsel of their own choosing or has knowingly declined to seek such counsel despite being encouraged and given the opportunity to do so. Each party further acknowledges that they have not been influenced to any extent whatsoever in executing this Contract by any other party hereto or by any person representing them, or both. Accordingly, any rule or law (including California Civil Code Section 1654) or legal decision that would require interpretation of any ambiguities in this Contract against the party that has drafted it is not applicable and is waived. The provisions of this Contract shall be interpreted in a reasonable manner to affect the purpose of the parties and this Contract.
- AA. **Employee Eligibility Verification:** Contractor warrants that it fully complies with all Federal and State statutes and regulations regarding the employment of aliens and others and that all its employees performing work under this Contract meet the citizenship or alien status requirement set forth in Federal statutes and regulations. Contractor shall obtain from all employees performing work hereunder, all verification and other documentation of employment eligibility status required by Federal or State statutes and regulations including, but not limited to, the Immigration Reform and Control Act of 1986, 8 U.S.C. §1324 et seq., as they currently exist and as they may be hereafter amended. Contractor shall retain all such documentation for all covered employees for the period prescribed by the law. Contractor shall indemnify, defend with counsel approved in writing by County, and hold harmless, County, its agents, officers, and employees from employer sanctions and any other liability which may be assessed against Contractor or County or both in connection with any alleged violation of any Federal or State statutes or regulations pertaining to the eligibility for employment of any persons performing work under this Contract.
- BB. **Indemnification:** Contractor agrees to indemnify, defend with counsel approved in writing by County, and hold County, its elected and appointed officials, officers, employees, agents and those special districts and agencies which County's Board of Supervisors acts as the governing Board ("County Indemnitees") harmless from any claims, demands or liability of any kind or nature, including but not limited to personal injury or property damage, arising from or related to the services, products or other performance provided by Contractor pursuant to this Contract. If judgment is entered against Contractor and County by a court of competent jurisdiction because of the concurrent active negligence of County or County Indemnitees, Contractor and County agree that liability will be apportioned as determined by the court. Neither party shall request a jury apportionment.
- CC. **Audits/Inspections:** Contractor agrees to permit County's Auditor-Controller or the Auditor-Controller's authorized representative (including auditors from a private auditing firm hired by County) access during normal working hours to all books, accounts, records, reports, files, financial records, supporting documentation, including payroll and accounts payable/receivable records, and other papers or property of Contractor for the purpose of auditing or inspecting any aspect of performance under this Contract. The inspection and/or audit will be confined to those matters connected with the performance of Contract including, but not limited to, the costs of administering

Contract. County will provide reasonable notice of such an audit or inspection.

County reserves the right to audit and verify Contractor's records before final payment is made.

Contractor agrees to maintain such records for possible audit for a minimum of three years after final payment, unless a longer period of records retention is stipulated under this Contract or by law. Contractor agrees to allow interviews of any employees or others who might reasonably have information related to such records. Further, Contractor agrees to include a similar right to County to audit records and interview staff of any subcontractor related to performance of this Contract.

Should Contractor cease to exist as a legal entity, Contractor's records pertaining to this Contract shall be forwarded to County's project manager.

- DD. **Expenditure Limit:** Contractor shall notify County of Orange assigned Deputy Purchasing Agent in writing when the expenditures against Contract reach 75 percent of the dollar limit on Contract. County will not be responsible for any expenditure overruns and will not pay for work exceeding the dollar limit on Contract unless a change order to cover those costs has been issued.

Additional Terms and Conditions:

1. **Scope of Contract:** This Contract specifies Contractual terms and conditions by which County will procure Managed Care Services – Bill Review (BR), Utilization Review (UR), Nurse Case Management (NCM) and Pharmacy Benefits Management (PBM) for the County's Workers' Compensation Claims Program from Contractor as further detailed in the Scope of Work, identified and incorporated herein by this reference as "Attachment A."
2. **Term of Contract:** This Contract shall commence on July 1, 2024, upon execution of all necessary signatures, and approval by the Orange County Board of Supervisors, and continue for five (5) years, unless otherwise terminated by County. This contract may be renewed upon mutual concurrence for three (3) additional years, with approval from the Board of Supervisors.
3. **Usage:** No guarantee is given by the County to the Contractor regarding usage of this Contract. Usage figures, if provided, are approximate, based upon the last usage. The Contractor agrees to supply services and/or commodities requested, as needed by the County of Orange, at prices listed in the Contract, regardless of quantity requested.
4. **Amendments – Changes/Extra Work:** The Contractor shall make no changes to this Contract without the County's written consent. In the event that there are new or unforeseen requirements, the County with the Contractor's concurrence has the discretion to request official changes at any time without changing the intent of this Contract.

If County-initiated changes or changes in laws or government regulations affect price, the Contractor's ability to deliver services, or the project schedule, the Contractor shall give the County written notice no later than seven (7) business days from the date the law or regulation went into effect or the date the change was proposed by the County and the Contractor was notified of the change. Such changes shall be agreed to in writing and incorporated into a Contract Amendment, said Amendment shall be issued by the County-assigned DPA, shall require the mutual consent of all Parties, and may be subject to approval by the County Board of Supervisors. Nothing herein shall prohibit the Contractor from proceeding with the work as set forth in this Contract.

5. **Authorization Warranty:** The Contractor represents and warrants that the person executing this Contract on behalf of and for the Contractor is an authorized agent who has actual authority to bind the Contractor to each and every term, condition and obligation of this agreement and that all requirements of the Contractor have been fulfilled to provide such actual authority.
6. **Breach of Contract:** The failure of Contractor to comply with any of the provisions, covenants or conditions of this Contract shall be a material breach of this Contract. In such event County may, and in addition to any other remedies available at law, in equity, or otherwise specified in this Contract:

- a. Terminate Contract immediately, pursuant to Section K herein;
 - b. Afford Contractor written notice of the breach and ten (10) calendar days or such shorter time that may be specified in this Contract within which to cure the breach;
 - c. Discontinue payment to the Contractor for and during the period in which Contractor is in breach; and
 - d. Offset against any monies billed by Contractor but yet unpaid by County those monies disallowed pursuant to the above.
7. **Civil Rights:** Contractor attests that services provided shall be in accordance with the provisions of Title VI and Title VII of the Civil Rights Act of 1964, as amended, Section 504 of the Rehabilitation Act of 1973, as amended; the Age Discrimination Act of 1975 as amended; Title II of the Americans with Disabilities Act of 1990, and other applicable State and federal laws and regulations prohibiting discrimination on the basis of race, color, national origin, ethnic group identification, age, religion, marital status, sex or disability.
 8. **Compensation:** The Contractor agrees to accept the specified compensation as set forth in this Contract as full remuneration for performing all services and furnishing all staffing and materials required, for any reasonably unforeseen difficulties which may arise or be encountered in the execution of the services until acceptance, for risks connected with the services, and for performance by the Contractor of all its duties and obligations hereunder.
 9. **Confidentiality of Contractor's Records:** Contractor agrees to maintain the confidentiality of its records pursuant to all statutory laws relating to privacy and confidentiality as now in existence or as hereafter amended or changed. All records and information concerning any and all matters referred to the Contractor by the County shall be considered and kept confidential by the Contractor and the Contractor's officers, employees, agents, subcontractors, and sub-tiers. Information obtained by the Contractor in the performance of this Contract shall be treated as strictly confidential and shall not be used by the Contractor for any purpose other than the performance of this Contract.
 10. **Conflict of Interest – Contractor's Personnel:** Contractor shall exercise reasonable care and diligence to prevent any actions or conditions that could result in a conflict with the best interests of County. This obligation shall apply to Contractor; Contractor's employees, agents, and subcontractors associated with accomplishing work and services hereunder. Contractor's efforts shall include, but not be limited to establishing precautions to prevent its employees, agents, and subcontractors from providing or offering gifts, entertainment, payments, loans or other considerations which could be deemed to influence or appear to influence County staff or elected officers from acting in the best interests of County.
 11. **Conflict of Interest – County Personnel:** County of Orange Board of Supervisors policy prohibits its employees from engaging in activities involving a conflict of interest. Contractor shall not, during the period of this Contract, employ any County employee for any purpose.
 12. **Contractor's Project Manager and Key Personnel:** Contractor shall appoint a Project Manager to direct Contractor's efforts in fulfilling Contractor's obligations under this Contract. This Project Manager shall be subject to approval by County and shall not be changed without the written consent of County's Project Manager, which consent shall not be unreasonably withheld.

Contractor's Project Manager shall be assigned to this project for the duration of Contract and shall diligently pursue all work and services to meet the project time lines. County's Project Manager shall have the right to require the removal and replacement of Contractor's Project Manager from providing services to County under this Contract. County's Project manager shall notify Contractor in writing of such action. Contractor shall accomplish the removal within five (5) business days after written notice by County's Project Manager. County's Project Manager shall review and approve the appointment of the replacement for Contractor's Project Manager. County is not required to provide any additional information, reason or rationale in the event it requires the removal of Contractor's Project Manager from providing further services under Contract.

