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**THE CITY OF BLUE ISLAND  
COOK COUNTY, ILLINOIS**

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**RESOLUTION  
NUMBER 2021-30**

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**A RESOLUTION OF THE CITY OF BLUE ISLAND, COOK  
COUNTY, ILLINOIS, AUTHORIZING AND APPROVING THE  
CITY OF BLUE ISLAND TO ENTER INTO A CONTRACT  
WITH CANNON COCHRAN MANAGEMENT SERVICES  
INCORPORATED (CCMSI)**

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**FRED BILOTTO, Mayor  
RAEANN CANTELO-ZYLMAN, City Clerk**

**DEXTER JOHNSON  
LUIZ MONTOYA  
NANCY RITA  
BILL FAHRENWALD  
GABRIEL McGEE  
CANDACE CARR  
JOSH ROLL**

**Alderman**

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**RESOLUTION NUMBER 2021-30**

**A RESOLUTION OF THE CITY OF BLUE ISLAND, COOK COUNTY, ILLINOIS,  
AUTHORIZING AND APPROVING AUTHORIZING THE CITY OF BLUE ISLAND TO  
ENTER INTO A CONTRACT WITH CANNON COCHRAN MANAGEMENT  
SERVICES INCORPORATED (CCMSI)**

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**WHEREAS**, the City of Blue Island, Cook County, Illinois (the “City”) is a duly organized and existing City created under the provisions of the laws of the State of Illinois and operating under the provisions of the Illinois Municipal Code, and all laws amendatory thereof and supplementary thereto, with full powers to enact ordinances and adopt resolutions for the benefits of the residents of the City; and

**WHEREAS** The City and Cannon Cochran Management Services Incorporated (CCMSI), wish to enter into a contract which provides third party administration services for the City’s workers’ compensation claims, a copy of which is attached hereto and made a part hereof, as Exhibit A (the “*Agreement*”); and

**WHEREAS** the Mayor and Aldermen of the City of Blue Island deem it advisable and in the best interests of the health, safety and welfare of the residents of the City to enter into the Agreement.

**NOW, THEREFORE, BE IT RESOLVED** by the Mayor and the Aldermen of the City of Blue Island, Cook County, Illinois as follows:

**Section 1.** That the above recitals and legislative findings are found to be true and correct and are hereby incorporated herein and made a part hereof, as if fully set forth in their entirety.

**Section 2.** That the Mayor and Aldermen find and determine that the adoption of this Resolution is in the best interests of the City as well as in the best interests of the public.

**Section 3.** The Agreement by and between the City and Cannon Cochran Management Services Incorporated (CCMSI), which is attached hereto and made a part hereof as Exhibit A, is hereby approved in substantially the form presented to the Mayor and Aldermen with such necessary non-material changes as may be authorized by the Mayor, the execution thereof to constitute the approval by the City of any and all changes or revisions therein contained.

**Section 4.** The Mayor, City Clerk and City Attorney are hereby authorized and directed to execute and deliver the Agreement and any and all documents necessary to implement the provisions, terms and conditions thereof, as therein described.

**Section 5.** The officials and officers of the City are hereby authorized to undertake actions on the part of the City as contained in the Agreement to complete satisfaction of the provisions, terms or conditions stated therein.

**Section 6.** If any section, paragraph, clause or provision of this Resolution shall be held invalid, the invalidity thereof shall not affect any other provision of this Resolution.

**Section 7.** All ordinances, resolutions, motions or orders in conflict with this Resolution are hereby repealed to the extent of such conflict.

**Section 8.** This Resolution shall be in full force and effect immediately upon its passage, approval, and publication as required by law.

*(Left intentionally blank)*

ADOPTED this 27th day of July, 2021, pursuant to roll call as follows:

	YES	NO	ABSENT	PRESENT	ABSTAIN
Alderman JOHNSON			X		
Alderman MONTOYA	X				
Alderman RITA			X		
Alderman FAHRENWALD	X				
Alderman MCGEE					X
Alderman CARR	X				
Alderman ROLL	X				
Mayor BILOTTO	X				
	5		2		1

APPROVED by the Mayor on July 27, 2021.

FRED BILOTTO  
MAYOR OF THE CITY OF BLUE ISLAND,  
COUNTY OF COOK AND STATE OF ILLINOIS

ATTESTED and Filed in my office this  
27th day of July, 2021.