13. **Contractor Personnel – Reference Checks:** Contractor warrants that all persons employed to provide service under this Contract have satisfactory past work records indicating their ability to adequately perform the work under this Contract. Contractor's employees assigned to this project must meet character standards as demonstrated by background investigation and reference checks, coordinated by the agency/department issuing this Contract.
14. **Contractor's Power and Authority:** The Contractor warrants that it has the full power and authority to grant the rights herein granted and will hold the County hereunder harmless from and against any loss, cost, liability and expense, including reasonable attorney fees, arising out of any breach of this warranty. Further, the Contractor avers that it will not enter into any arrangement with any third party which might abridge any rights of the County under this Contract.
15. **Contractor's Records:** The Contractor shall keep true and accurate accounts, records, books and data which shall correctly reflect the business transacted by the Contractor in accordance with generally accepted accounting principles. These records shall be stored in Orange County for a period of seven (7) years after final payment is received from the County. Storage of records in another county will require written approval from the County of Orange assigned DPA.
16. **Contractor Personnel – Uniform/Badges/Identification:** Contractor warrants that all persons employed to provide service under this Contract have satisfactory past work records indicating their ability to accept the kind of responsibility under this Contract.

All Contractor's employees shall be required to wear uniforms, badges, or other means of identification which are to be furnished by Contractor and must be worn at all times while working on County property. The assigned Deputy Purchasing Agent must be notified in writing, within seven (7) days of notification of award of Contract of the uniform and/or badges and/or other identification to be worn by employees prior to beginning work and notified in writing seven (7) days prior to any changes in this procedure.

17. **Conflict with Existing Law:** The Contractor and the County agree that if any provision of this Contract is found to be illegal or unenforceable, such term or provision shall be deemed stricken and the remainder of the Contract shall remain in full force and effect. Either Party having knowledge of such term or provisions shall promptly inform the other of the presumed non-applicability of such provision. Should the offending provision go to the heart of the Contract, the Contract shall be terminated in a manner commensurate with interests of both Parties to the maximum extent reasonable.
18. **Contingency of Funds:** Contractor acknowledges that funding or portions of funding for this Contract may be contingent upon state budget approval; receipt of funds from, and/or obligation of funds by, the state of California to County; and inclusion of sufficient funding for the services hereunder in the budget approved by County's Board of Supervisors for each fiscal year covered by this Contract. If such approval, funding, or appropriations are not forthcoming, or are otherwise limited, County may immediately terminate or modify this Contract without penalty.
19. **Contingent Fees:** The Contractor warrants that no person or selling agency has been employed or retained to solicit or secure this Contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, except bona fide employees of the Contractor or bona fide established commercial or selling agencies maintained by the Contractor for the purpose of securing business.

For breach or violation of this warranty, the County shall have the right to terminate this Contract in accordance with the termination clause and at its sole discretion to deduct from the Contract price or consideration, or otherwise recover, the full amount of such commission, percentage, brokerage, or contingent fee from the Contractor.

20. **Contractor Bankruptcy/Insolvency:** If the Contractor should be adjudged bankrupt or should have a general assignment for the benefit of its creditors or if a receiver should be appointed on account of the Contractor's insolvency, the County may terminate this Contract.

21. **Contractor's Records:** Contractor shall keep true and accurate accounts, records, books and data which shall correctly reflect the business transacted by Contractor in accordance with generally accepted accounting principles. These records shall be stored in Orange County for a period of three (3) years after final payment is received from County. Storage of records in another county will require written approval from County of Orange assigned Deputy Purchasing Agent.
22. **Cooperative Contract:** The provisions and pricing of this Contract will be extended to other California local or state governmental entities. Governmental entities wishing to use this Contract will be responsible for issuing their own purchase documents/price agreements, providing for their own acceptance, and making any subsequent payments. Contractor shall be required to include in any Contract entered into with another agency or entity that is entered into as an extension of this Contract a Contract clause that will hold harmless County of Orange from all claims, demands, actions or causes of actions of every kind resulting directly or indirectly, arising out of, or in any way connected with the use of this contract. Failure to do so will be considered a material breach of this Contract and grounds for immediate Contract termination. The cooperative entities are responsible for obtaining all certificates of insurance and bonds required. Contractor is responsible for providing each cooperative entity a copy of Contract upon request by the cooperative entity. County of Orange makes no guarantee of usage by other users of this Contract.

Contractor shall be required to maintain a list of the cooperative entities using this Contract. The list shall report dollar volumes spent annually and shall be provided on an annual basis to County, at County's request.
23. **Contractor Work Hours and Safety Standards:** The Contractor shall ensure compliance with all safety and hourly requirements for employees in accordance with federal, state and County's safety regulations and laws.
24. **Data – Title To:** All materials, documents, data or information obtained from County data files or any County medium furnished to Contractor in the performance of this Contract will at all times remain the property of County. Such data or information may not be used or copied for direct or indirect use by Contractor after completion or termination of this Contract without the express written consent of County. All materials, documents, data or information, including copies, must be returned to County at the end of this Contract.
25. **Debarment:** Contractor warrants that neither Contractor nor its principles are presently debarred, proposed for debarment, declared ineligible or voluntarily excluded from participation in the transaction by any Federal department or agency.
26. **Default – Re-Procurement Costs:** In case of Contract breach by Contractor, resulting in termination by County, County may procure the commodities and services from other sources. If the cost for those commodities and services is higher than under the terms of the existing Contract, Contractor will be responsible for paying County the difference between Contract cost and the price paid, and County may deduct this cost from any unpaid balance due Contractor. The price paid by County shall be the prevailing market price at the time such purchase is made. This is in addition to any other remedies available under this Contract and under law.
27. **Dispute as to Contract Requirements:** If any dispute concerning a question of fact arising under the terms of this Contract is not disposed of within a reasonable period of time by the Contractor's Project Manager and the County's Program Manager, such matter shall be brought to the attention of the County's Purchasing Agent or designee. If agreement cannot be reached through these applications, either party may assert its other rights and remedies within this Contract or within a court of competent jurisdiction.

The County and the Contractor agree that, in the event of a dispute notwithstanding, they will continue without delay to carry out all their responsibilities under this Contract, which are not affected by the dispute.
28. **Disputes – Contract:**

- a. The parties shall deal in good faith and attempt to resolve potential disputes informally. If the dispute concerning a question of fact arising under the terms of this Contract is not disposed of in a reasonable period of time by Contractor's Project Manager and County's Project Manager, such matter shall be brought to the attention of County Deputy Purchasing Agent by way of the following process:
 - i. Contractor shall submit to the department assigned Deputy Purchasing Agent a written demand for a final decision regarding the disposition of any dispute between the parties arising under, related to, or involving this Contract, unless County, on its own initiative, has already rendered such a final decision.
 - ii. Contractor's written demand shall be fully supported by , and, if such demand involves a cost adjustment to Contract, Contractor shall include with the demand a written statement signed by a senior official indicating that the demand is made in good faith, that the supporting data are accurate and complete, and that the amount requested accurately reflects Contract adjustment for which Contractor believes County is liable.
- b. Pending the final resolution of any dispute arising under, related to, or involving this Contract, Contractor agrees to diligently proceed with the performance of this Contract, including the delivery of commodities and/or provision of services. Contractor's failure to diligently proceed shall be considered a material breach of this Contract.
- c. Any final decision of County shall be expressly identified as such, shall be in writing, and shall be signed by County Deputy Purchasing Agent or his designee. If County fails to render a decision within 90 days after receipt of Contractor's demand, it shall be deemed a final decision adverse to Contractor's contentions. Nothing in this section shall be construed as affecting County's right to terminate Contract for cause or termination for convenience as stated in section K herein.

29. **Drug-Free Workplace:** The Contractor hereby certifies compliance with Government Code Section 8355 in matters relating to providing a drug-free workplace. The Contractor will:

- a. Publish a statement notifying employees that unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations, as required by Government Code Section 8355(a).
- b. Establish a drug-free awareness program as required by Government Code Section 8355(b) to inform employees about all of the following:
 - i. The dangers of drug abuse in the workplace;
 - ii. The organization's policy of maintaining a drug-free workplace;
 - iii. Any available counseling, rehabilitation and employee assistance programs; and
 - iv. Penalties that may be imposed upon employees for drug abuse violations.
- c. Provide as required by Government Code Section 8355(c) that every employee who works under this Contract:
 - i. Will receive a copy of the company's drug-free policy statement; and
 - ii. Will agree to abide by the terms of the company's statement as a condition of employment under this Contract.

Failure to comply with these requirements may result in suspension of payments under the Contract or termination of the Contract or both, and the Contractor may be ineligible for award of any future County Contracts if the County determines that any of the following has occurred:

- a. The Contractor has made false certification; or
- b. The Contractor violates the certification by failing to carry out the requirements as noted above.