RAEANN CANELO-ZYLMAN, CITY CLERK

**SERVICE AGREEMENT BETWEEN  
\_\_\_\_\_ AND  
CANNON COCHRAN MANAGEMENT SERVICES, INC.**

**THIS SERVICE AGREEMENT** is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 20\_\_, by and between \_\_\_\_\_ (the "Client"), an authorized self-insured entity, and Cannon Cochran Management Services, Inc. ("CCMSI"), a Delaware corporation. It is agreed between the parties hereto as follows:

**A. APPOINTMENT OF CCMSI.** The Client hereby appoints CCMSI, and CCMSI hereby agrees to serve, as Third Party Administrator ("Administrator") of the Client's self-insurance program created and existing under the State of \_\_\_\_\_ ("State") Self-Insurance Regulations.

**B. FUNCTIONS OF CCMSI.** During the term of this Agreement, the regular functions of CCMSI as the Client's Administrator shall include the following:

1. Claim Administration.

(a) Claim Management and Administration. In compliance with its Best Practices, CCMSI will manage and administer all claims of the Client that occur during the period of this Agreement. All claim payments shall be made with Client funds. CCMSI will act on behalf of Client in handling, monitoring, investigating, overseeing and adjusting all such actual and alleged claims.

(b) Claim Settlement. CCMSI will settle claims of the Client with Client funds in accordance with reasonable limits and guidelines established with the Client.

(c) Claim Reserves. CCMSI will establish reserves for unpaid reported claims and unpaid claim expenses.

(d) Allocated Claim Expenses. CCMSI will pay all Allocated Claim Expenses with Client Funds. Allocated Claim Expenses are charges for services provided in connection with specific claims by persons or firms which are eligible claim expenses under the Client's program. Notwithstanding the foregoing, Allocated Claim Expenses will include all expenses incurred in connection with the investigation, adjustment, settlement or defense of Client claims, even if such expenses are incurred by CCMSI. Allocated Claim Expenses will include, but not be limited to, charges for:

- 1) Independent medical examinations of claimants;
- 2) Managed care expenses, which include the services provided by comp mc™, CCMSI's proprietary managed care program. Examples of managed care expenses includes but is not limited to state fee schedule, PPO net works, utilization review, nurse case management, medical bill audits and medical bill review;



- 3) Fraud detection expenses, such as surveillance, which include the services provided by *FIRE*, CCMSI's proprietary Special Investigation Unit (SIU), and other related expenses associated with the detection, reporting and prosecution of fraudulent claims, including legal fees;
  - 4) Attorneys, experts and special process servers;
  - 5) Court costs, fees, interest and expenses;
  - 6) Depositions, court reporters and recorded statements;
  - 7) Independent adjusters and appraisers;
  - 8) Index bureau and OFAC (Office of Foreign Assets Control) charges;
  - 9) MMSEA/SCHIP compliance charges;
  - 10) Electronic Data Interchanges, EDI, charges if required by State law;
  - 11) CCMSI personnel, at their customary rate or charge, but only with respect to claims outside the State and only if such customary rate is communicated to the Client prior to incurring such cost;
  - 12) Actual reasonable expenses incurred by CCMSI employees outside the State for meals, travel, and lodging in conjunction with claim management;
  - 13) Police, weather and fire report charges that are related to claims being administered under Client's program;
  - 14) Charges associated with accident reconstruction, cause and origin investigations, etc.;
  - 15) Charges for medical records, personnel documents, and other documents necessary for adjudication of claims under Client's program;
  - 16) Charges associated with Medicare Set-Aside Allocations; and
  - 17) Legal bill review expenses, which include, the services provided by CLEAR, CCMSI's proprietary legal bill review program. This shall include charges related to legal bill review / audit, which shall include reviewing and auditing invoices submitted by Client-approved law firms for compliance with the Client's Defense Counsel Billing Guidelines.
  - 18) Other expenses normally recognized as ALAE by industry standards.
- (e) Subrogation. CCMSI will monitor claims for subrogation.

- (f) Provision of Reports. CCMSI agrees to provide reports to the Client as specified in the Schedule of Reports attached hereto as Exhibit A.
2. Risk Management Services. CCMSI will provide the Client with additional Risk Management Services not contemplated in the Agreement upon mutual agreement of the parties. The Schedule of additional Risk Management Services to be provided is attached hereto as Exhibit B.
3. Loss Control Services. CCMSI will provide the Client loss control services upon mutual agreement of the parties. The client shall remain fully responsible for the implementation and operation of its own safety programs and for the detection and elimination of any unsafe conditions or practices.

CCMSI assumes no responsibility for the detection, identification, communication, mitigation, or elimination of any unsafe condition or practice associated with the safety program of any client. Further, CCMSI assumes no responsibility for any injury sustained by an employee of the client. The Schedule of Loss Control Services to be provided is attached hereto as Exhibit C.