30. **Emergency/Declared Disaster Requirements:** In the event of an emergency or if Orange County is declared a disaster area by the County, state or federal government, this Contract may be subjected to unusual usage. The Contractor shall service the County during such an emergency or declared disaster under the same terms and conditions that apply during non-emergency/disaster conditions. The pricing quoted by the Contractor shall apply to serving the County's needs regardless of the circumstances. If the Contractor is unable to supply the goods/services under the terms of the Contract, then the Contractor shall provide proof of such disruption and a copy of the invoice for the goods/services from the Contractor's supplier(s). Additional profit margin as a result of supplying goods/services during an emergency or a declared disaster shall not be permitted. In the event of an emergency or declared disaster, emergency purchase order numbers will be assigned. All applicable invoices from the Contractor shall show both the emergency purchase order number and the Contract number.

31. **Equal Employment Opportunity:** Equal Employment Opportunity - Contractor shall comply with U.S. Executive Order 11426 entitled "Equal Employment Opportunity" as amended by executive order 11375, and as supplemented in department of Labor regulations (41 CFR, part 60) and applicable State of California regulations as either or both may now exist or be hereinafter amended. Employer must not discriminate against employee or applicant for employment, on the basis of race, color, national origin, or ancestry, religion, sex, marital status, political affiliation, physical or mental condition.

Handicapped individuals - Contractor agrees to comply with the provisions of section 504 of the rehabilitation act of 1973, as amended pertaining to prohibition of discrimination against qualified handicapped persons in all programs, and/or activities as detailed in regulations signed by the Secretary of DHHS effective June 3, 1997 and found in the Federal Register, Volume #42 No. 68, dated May 4, 1997, as all may now exist or be in the future amended.

Americans with Disabilities (ADA) – Contractor agrees to comply with applicable provisions of Title 1 of Americans with Disabilities Act enacted in 1990.

32. **Errors and Omissions:** All reports, files and other documents prepared and submitted by Contractor shall be complete and shall be carefully checked by the professional(s) identified by Contractor as Contractor Project Manager and key personnel attached hereto, prior to submission to the County. Contractor agrees that County review is discretionary, and Contractor shall not assume that the County will discover errors and/or omissions. If the County discovers any errors or omissions prior to approving Contractor's reports, files and other written documents, the reports, files or documents will be returned to Contractor for correction. Should the County or others discover errors or omissions in the reports, files or other written documents submitted by Contractor after County approval thereof, County approval of Contractor's reports, files or documents shall not be used as a defense by Contractor in any action between the County and Contractor, and the reports, files or documents will be returned to Contractor for correction without payment of additional compensation.

33. **General Audit of Agreement:** The County's duly authorized representative shall have access, at reasonable times during business hours, to all reports, contract records, documents, files, and personnel necessary to audit and verify the Contractor's charges to the County hereunder. The Contractor agrees to retain reports, records, documents, and files related to charges hereunder for a period of three years following the date of final payment for the Contractor's services hereunder. The County reserves the right to audit and verify the Contractor's records before final payment is made. The County's representatives shall have the right to reproduce any of the aforesaid documents.

Should the Contractor cease to exist as a legal entity, the Contractor's record pertaining to this Contract shall be forwarded to the surviving entity in a merger or acquisition or, in the event of liquidation, to the County's Program Manager.

34. **Gratuities:** The Contractor warrants that no gratuities, in the form of entertainment, gifts or otherwise, were offered or given by the Contractor or any agent or representative of the Contractor

to any officer or employee of the County with a view toward securing the Contract or securing favorable treatment with respect to any determinations concerning the performance of the Contract. For breach or violation of this warranty, the County shall have the right to terminate the Contract, either in whole or in part, and any loss or damage sustained by the County in procuring on the open market any services which the Contractor agreed to supply shall be borne and paid for by the Contractor. The rights and remedies of the County provided in the clause shall not be exclusive and are in addition to any other rights and remedies provided by law or under the Contract.

35. **Intermediaries:** When in Contractor's professional judgment it is necessary or appropriate and subject to the County's prior approval, Contractor may utilize the services of other intermediaries, including wholesale brokers, to assist in the marketing of the County's insurance. To the extent possible, Contractor shall disclose all levels of broker or intermediary income.
36. **Interpretation of Contract:** In the event of a conflict or question involving the provisions of any part of this Contract, interpretation and clarification as necessary shall be determined by the County's assigned buyer. If disagreement exists between the Contractor and the County's assigned buyer in interpreting the provision(s), final interpretation and clarification shall be determined by the County's Purchasing Agent or his designee.
37. **Limitations of Actions:** No action, regardless of form, arising out of this Contract may be brought by either Party more than two (2) years after the cause of the action has arisen, or, in the case of nonpayment, more than two (2) years from the date of the last payment, except where either Party, within two (2) years after a cause of action has arisen, provides the other Party in writing a notice of a potential cause of action, disclosing all material facts then known by the notifying Party concerning such cause of action, then the notifying Party may bring an action based on the matter so disclosed at any time prior to the expiration of four (4) years from the time the cause of action arose.
38. **Lobbying:** On best information and belief, Contractor certifies no federal appropriated funds have been paid or will be paid by, or on behalf of, the Contractor to any person for influencing or attempting to influence an officer or employee of Congress; or an employee of a member of Congress in connection with the awarding of any federal contract, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.
39. **News/Information Release:** Contractor agrees that it will not issue any news releases in connection with either the award of this Contract or any subsequent amendment of or effort under this Contract without first obtaining review and written approval of said news releases from County through County's Project Manager.
40. **No Third-Party Beneficiaries:** This Contract is an agreement by and between the Parties, and neither: (a) confers any rights upon any of the employees, agents, or contractors of either Party, or upon any other person or entity not a party hereto; or (b) precludes any actions or claims against, or rights of recovery from, any person or entity not a party hereto.
41. **Notice of Claims:** Contractor must give County immediate notice in writing of any legal action or suit filed related in any way to this Contract or which may affect the performance of work under this Contract, and prompt notice of any claim made against Contractor by any subcontractor, which may result in litigation related in any way to this Contract, or which may affect the performance of work under this Contract.
42. **Notices:** Any and all notices, requests demands and other communications contemplated, called for, permitted, or required to be given hereunder shall be in writing with a copy provided to the assigned Deputy Purchasing Agent (DPA), except through the course of the parties' project managers' routine exchange of information and cooperation during the terms of the work and services. Any written communications shall be deemed to have been duly given upon actual in-person delivery, if delivery is by direct hand, or upon delivery on the actual day of receipt or no greater than four (4) calendar days after being mailed by US certified or registered mail, return receipt requested, postage prepaid, whichever occurs first. The date of mailing shall count as the first day. All communications shall be addressed to the appropriate party at the address stated

herein or such other address as the parties hereto may designate by written notice from time to time in the manner aforesaid.

Contractor: Pacific Secured Equities dba Intercare Holdings, Inc.
999 W. Town and Country Road, Suite #450
Orange, CA 92868
Attn: Jon Lord
Telephone: 949-463-8502
Email: JLord@intercareins.com

County: County Executive Office/ Risk Management
400 W. Civic Center Drive, 5th Floor
Santa Ana, CA 92701
Attn: Beverly Umholtz
Telephone: 714-285-5511
Email: Beverly.Umholtz@ocgov.com

Assigned DPA: County of Orange
County Executive Office/County Procurement Office
Attn: Jessica Cortez
400 W Civic Center Dr., 5th Floor
Santa Ana, CA 92701
Telephone: 714-834-6829
Email: Jessica.Cortez@ocgov.com

43. **Notice to Proceed:** The Contractor shall not begin any work under this Contract until such time as a Notice to Proceed letter has been issued by the CEO/Purchasing Division. The Notice to Proceed will be issued upon receipt and acceptance by the County of the Contractor's Certificate of Insurance, Fidelity and Performance Bonds and execution and return of three sets of Contract documents for County execution. Along with the Contractor's copies of the aforementioned documents for return, the Contractor will receive with the Notice to Proceed the return if it's Proposal Deposit.
44. **Ownership of Documents:** The County has permanent ownership of all directly connected and derivative materials produced under this Contract by the Contractor. All documents, reports and other incidental or derivative work or materials furnished hereunder shall become and remains the sole property of the County and may be used by the County as it may require without additional cost to the County. None of the documents, reports and other incidental or derivative work or furnished materials shall be used by the Contractor without the express written consent of the County.
45. **Precedence:** Contract documents consist of this Contract and its exhibits and attachments. In the event of a conflict between or among Contract documents, the order of precedence shall be the provisions of the main body of this Contract, i.e., those provisions set forth in the recitals and articles of this Contract, and then the exhibits and attachments.
46. **Program Manager, County:** The County shall appoint a program manager to act as liaison between the County and the contractor during the term of this contract. The County's program manager shall coordinate the activities of the County staff assigned to work with the contractor. The County's program manager shall have the right to require the removal and replacement of the contractor's project manager and key personnel. The County's program manager shall notify the contractor in writing of such action. The contractor shall accomplish the removal within 14 calendar days after written notice by the County's program manager. The County's program manager shall review and approve the appointment of the replacement for the contractor's project manager and key personnel. Said approval shall not be unreasonably withheld.