4. Legal Bill Review / Audit Services. In conjunction with its claims administration services, CCMSI will provide Client with Legal Bill Review / Audit Services (CLEAR). The Schedule of Legal Bill Review / Audit Services, including applicable fees, is attached hereto as Exhibit E.
5. Managed Care Services. CCMSI will provide the Client with managed care services (comp mc™) upon mutual agreement of the parties. The Schedule of Managed Care Services to be provided is attached hereto as Exhibit D.

**C. CLIENT RESPONSIBILITIES**. Client agrees to:

1. Report all claims, incidents, reports or correspondence relating to potential claims in a timely manner.
2. Reasonably cooperate in the disposition of all claims.
3. Provide adequate funds to pay all claims and expenses in a timely manner.
4. Respond to reasonable information requests in a timely manner.
5. Identify in writing all insurance carriers applicable to CCMSI's claim handling responsibilities contemplated in this Service Agreement that CCMSI will have claim or data reporting requirements. In this regard, Client agrees to provide CCMSI with a complete copy of the current excess or other insurance policies, including applicable endorsements and audits, applicable to Client's insurance program and this Service Agreement. CCMSI assumes no responsibility of any kind for not reporting an otherwise reportable claim to any carrier that Client has failed to disclose to CCMSI and/or provide CCMSI with a copy of the applicable insurance policy and reporting instructions relative to that carrier.

6. Pay any fees or costs charged by any carrier or prior TPA of Client for the conversion of data associated with CCMSI handling run off claims for Client, or for the general transfer of data to CCMSI's operating systems.
7. Promptly pay CCMSI's fees.

**D. OPERATING EXPENSES.** The Client agrees to be responsible for and pay all of its own operating expenses other than service obligations of CCMSI. Such operating expenses shall include but not be limited to charges for the following:

1. All costs associated with Client meeting its State security and licensing requirements;
2. Certified Public Accountants
3. Attorneys, other than provided for in Section B.1. (d) 3) and B.1. (d) 4) of this Agreement;
4. Outside consultants, actuarial services or studies and State audits;
5. Independent payroll audits;
6. Allocated Claims Expenses incurred pursuant to Section B. 1. (d) of this Agreement;
7. All applicable regulatory fees and taxes;
8. Educational and/or promotional material, industry-specific loss control material, customized forms and/or stationery, supplies and extraordinary postage, such as bulk mailing, express mail or messenger service.
9. National Council on Compensation Insurance, NCCI, charges;
10. Excess and other insurance premiums;
11. Costs associated with the development, record keeping and filing of fraud statistics and plans, but only if required by any State or regulatory authority having jurisdiction over Client;
12. Other operating costs as normally incurred by the Client.

**E. BOOKS AND RECORDS.**

1. (a) CCMSI shall maintain all claim information relating specifically to the Client which is necessary to the performance of CCMSI's obligations under this Agreement (the "Records"). The Records shall remain at all times the sole property of the Client.  
  
(b) The Records shall not include any manuals, forms, files and reports, documents, customer lists, rights to solicit renewals, computer records and tapes, financial and strategic data, or information which documents CCMSI's processes, procedures and methods, or which CCMSI



employs to administer programs other than the Client. The items specified in this Paragraph E. 1. (b) shall at all times be and remain the sole and exclusive property of CCMSI, and the Client shall not have any ownership, interest, right to duplicate or right to utilize these items except for the above documentation or information that relates solely to Client's Program.

2. During the term of this Agreement, CCMSI shall provide the Client with copies of the Records, if so requested by the Client. Any reasonable costs of reproduction of the Records shall be borne by the Client.
3. CCMSI shall make the Records available for inspection by any duly authorized representative of the Client, or any governmental or regulatory authority having jurisdiction over CCMSI or the Client.

**F. NON-SOLICITATION OF EMPLOYEES.** During the term of the Agreement and for two (2) years thereafter, the Client and CCMSI mutually agree not to recruit, solicit or hire any employee of the other without written permission.

**G. OTHER INSURANCE.** If CCMSI places any specific or aggregate excess insurance, reinsurance, or other insurance product associated with this Agreement, then customary commissions and fees will be retained by CCMSI.

**H. TERM AND TERMINATION.**

1. **Term of Agreement.** The first term of this Agreement shall be for \_\_\_\_\_ ( ) years beginning on \_\_\_\_\_, 20\_\_ and terminating on \_\_\_\_\_, 20\_\_\_. Unless the Agreement is terminated as set forth in paragraph H. 2., it will automatically renew for successive \_\_\_\_\_ ( ) year terms. At least ninety (90) days prior to the expiration of each \_\_\_\_\_ ( ) year term of this Agreement, the parties shall enter into good-faith negotiations regarding any proposed change in Agreement terms or fees. If there are no changes requested by either party, then the Agreement will automatically renew under the same terms and fee arrangement as the prior term.