47. **Publication:** No copies of sketches, schedules, written documents, computer based data, photographs, maps or graphs, including graphic at work, resulting from performance or prepared in connection with this Contract, are to be released by Contractor and/or anyone acting under the supervision of Contractor to any person, a partnership, company, corporation, or agency, without prior written approval by the County, except as necessary for the performance of the services of this Contract. All press releases, including graphic display information to be published in newspapers, magazines, etc., are to be administered only by the County unless otherwise agreed to by both Parties.
48. **Reports/Meetings:** The Contractor shall develop reports and any other relevant documents necessary to complete the services and requirements as set forth in this contract. The County's project manager and the Contractor's project manager will meet on reasonable notice to discuss the Contractor's performance and progress under this Contract. If requested, the Contractor's project manager and other project personnel shall attend all meetings. The Contractor shall provide such information that is requested by the County for the purpose of monitoring progress under this Contract.
49. **Standards of Performance and Acceptance Testing:** The Contractor certifies that it will not commit to new projects in such a manner as would interfere with the scheduling or delivery of services to the County as detailed and set forth herein, inclusive of the transition and implementation phase. After issuance of the Notice of Award and prior to the issuance of the Notice to Proceed, the Contractor shall certify in writing to the County that the Contractor's approach to the Managed Care Services of the County of Orange is ready for operational and productive use. The Contractor's approach to manage care of claims shall not be considered accepted until the standards of performance are met through County verification with each and every month's individual acceptance by the Risk Management Division of the County Executive Office (CEO/RM). These standards shall be in addition to any other standards set forth herein. All standards of performance shall conform to the County's Scope of Work. The County will only accept the monthly administration of managed care after all the necessary corrections as recommended by the County are made by the Contractor. The County will be the sole judge of satisfactory compliance with the conditions stated in this Article.
50. **Substitutions:** The Contractor is required to meet all specifications and requirements contained herein. No substitutions will be accepted without prior County written approval.
51. **Waivers - Contract:** The failure of the County in any one or more instances to insist upon strict performance of any of the terms of this Contract or to exercise any option contained herein shall not be construed as a waiver or relinquishment to any extent of the right to assert or rely upon any such terms or option on any future occasion.
52. **Termination – Orderly:** After receipt of a termination notice from County of Orange, Contractor may submit to County a termination claim, if applicable. Such claim shall be submitted promptly, but in no event later than 60 days from the effective date of the termination, unless one or more extensions in writing are granted by County upon written request of Contractor. Upon termination County agrees to pay Contractor for all services performed prior to termination which meet the requirements of Contract, provided, however, that such compensation combined with previously paid compensation shall not exceed the total compensation set forth in Contract. Upon termination or other expiration of this Contract, each party shall promptly return to the other party all papers, materials, and other properties of the other held by each for purposes of performance of Contract.
53. **Usage Reports:** Contractor shall submit usage reports on an annual basis to the assigned Deputy Purchasing Agent of County of Orange user agency/department. The usage report shall be in a format specified by the user agency/department and shall be submitted 90 days prior to the expiration date of Contract term, or any subsequent renewal term, if applicable.
54. **Transition and Implementation Plan:** The work and services performed under this Contract shall be done in accordance with the final negotiated and approved Transition and Implementation Plan incorporated herein. The Contractor shall be responsible for schedule adherence as outlined in said

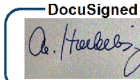
Attachment B

Transition and Implementation Plan and for all ongoing services. All costs associated with the services to be provided by Contractor under said plan are non-recurring and shall be payable according to the Progress Payment Schedule set forth herein.

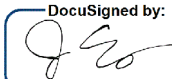
SIGNATURE PAGE

IN WITNESS WHEREOF, the Parties hereto have executed this Contract on the date first above written.

PACIFIC SECURED EQUITIES DBA INTERCARE HOLDINGS, INC. *, a State of California Corporation

Date: 12/15/2023 By: 
 Signature 4961C2BC75B44CB...
Agnes Hoeberling Chief Executive Officer
 Print Name & Title

(If a corporation, the document must be signed by two corporate officers. The 1st must be either Chairman of the Board, President or any Vice President.)


Date: 12/15/2023 By: 
 Signature 3E359116FF22447...
Jodi Ellington CFO
 Print Name & Title

(If a corporation, the 2nd signature must be either the Secretary, an Assistant Secretary, the Chief Financial Officer, or any Assistant Treasurer)

COUNTY OF ORANGE,
 a political subdivision of the State of California

Date: _____ By: _____
 Print
 Name: _____
 Title: _____

APPROVED AS TO FORM:

County Counsel 
 By BC5CA9BED31F40A...
Deputy
 Date 12/18/2023

ATTACHMENT A SCOPE OF WORK

I. MANAGED CARE SERVICES

Contractor and Contractors' dedicated staff shall be prepared and ready to commence provision of Managed Care Services to all County Workers Compensation claims as of July 1, 2024. Contractor shall provide services more specifically detailed below.

The staffing plan shall be structured to ensure the County's claims are administered in compliance with all rules and regulations governing the administration of a self-insured employer pursuant to Section 3700-3747, etc. seq. of the California Labor Code and California Administrative Procedures Act California Government Code, Title 8. File closures must conform to the California Administrative Code Section 15400.2.

A. Program Specifications

The qualified Managed Care Organization (MCO) shall provide integrated Managed Care Services with a dedicated staff, where applicable, focused on timely and medically necessary treatment of injured employees. Such services shall include Medical Bill Review (BR), Utilization Review (UR), Nurse Case Management (NCM), and Pharmacy Benefit Management (PBM) programs. The MCO shall reduce medical and disability costs by assisting with coordination of treatment and preventing over-utilization of treatment or treatment that is not in accordance with scientifically evidenced based and peer reviewed treatment guidelines (State mandated and/or nationally recognized by the medical community.) The MCO shall reject or reduce billed charges that are not authorized or in accordance with the California Official Medical Fee Schedule (OMFS). The MCO shall maximize savings through contracted reduced rates through Preferred Provider Organizations, the MPN, Specialty Networks consisting of Ancillary Service Providers, the PBM, and through other applications of medical cost containment methods. The MCO shall maintain state-of-the-art software, where applicable, that complies with State and Federal data protection and privacy regulations and statutes, and cyber security protections and protocols as required by the County.

The MCO and its dedicated staff shall be prepared and ready to commence the Managed Care Services to all County workers' compensation claims as described in the Program Specifications under this Section. The County reserves the right to revise or amend any part of the Program Specifications described in this section. The County also reserves the right to enter into a direct agreement with Ancillary Service Providers, Specialty Networks and the PBM during the term of this Contract.

1. Bill Review

- a. The MCO shall load all County bill review and payment history data available from the prior MCO for the last ten (10) years, regardless of the amount of data at no charge to the County or its TPA.
- b. The MCO shall perform the programming requirements, at no charge to the County or TPA, for the interface between the MCO and the TPA's claims management system. Data interfacing and other system tests shall be completed successfully no less than thirty (30) days prior to program "Go Live" date at no charge to the County. Except as provided in Attachment B, II, A.
- c. The MCO shall integrate utilization review determinations into bill review software, at no additional charge, so that bills are accepted for review and payments recommended for authorized or "Certified" medical treatment only.
- d. The MCO shall review and process 90% of all properly coded medical bills within five (5) business days of receipt of the bill and agree to comply with all California Workers' Compensation bill review statutes and regulations. The MCO shall reimburse the County for penalties incurred resulting from the MCO's negligence or willful action or inaction to comply with all California Workers' Compensation bill review statutes and regulations.

Attachment B

- e. The MCO shall accurately reduce medical provider charges to the California Official Medical Fee Schedule (OMFS). OMFS savings shall be categorized separately from all other types of savings recorded in the bill review software.
- f. The MCO shall apply all pre-negotiated medical reimbursement rates under PPO, MPN and Specialty Network provider contracts, as well as with direct medical organizations, physicians, or facilities under “Client Contracted Rates” or “Single Case Agreements”. Additionally, the MCO shall apply other review methods such as nurse desk audits, specialty reviews and Direct Negotiations when applicable.
- g. The MCO shall manually review all complex surgical bills for unbundling and upcoding, and with adjuster approval shall enter medical bill negotiations with providers.
- h. The MCO shall review in-network and out-of-network bills related to catastrophic claims and/or Complex injuries as determined by the County (i.e. traumatic brain, major burn, spinal cord, multiple trauma, and post-acute injuries). The MCO shall obtain the highest reductions possible through Direct Negotiations with the provider utilizing a senior-level bill review expert, evidenced-based guidelines, and benchmarked data of like and kind rates for similar medical services, facilities and goods. Prior to a “Single-Case Agreement” with the provider, the MCO shall obtain approval first from the County and shall provide an explanation of its medical costs review and analysis as it pertains to the proposed terms of the contract. Once approved by the County, the MCO shall draft an agreement or “Client Contract” between the provider and the County that provides details of the rate/charges allowed during the agreed upon dates of service. The County shall reserve the right to obtain an outside bill review consultant to conduct an independent review of the bills and the contract. The County shall reserve the right to assign catastrophic claims management to a third-party managed care provider of its choice.
- i. The MCO shall 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). The MCO’s audit will ensure accuracy and a thorough review of documentation to confirm that the level of service and coding is appropriate. The 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.
- j. The MCO shall identify and deny payment for any duplicate charges on all provider bills or duplicate bills at no additional charge. Bill review reductions/savings for non-payment of duplicate charges shall not be counted or included in any analysis or outcomes summary to the County and its authorized representatives.
- k. The MCO shall reimburse the County in the form of credits to the claims file for all duplicate charges allowed, and for all overpayments and payments to the wrong provider.
- l. The MCO, either through its own entity or the parent TPA (if applicable), shall disclose to the County, upon request, Specialty Network contracted rates for the County’s claims and any revenue sharing agreements with or ownership of ancillary services and specialty networks, including the PBM.
- m. The MCO shall ensure that Specialty Network providers bill at the contracted rates preferably below fee schedule. Any amounts billed above the contracted rate shall be reduced to the contracted rate at no additional charge including % of savings fees to the County. The MCO shall process Specialty Network bills as “Full Pay” bill review and *pay full amount of contracted rate*. Except as provided in Attachment B, II, A.
- n. The MCO shall also process PBM bills as “Full Pay” according to the PBM’s payment recommendation at no additional charge to the County. Medication dispensing reports to the State shall be completed by the PBM and provided to the TPA monthly and annually.

- o. The MCO shall conduct “Reconsiderations” or review of resubmitted bills from providers where the recommended payments are incorrect. The provider may provide additional documentation and request a Reconsideration or a re-review prior to filing an appeal through the Independent Bill Review (IBR) process. Only one bill review fee shall apply to the original bill relating to the Reconsideration. The only exception would be for any necessary PPO saving adjustments.
- p. The MCO shall prepare and send an explanation of review (EOR) for each bill reviewed to the medical provider and to the Adjuster. The EOR shall identify denials or reductions relating to the OMFS, PPO(s), Specialty Network, MPN, PBM, desk audit and Direct Negotiations/Client Contracts. Such EORs shall include the appropriate notices and reasoning to defend the reduction if contested. The savings/reduced amounts for each method for bill reductions applied (i.e. OMFS, PPO, Specialty Network, Direct Negotiations, etc.) shall be recorded in separate entries/categories in the bill review software and the “Raw Data” Excel-formatted reports.
- q. In accordance with Labor Code Section 4603.4, the MCO shall create a process to accept electronic claims for payment of medical services.
- r. The MCO shall respond to provider inquiries regarding bill review activities and to the TPA within one (1) day regarding any specific bill review issue. A knowledgeable bill review expert witness must be made available to defend bill review activities at the Workers’ Compensation Appeals Board (WCAB) conferences and hearings at no additional charge to the County. The MCO shall comply with all Independent Bill Review (IBR) statutes and regulations and provide robust IBR appeal services. IBR appeal services shall include, but not be limited to, prompt preparation of the litigation appeal file upon notice of appeal, and presentation of the appeal file to the County within seven (7) calendar days of the due date of the response, if necessary.
- s. The MCO shall meet specific reporting and information requirements as set forth in the California Workers’ Compensation Information System (WCIS) regulations. The MCO shall be responsible for submitting required data elements for all medical services for which a billing or other report of provided medical services has been received for review and/or payment. The MCO shall submit the data within ninety (90) days of the medical bill review payment by electronic data interchange (EDI) in the manner set forth by the California EDI Implementation Guide for Medical Bill Payment Records. The MCO shall be responsible for submitting data elements omitted or made in error in order to submit complete, valid and accurate data on behalf of the County.
- t. The MCO shall record, label and categorize all bill review data and other information as directed by the TPA and County in the bill review software. The MCO shall submit monthly, quarterly and annual savings and program outcome reports, including custom reports as directed by the TPA and County and at no additional charge. “Raw” data from the bill review software shall be provided by the MCO no later than one (1) week from original date of request at no charge.
- u. The MCO shall create and maintain a Quality Assurance program and participate in the Managed Care audits. The MCO shall demonstrate complete transparency in services rendered, fees charged, and methods applied to all bill review savings/reductions.
- v. The MCO shall provide the County and the TPA access to the bill review portals to determine bill review status, view medical bills/reports, and view and print explanation of reviews. In the event of any type of audit, the MCO shall make all County-related bill review data stored in the software available to the auditor in Excel format and within one (1) week of the auditor’s request. Monthly, quarterly and annual stewardship reports shall be provided in the format available through the Bill Review system and shall include a back-up file in Excel format (e.g. Monthly Summary and Detailed Activity, Savings, and Cost Reports).

2. Utilization Review (UR)

- a. The MCO shall create a Utilization Review (UR) process to review treatment to determine if it is medically necessary. The UR process shall be governed by Labor Code section 4610 and regulations written by the CA Division of Workers' Compensation (DWC), which lay out timeframes and other rules for conducting UR. Per the rules contained in Title 8, California Code of Regulations, sections 9792.6 et seq, the UM Plan shall be filed with the Administrative Director at the Division of Workers' Compensation in the State of California and shall comply with all workers' compensation statutes and regulations pursuant to the California Labor Code and in accordance with the Program Specifications described herein. The UM Plan shall also outline the quality control mechanisms in place to ensure utilization reviews are conducted in compliance with UR regulations found in Title 8, California Code of Regulations, sections 9792.11 - 9792.15. Copies shall be made available to the County and designated TPA, including any amendments to the original plan.
- b. The MCO shall process each Request for Authorization (RFA) received on an accepted claim to ensure the injured worker receives appropriate, timely, and quality medical care in the appropriate setting that is medically necessary to cure or relieve medical symptoms (per Medical Treatment Utilization Schedule (MTUS) and other guidelines). The MCO will place priority on ensuring alternative treatment plans are agreed upon by the reviewer/expert reviewer and treating physician to ensure medical treatment progresses and delays are kept to a minimum.
- c. The MCO shall perform the programming requirements for the interface between the MCO's utilization review software and the TPA's claims management system at no additional charge. The MCO shall load all County utilization review historical data available from the prior MCO for the last ten (10) years, regardless of the amount of data. Additional interfaces may be required as directed by the County with other third-party systems. Data interfacing and other system tests shall be completed successfully no less than sixty (60) days prior to program "Go Live" date.
- d. The MCO shall provide annual training to adjusters on UR policies and procedures, including any legislative updates and changes to the UR Plan.
- e. The MCO shall be URAC accredited and maintain its UR licensure in the State of California. The MCO shall coordinate UR workflow with the County, TPA, Medical Providers, Bill Review provider and all other ancillary service providers who engage in part or all the utilization management process where appropriate and authorized by the County.
- f. The operation hours of the utilization review department shall be during normal business hours and days, in compliance with Title 8 CCR § 9792.9.1 (a)(3). A fax number and mailing address for the receipt of DWC Form RFA shall be established and maintained in working order. Medical service providers shall be notified of such number/address and directed to transmit or mail the RFA to the attention of the claim administrator.
- g. The MCO and County shall develop protocols for approving RFA's without referral to the UR Nurse or Physicians using Pre-Authorization, Prior-Authorization, Passthrough and Medication Formulary plans. All requests for reviews shall be handled by the Medical Coordinator located in the Utilization Department.
- h. If there is sufficient information supplied in order to render a determination, the MCO shall ensure the Medical Coordinator conducts the first review and certifies requests that meet authorization criteria based on MTUS and other established protocols for approving RFA's without referral to the UR Nurse or Physician Reviewers. If approved, the adjuster shall inform the UR department upon determination thru systems documentation and will be responsible for creating and sending the mandatory notices of approval ("Certification Letters") to the requesting physician, injured employee, adjuster, attorney, and other authorized parties within statutory time frames. **No UR fees shall be charged, or savings documented for Passthrough authorizations or prior authorizations.**

- i. Should the adjuster not be able to make an approval determination, the referral shall be referred to the dedicated Medical Coordinator and or Utilization Department. If approval cannot be made by the Nurse reviewer, the RFA and all related records and notes shall be referred to the Physician or Medical Director Reviewer. **At no time shall more than one (1) review charge be made as the UR fee will be based at the level of UR where final determination was made (effective 7/1/2024).**
- j. If there is insufficient information supplied with the RFA in order to render a valid determination, the Non-Physician Reviewer will request the information within five (5) working days from the date of receipt of the RFA to make the proper determination. If the provider does not supply the information within 14 days of the date of receipt of the original request, a reviewer may deny the request with the stated condition that the request will be reconsidered upon receipt of the information requested. The applicable peer review fee for the issuance of the denial will be incurred.
- k. Frequently, the requesting physicians will include more than one service or good on an RFA for UR. **RFA's shall not be "Unbundled" or charged for separately that are included on one (1) RFA. One exception includes the separation of retrospective and prospective requests.** A unique case shall be created in the UR system and at minimal the following important data must be captured and saved in the UR system: claim identifying information, requesting physician, specific services and goods requested, Type and Level of review, specific injury type, specific body part(s), determinations (Certified, Modified, Denied) for each service/good, financial data (fees, value of requested services and savings), dates (RFA receipt and determination), and other pertinent information which will be required for reporting and quality assurance purposes.
- l. Applicable fees will be appropriately incurred for the level at which certification is determined.
 - i. Address in PBM section.
- m. Complete Data for UR cases shall be recorded in the UR software, and an interface with the bill review system and TPA claims management software shall be established to ensure consistency in the claims and medical approval and payment processes. All data related to UR cases shall be recorded and organized by the MCO in a secured format and made available to the County in Excel and PDF versions for reporting and analyses. Monthly, quarterly and annual stewardship reports shall be provided in the format available through the UR system and shall include a back-up file in Excel format (i.e. Monthly Summary and Detailed Activity, Savings, and Cost Reports).
- n. The MCO shall be liable for any fines, citations, penalties, or other assessments made against MCO and/or the County because of any deficiencies in the services rendered or required to be rendered under this Scope of Service and the California Labor Code.

3. Nurse Case Management (NCM)

- a. The MCO, in coordination with the County, shall create and maintain a Nurse Case Management (NCM) Plan under the County's workers' compensation program. The County desires NCM outcomes in achieving quality medical treatment, lower medical costs, lower indemnity costs and the highest return-to-work rates possible in accordance with the *Field Case Management and Telephonic Case Management Best Practice Models* documents at the time of service.
- b. The plan must consist of a Medical Director who is a licensed physician in the State of California, and Registered Nurses. The NCM plan must consist of Early-Intervention Telephonic Case Management (TCM)/Triage, Field Case Management (FCM), Task Assignments, and Catastrophic Case Management. The Plan must follow the County's written case management, reporting and billing guidelines for all authorized NCM services. Nurse Triage shall include nurses speaking on the phone with the employee to assess the injury and provide skilled recommendations for medical treatment. They shall also make sure all parties

are informed in real time, offering comprehensive reports immediately after Triaging. Bilingual Nurse Case Managers or translation services must be available upon request by the County.

- c. The NCM guidelines must ensure all treatment is in accordance with applicable time standards and medical protocols that adhere to ACOEM, MTUS and other evidence based medical treatment guidelines. The nurse case managers shall use established procedures and protocols for coordinating medical treatment with providers and returning the injured workers to their usual and customary position or an alternate position with the County as quickly as possible.
- d. The examiner shall obtain written authorization from the County for telephonic and field case management services on all workers' compensation cases where NCM is being recommended by the TPA, MCO or County. Diagnosis and treatment "Triggers" including "Red Flags" must be included in the NCM Plan, approved by the County, and used to generate all referrals for telephonic and field nurse case management services. This includes addressing inconsistent medical findings, the effects of co-morbidities, coordinating care amongst multiple physicians and discharge planning.
- e. The Nurse Case Managers shall direct care to MPN providers, provide case direction and promote early resolution of the claim, and shall work with the TPA and the County's Return-to-Work Specialist to ensure all resources are utilized to return the injured worker back to a productive work life.
- f. All case managers shall enter case management activities and reports into the MCO's managed care software and TPA's workers' compensation claims system in required time frames and in a format acceptable to the County. The MCO shall record, label and categorize all case management activities, savings and other information as directed by the TPA and County in the MCO's software. Categories for billed and non-billed activities should be created so that the County can clearly identify the charges. The MCO shall define and clearly report "Soft Dollar Savings" and "Hard Dollar Savings". All case management approved charges shall be described in reports and the MCO shall not report charges as "other".
- g. The Nurse Case Managers shall provide case status reports and billing to the County and TPA per case management guidelines. The Case Managers shall return phone calls, faxes, and emails within twenty-four (24) hours.
- h. The MCO shall submit monthly, quarterly and annual savings and program outcome reports, including custom reports as directed by the TPA and County. "Raw" data from the MCO's software shall be provided to the County no later than one (1) week from original date of request at no charge and in Excel format. The data should reflect activities and outcomes in achieving medical and indemnity cost savings and return-to-work rates.
- i. The MCO shall create and maintain a Quality Assurance Program and participate in the Managed Care audits. The MCO shall demonstrate complete transparency in services rendered, fees charged, and methods applied to all medical savings/reductions.

4. Pharmacy Benefits Management (PBM)

- a. The MCO shall provide the County's workers' compensation pharmacy network through an exclusive agreement with a PBM Services provider who will dispense prescribed and authorized medications to the County's injured workers in the most convenient and expedient method possible. The MCO shall enter into a Pharmacy Benefit Management Services Agreement ("PBM Agreement") with a PBM Services provider of the County's choosing. The terms of the PBM Agreement shall describe the obligations and responsibilities of the MCO and PBM ("Parties"), the PBM's products, scope of services and fees as they apply exclusively to the County's workers' compensation claims.
- b. The MCO shall ensure that the PBM Services provider engages in pharmacy benefit management services, including, but not limited to, pharmacy network contracting, eligibility verification, pharmacy claims processing, Formulary and Prior Authorization administration,

clinical and managed care services, and standard PBM customer services. These services collectively shall be known as "PBM Services".

- c. The MCO shall engage the County to assist with the PBM Services Plan Design, defining all aspects of the program, including but not limited to eligibility and verification process for walk-in and point of sale processing; Pharmacy adjudication parameters (e.g. formulary, drug utilization review edits, prior authorization, help desk support); network conversion; pharmacy card and communication materials; and billing and reporting parameters.
- d. The MCO shall ensure that the PBM Services include Electronic Data Integration (EDI) services at no charge and provide EDI feeds with the MCO's Bill Review and TPA Claims Management systems.
- e. The MCO shall ensure that the PBM Services utilize the Division of Workers' Compensation adopted evidence-based drug formulary, consistent with California's Medical Treatment Utilization Schedule (MTUS)/ACOEM, to augment the provision of high-quality medical care, maximize health, and promote return to work in a timely fashion, while reducing administrative burden and cost.
- f. The MCO shall ensure that the PBM Services review all in-network and out-of-network pharmacy bills for reductions in pharmacy charges pursuant to the California OMFS. Also, discounts below the fee schedule as described in this Contract and the PBM Agreement shall apply whenever possible.
- g. The PBM Services shall focus on driving network penetration and managing drug utilization and cost through access to a nationwide network of retail and mail-order pharmacies, a customizable First Fill Program and Formulary, a streamlined Prior Authorization process, out-of-network bill management and accurate electronic billing.
- h. The MCO shall ensure that the PBM Services, at no cost to the County or TPA, shall offer a secure online PBM Web Portal that is accessible to the TPA and the County. The system should include retail pharmacy provider information (e.g. address and contact information); prescription records and other documentation related to claims; PBM Services rendered; all prescribed and denied drugs; all pharmacy/drug dispensing costs and savings due to the PBM Services; and various analytics and customizable management reports as directed by the County and in Excel format.
- i. The MCO shall facilitate claims management by performing back office, management functions (the "Administrative Services") necessary to carry out the PBM Services as agreed by the Parties. Such Administrative Services include, but are not limited to, corporate support, submission and accuracy of electronic eligibility files, timely processing of bills, submission of payments on behalf of the County to PBM Services provider and associated payment support files, and other such services and information as agreed to by the Parties from time to time. Furthermore, the MCO shall ensure that no charges are made to be caused to the County in the MCO's Bill Review or Utilization Review services due to negligence in providing these and other Administrative Services under the PBM or other related Agreement(s).
- j. For the longer of the period required by law or ten (10) years from the date of rendering any Covered Prescription Drug Service, the Parties shall maintain records related thereto, including, but not limited to, prescription records and other documentation related to PBM Services provided to the County's injured workers. These records data shall be provided to the County in within one (1) week from the date of request.
- k. All terms and conditions of the PBM Agreement must be reviewed and approved by the County and adhered to by the Parties prior to the execution of the contract. In no instance shall any of the terms and conditions of the PBM Agreement create, implicitly or explicitly, a conflict of interest between the Parties and the County which may result, amongst other things, in financial loss, known or unknown, to the County. Further, under no circumstances shall the Parties enter into a revenue or profit-sharing arrangement, including any Wholesale/Retail agreements, on

the County's workers' compensation claims without the knowledge and expressed consent of the County.

- l. The County may agree to modify the obligations and responsibilities of the Parties and the Scope of Services in the PBM Agreement following the execution of an amendment hereto approved by the County. The County may agree to terminate the PBM Services provided to the County's injured workers for any or no reason and shall notify the MCO of such termination no later than thirty (30) days prior to effective cancellation date. The County reserves the right to enter into a direct agreement with a PBM Services provider at any point during the Contract with the MCO.
- m. The MCO shall be liable for any fines, citations, penalties or other assessments made against MCO, PBM Services provider and/or the County because of any deficiencies in the services rendered or required to be rendered under this Contract, the PBM Agreement and the Labor Code.
- n. Through the use of ScriptAdvisor, the program enforces the generic substitution at the point-of-sale where allowed by law. All network pharmacies are prompted and required to comply with these mandatory generic regulations and fill prescriptions with suitable, medically appropriate generic medications. In the instance where the treating physician indicates that a brand name drug is medically necessary on a multi-source product (one that is available from both a brand name manufacturer and one or more generic manufacturers) and the pharmacist processes that prescription with a Dispense as Written (DAW) code, a reject alert will occur. ScriptAdvisor then automatically generates and sends a DAW letter to the physician, requesting them to review the prescription and substitute the medication with a more cost-effective, therapeutically equivalent drug. The DAW letter addresses the specific DAW medication and offers therapeutic equivalent alternatives. These letters can be helpful to the prescriber for future prescriptions written, thus assisting in containing the overall cost of medications. In addition to sending the initial DAW letter, we will attempt multiple faxes and/or contact with the physician each day until a response is received. These ongoing outreach efforts have been successful in increasing generic utilization for individual prescriptions, as well as all future prescribing patterns.

ATTACHMENT B
PAYMENT AND COMPENSATION

I. COMPENSATION: This is a fixed fee Contract between County and Contractor for Managed Care Services – Bill Review (BR), Utilization Review (UR), Nurse Case Management (NCM) and Pharmacy Benefits Management (PBM) for the County’s Workers’ Compensation Claims Program as set forth in Attachment A, Scope of Work. Contractor agrees to accept the specified compensation as set forth in this Contract as full payment for performing all services and furnishing all staffing and materials required, for any reasonably unforeseen difficulties which may arise or be encountered in the execution of the services until acceptance, for risks connected with the services, and for performance by Contractor of all its duties and obligations hereunder. Contractor shall only be compensated as set forth herein for work performed in accordance with the Scope of Work. **County shall have no obligation to pay any sum in excess of the fixed rates specified herein unless authorized by amendment in accordance with Articles C & R of County Contract Terms and Conditions.**

II. FEES AND CHARGES: County will pay the following fees in accordance with the provisions of this Contract. Payment shall be as follows:

Managed Care Services: Fees for services that follow are specific to individual County workers’ compensation claims and are paid to Contractor off the respective claim(s) as either an allocated or medical expense, as appropriate.

A. Bill Review Fee (BR)

PROPOSED FEES	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29
Per line rate – include a minimum number of lines if it applies	N/A	N/A	N/A	N/A	N/A
Flat fee per bill	\$8.75	\$9.00	\$9.25	\$9.50	\$9.75
Review Only Charge – Flat Rate per Bill	\$5.00	\$5.10	\$5.20	\$5.30	\$5.40
PPO – flat rate	\$20.00	\$21.00	\$22.00	\$23.00	\$24.00
Direct Negotiation Fee (out of network negotiations, excluding catastrophic or extraordinary events) – flat rate per negotiation	\$250.00	\$275.00	\$300.00	\$325.00	\$350.00
Direct Negotiation Fee (out of network negotiations) – percentage of savings with proposed cap on total fee to be reimbursed for catastrophic or extraordinary events only.	15% \$5K cap per bill	15% \$5K cap per bill	15% \$5K cap per bill	15% \$5K cap per bill	15% \$5K cap per bill
Reconsiderations Fee (SBR/IBR)	Subject to Statutory Fee				
Expert Witness/Hearing Representative Fee – flat rate	InterMed stand by its reviews, so we do not charge for witness fee for bills we review. A \$100.00 hourly rate will apply for witness fee for bills reviewed by prior vendor.				
Expert Witness/Hearing Representative Fee – hourly rate	InterMed stand by its reviews, so we do not charge for witness fee for bills we review. A \$100.00 hourly rate will apply for witness fee for bills reviewed by prior vendor.				
Specialty Network Fee (Access or Percentage of Savings)	\$1.00 per bill	\$1.00 per bill	\$1.00 per bill	\$1.00 per bill	\$1.00 per bill
Data Migration, Interfacing & Other Transition Fees	One-time fee of \$5,000 for data migration \$2,500.00 annual fee for interface for unbundled services.				
Data Management, Summaries and Ad Hoc Reports	No Charge				

Attachment B**B. Nurse Case Management (NCM)**

PROPOSED FEES	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29
Telephonic Case Management (Full Assignment)	\$98.00 per hour	\$99.00 per hour	\$100.00 per hour	\$101.00 per hour	\$102.00 per hour
Telephonic Case Management (Task Assignment)	\$98.00 per hour	\$99.00 per hour	\$100.00 per hour	\$101.00 per hour	\$102.00 per hour
Field Case Management	Pass through cost based on your preferred vendor or \$115.00 per hour using our preferred vendors increasing by 3% per year.				
Catastrophic Case Management	\$125.00 per hour increasing by 3% per year				
Travel Time Rate while On-Assignment	\$100.00 per hour				
Data Migration, Interfacing & Other Transition Fees	No charge for bundled program; \$5,000 migration fee for migration and \$2500 annually thereafter				
Data Management, Summaries and Ad Hoc Reports	No Charge				

C. Utilization Review (UR)

PROPOSED FEES	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29
Non-Physician / Non-Nurse Review	No Charge				
Nurse Review	\$98.00 per RFA	\$99.00 per RFA	\$100.00 per RFA	\$101.00 per RFA	\$102.00 per RFA
Physician Review including Medical Director	\$250.00 per hour	\$255.00 per hour	\$260.00 per hour	\$265.00 per hour	\$270.00 per hour
Expert Physician Review / Peer-to-Peer	\$275.00 per hour	\$280.00 per hour	\$285.00 per hour	\$290.00 per hour	\$295.00 per hour
Data Migration, Interfacing & Other Transition Fees	\$5,000 migration fee for migration and \$2500 annually thereafter				
Data Management, Summaries and Ad Hoc Reports	No Charge				

D. Pharmacy Benefits Management (PBM)

PROPOSED FEES	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29
Retail Pharmacy Network	Brand: AWP minus 21% + \$2.50 dispense fee Generic: AWP minus 72% + \$2.50 dispense fee				
Mail Service Pharmacy	Brand: AWP minus 22.5% + \$2.50 dispense fee Generic: AWP minus 81% + \$2.50 dispense fee				
Clinical Pharmacy Program	\$98.00 per hour billed in 15-minute increment				
Data Migration, Interfacing & Other Implementation and Set-up Fees	No charge for bundled program; \$5,000 migration fee for migration and \$2500 annually thereafter				
PBM Portal Access, Data Management and Ad Hoc Reports	No additional fee				
Compliance/Reporting	No additional fee				
Training and CEUs	No additional fee				

- E. First Year Annual Not to Exceed Contract Amount:.....\$957,265**
- F. Second Year Annual Not to Exceed Contract Amount:.....\$1,001,745**
- G. Third Year Annual Not to Exceed Contract Amount:.....\$1,032,309**
- H. Fourth Year Annual Not to Exceed Contract Amount:.....\$1,062,874**
- I. Fifth Year Annual Not to Exceed Contract Amount:.....\$1,093,438**
- J. Total Contract Amount:.....\$5,147,631**

III. PRICE INCREASE/DECREASES: No price increases will be permitted during the first period of Contract. County requires documented proof of cost increases on Contracts prior to any price adjustment. A minimum of 30-days advance notice in writing is required to secure such adjustment. No retroactive price adjustments will be considered. All price decreases will automatically be extended to County of Orange. County may enforce, negotiate, or cancel escalating price Contracts or take any other action it deems appropriate, as it sees fit. The net dollar amount of profit will remain firm during the period of Contract. Adjustments increasing Contractor's profit will not be allowed.

IV. FIRM DISCOUNT AND PRICING STRUCTURE: Contractor guarantees that prices quoted are equal to or less than prices quoted to any other local, State or Federal government entity for services of equal or lesser scope. Contractor agrees that no price increases shall be passed along to County during the term of this Contract not otherwise specified and provided for within this Contract.

V. CONTRACTOR'S EXPENSE: Contractor will be responsible for all costs related to photo copying, telephone communications and fax communications while on County sites during the performance of work and services under this Contract.

VI. PAYMENT TERMS: Invoices are to be submitted within 30 days from the date Contractor completes services as defined in the Attachment A-Scope of Work. Contractor shall reference Contract number on invoice. Payment will be net 30 days after receipt, and approval, by County of an invoice in a format acceptable to the County of Orange and verified and approved by the agency/department and subject to routine processing requirements. All payments are made 30 days in arrears. The responsibility for providing an acceptable invoice rests with Contractor.

Billing shall cover services and/or goods not previously invoiced. Contractor shall reimburse County of Orange for any monies paid to Contractor for goods or services not provided or when goods or services do not meet Contract requirements.

Payments made by County shall not preclude the right of County from thereafter disputing any items or services involved or billed under this Contract and shall not be construed as acceptance of any part of the goods or services.

VII. TAXPAYER ID NUMBER: Contractor shall include its taxpayer ID number on all invoices submitted to County for payment to ensure compliance with IRS requirements and to expedite payment processing.

VIII. PAYMENT – INVOICING INSTRUCTIONS: Contractor will provide an invoice on Contractor's letterhead for goods delivered and/or services rendered. In the case of goods, Contractor will leave an invoice with each delivery. Each invoice will have a number and will include the following information:

1. Contractor's name and address
2. Contractor's remittance address, if different from 1 above
3. Contractor's Taxpayer ID Number
4. Name of County Agency/Department
5. Delivery/service address
6. Contract Number MA-017-24010670
7. Agency/Department's Account Number
8. Date of invoice
9. Brief description of fees/service
10. Sales tax, if applicable
11. Freight/delivery charges, if applicable
12. Total

Invoice and support documentation are to be forwarded to:

CEO / Office of Risk Management/Workers' Compensation Program
 400 W. Civic Center, 5th Floor
 Santa Ana, CA 92701
 Attn: Beverly Umholtz
 Title: Workers' Compensation Program Manager

- IX. PAYMENT (ELECTRONIC FUNDS TRANSFER (EFT)):** County of Orange offers contractors the option of receiving payment directly to their bank account via an Electronic Fund Transfer (EFT) process in lieu of a check payment. Payment made via EFT will also receive an Electronic Remittance Advice with the payment details via e-mail. An e-mail address will need to be provided to The County of Orange via an EFT Authorization Form. To request a form, please contact the agency/department Procurement Buyer listed in Contract. Upon completion of the form, please mail, fax or email to the address or phone listed on the form.

**ATTACHMENT C
STAFFING PLAN**

I. KEY PERSONNEL

Respondents must identify all key staff members proposed to be assigned to the Contract if awarded to Respondent. Respondent shall provide the following information on each proposed staff member to be assigned to the Proposed Contract. Use additional sheets as needed.

Name	Classification/Designation	Years of Experience	Years with Company	Professional Licenses or Credentials
Kerenza Alvarez	Senior Vice President Managed Care Division	28 Years	2 Years	Certificate of Completion - Healthcare Management Certified Bill Review Analyst Licensed as a State and Federal Tax Analyst
Danielle Buri- Beaton	Senior Vice President Client Services	31 Years	29 Years	CA Self-Insurance Administrator Certificate IEA – WC Claims Professional Designation IEA - WC Claims Administrator Certificate IEA Certificate
Christina Dellosa	Manager, Clinical Services	20 Years	13.4 Years	LVN, BS Healthcare Administration & Management
Jason Baranda	Supervisor, Case Management	20 Years	6.10 years	Bachelor of Science in Nursing RN License Certified Case Manager
Laurence Rivera	Nurse Case Manager	12 Years	4.6 years	Bachelor of Science in Nursing RN License
Florence Trinidad	Supervisor, Utilization Review	14 Years	1 Year	Bachelor of Science in Nursing RN License
Nancy Burns	Manager, Bill Review Services	18 Years	6.5 Years	Certified Bill Review Analyst Expert Witness
Arasely Reynoso	Supervisor, Bill Review Services	19 Years	1 Year	Certified Bill Review Analyst BA in Business Admin Lien Certification Expert Witness
Southev Viracinth	Senior Bill Review Analyst	33 Years	22 Years	Certified Bill Review Analyst Expert Witness
Bill Warner	SIU Manager	45 years	27 years	Fraud Claims Law Specialist State of CA - Private Investigator
Anthony Ganaway	Help Desk Support	20 years	11 years	

Attachment B

The substitution or addition of other key individuals in any given category or classification shall be allowed only with prior written approval of County Project Manager or designee.

II. SUBCONTRACTORS

Listed below are subcontractor(s) anticipated by Contractor to perform services as specified in Attachment A. Substitution or addition of Contractor's subcontractors in any given project function shall be allowed only with prior written approval of County's Project Manager.

Company Name & Address	Contact Name and Telephone Number	Project Function
N/A	N/A	N/A

ATTACHMENT D
CASE MANAGEMENT BILLING GUIDELINES

I. PHONE CALLS:

- A. Reimbursement for phone time only. Phone charge expense will not be reimbursed.
- B. No charge for phone contact with TPA adjustor/manager/supervisor or County of Orange.
- C. No charge for phone contact with Case Management supervisor/manager, other case managers or utilization review department

II. EMAILS:

- A. Reimbursement for email time only.
- B. No charge for email contact with TPA adjustor/manager/supervisor or COO
- C. No charge for email contact with Case Management supervisor/manager, other case managers or utilization review department

III. REPORTS:

- A. Initial Evaluation completed within ten business days.
- B. Supplemental reports completed at 30-day intervals unless approved by the County.
- C. All reports must support invoiced charges and be recorded in file.
- D. Reports must include contact information for all physicians involved in IW care, diagnosis, prognosis, treatment plan, anticipated surgeries, projected date of MMI and P&S.
- E. Initial reports will include all relevant medical, vocational, education, financial and psychosocial data, recommendations for the timely resolution of the disability and next reporting date.
- F. Follow up reports will include a synopsis of activities completed since the last report, current status, recommendations and next report date.
- G. County of Orange will review report templates with case management provider to come to agreement on acceptable format for reports

IV. INVOICES:

- A. A maximum of 1.50 is allowed for an initial evaluation
- B. A maximum of .50 is allowed for progress reports
- C. Time spent preparing invoices is not allowable
- D. No charge allowed for clerical, filing, photocopying, faxing, trips to the post office, postage or any other item considered overhead
- E. A one-time charge for file review is allowed to a maximum of .50 at the time of receipt of the assignment
- F. Additional review of medical records after the initial is allowed at .30. This applies to receipt of new medical records and does not apply to preparation for an appointment. Documentation must identify records reviewed to support the charge
- G. Travel must be pro-rated whenever possible and documented as pro-rated.
- H. No wait time over one hour unless approved and documented by adjustor
- I. Cost Savings must be included with every closure report

V. MANAGEMENT REPORTS:

- A. A summary report must be submitted monthly recording the number of assignments per case manager, number of assignments closed, average cost and hours invoiced per closed file and cost savings related to the case.
- B. An annual report will be completed including all the above information on all case management assignments for the year.

ATTACHMENT E
COUNTY OF ORANGE PRIOR AUTHORIZATION PLAN

Treatment Modalities	Treatment Criteria and Duration	
Procedures or services requested	Pre-Authorized treatment	Pre-Authorized treatment post-surgical
Acupuncture	Initial 12 visits	Initial 12 visits
Chiropractic	30 visits	30 visits
Diagnostics and Radiology	All X-rays. 1st MRI, 1st CT scan. 1st EMG/NCS. Bone Scans. Annual stress tests and echocardiograms on accepted cardiac claims	1 Post-Surgical MRI/CT scan/X-ray.
Laboratory Tests	Blood/lab work. Urine drug screen 3 times annually when opioids are being dispensed.	Blood/lab work. Urine drug screen 3 times annually when opioids are being dispensed.
Durable Medical Equipment (DME)	DME items <\$750.	DME items <\$750
Consultations/Second Opinions	Initial Consultations/Second Opinions/Rule Out Evals	Post-Surgical/Routine Follow- ups
Physical Therapy, Occupational Therapy, Aquatic Therapy (<i>UR required beyond 30 total visits</i>)	30 visits	30 visits
Injections	Initial trigger point/Cortisone injections	Initial trigger point/Cortisone injections

ATTACHMENT F
COUNTY OF ORANGE REQUIRED REPORTS

Mandatory Reports to be provided to the County in Excel by the 5th day of the following month, unless otherwise noted:

1. Bill Review Fee Breakdown report – this report shows the Bill Review Fees breakdown per claim and includes PPO and MPN reductions and fees amounts.
Parameters: Date of financial activity – Monthly- WCPM
2. Bill Review Activity Summary report – this report shows the Bill Review Activity. Summary of fees, charges and savings.
Parameters: Date of financial activity – Monthly-WCPM
3. Nurse Case Manager Report – this report provides the number of referrals, number of closed claims and duration time of assignments. RN Field Case Management and Telephonic Nurse Case Management assignments.
Parameters: Date of activity – Monthly-WCPM
4. Utilization Review Savings report – this report shows the Utilization Review fees and savings for each claim as well as types of events and costs associated with each type. Type= MRI, PT, DME, Rx, ESIs, Surgeries, etc.
Parameters: Date of Activity – Monthly-WCPM
5. PBM Reports folder –Mitchell provides the following pharmaceutical costs reports:
 - a. First Fill report – all claims receiving first pharmaceutical prescription
 - b. Summary report – shows Generic Utilization, Average price per prescription, Home delivery penetration and narcotics utilization.
 - c. Top Claims report – shows top 20 claims with high pharmaceutical usage by cost and/or volume filled for the fiscal year
 - d. Top RX Products report – shows the high cost and/or volume prescription pharmaceuticals being dispensed.
 Parameters: Date of Activity – Monthly-WCPM
6. Quarterly Cost Savings reports – provides a quarterly report of cost savings and fees for the following program costs:
 - a. Medical Provider Network Program (MPN).
 - b. Utilization Review Program (UR)
 - c. Bill Review Program (BR)
 Parameters-These reports shall be provided to the County of Orange by the 15th Business Day after the close of each fiscal year quarter. -Quarterly-WCPM
7. MPN Network Status report – provides a quarterly report showing the MPN Network status of all open claims with a date of injury.
Parameters: Quarterly -WCPM

The following reports do not need to be provided to the County on a set schedule, however, they must be available to be run on demand.

1. Rx history – Pharmaceutical payments run on a per claim basis with from & through dates.

Attachment B

2. Bridge report – provides a quarterly report showing the billings, fees and savings for Bill Review and PPO services.
Parameters: Due after the close of each fiscal year quarter.
3. UR Ancillary Fees Quarterly report – provides quarterly detail of UR fees charged per claim for the fiscal year quarter.
Parameters: Date of Financial Activity-Quarterly