2. **Termination of Agreement.** This Agreement may be terminated:

- (a) By mutual agreement of the parties hereto;
- (b) Upon expiration of the current term of this Agreement if either party has given the other at least ninety (90) days written notice of its intention to terminate as set forth in paragraph H. 1.;
- (c) Upon dissolution of the Client's self-insurance program whether voluntary or due to cessation of Client's authority to self-insure;
- (d) Upon dissolution of the Client's self-insurance program due to Client insolvency or bankruptcy;

- (e) Upon ninety (90) days written notice by either party if the other party is in material breach of any term, covenant or condition contained herein; provided, however, that as a condition precedent to termination under this Section H. 2. (e), the terminating party shall give written notice to the other party, who shall have sixty (60) days from the date of such notice to cure or correct the grounds for termination. If the grounds of termination are not corrected or cured during the sixty (60) day period, this Agreement may be terminated on the termination date specified in the notice, but not prior to the expiration of the ninety (90) day period described herein.

- 3. Services Following Termination of Agreement. Should this Agreement be terminated or non-renewed for any reason, CCMSI will cease providing services, turn over to the Client all Client files in CCMSI's possession, which shall include all open and closed files.

Upon the Client's request and subject to agreement by CCMSI, CCMSI will be paid a reasonable negotiated fee to:

- (a) Provide for continued administration of the open claim files;
- (b) Cooperate with any successor administrator in the orderly transfer of all functions, including providing a runoff listing of open claim files if desired by the Client and any other records reasonable and necessary for a successor administrator; and
- (c) Provide an electronic transfer of data if such is feasible, with the cost of providing such borne by the Client. The electronic transfer of data will be subject to a flat fee of \$2,500.

- I. SERVICE FEE PAYMENTS. The Client shall pay to CCMSI a service fee as outlined in the Fee and Payment Schedule attached hereto as Exhibit F.

- J. ARBITRATION. If an irreconcilable difference of opinion or claim should arise between the Client and CCMSI as the interpreters of any matter relating to this Agreement, such matter will be submitted to mediation or arbitration as the sole remedy available to both parties. Any such mediation or arbitration will take place in the City of \_\_\_\_\_ and will be conducted in accordance with the then-current rules of the American Arbitration Association.

- K. RELATIONSHIP OF PARTIES. With respect to the services provided by CCMSI in this Agreement, CCMSI is considered an independent contractor. Nothing in this Agreement shall be construed to create a relationship of employer/employee, partners or joint ventures between the Client and CCMSI. This Agreement is non-exclusive, and CCMSI shall have the right to perform services on behalf of other individuals, firms, corporations and entities.

- L. INDEMNIFICATION.

- 1. Indemnification by Client. The Client agrees that it will indemnify and hold harmless CCMSI and CCMSI's directors, officers, employees, agents, shareholders, subsidiaries and other affiliates from and against any and all claims, losses, liability, costs, damages and reasonable attorney's fees incurred by CCMSI as a result of breach of this Agreement by the Client, explicit instruction



by the Client, or alleged misconduct, error or omissions by the Client, or by any of the Client's trustees, directors, officers, employees, agents, shareholders, subsidiaries, or other affiliates in connection with the performance of this Agreement. Agents as used herein include third party vendors selected by Client.

2. **Indemnification by CCMSI.** CCMSI agrees that it will indemnify and hold harmless the Client and the Client's trustees, directors, officers, employees, agents, shareholders, subsidiaries, members, or other affiliates from and against any and all claims, losses, liability, costs, damages and reasonable attorney's fees incurred by the Client as the result of breach of this Agreement by CCMSI or alleged misconduct, error or omissions by CCMSI, or by any of CCMSI's directors, officers, employees, agents, shareholders, subsidiaries or other affiliates in connection with the performance of this Agreement.

**M. CHANGE IN CIRCUMSTANCES.** In the event the adoption of any statute, rule or regulation materially changes the nature of the relationship between the parties hereto or the legal or economic premises upon which this Agreement is based, the parties hereto shall undertake good faith negotiations to amend the terms of this Agreement to account for such changes in a reasonable manner. This includes the happening or development of a local, regional, national or global health situation, crisis, pandemic, or catastrophic event that would impact the volume and type of claims to be administered by CCMSI under this Agreement. In the event of any such occurrence, either party may contact the other in good faith and seek to amend the terms and / or service fees applicable to this Agreement.

**N. SOFTWARE ACCESS.** The Client may be provided with the right to use one or more CCMSI Applications in connection with the services provided by CCMSI in this Agreement. CCMSI Applications include ICE, MyReports, Loss Control ASAP, Loss Control Resources and ICEBAR. The right to use CCMSI Applications is non-exclusive, limited to the term of this Agreement per paragraph H.1., non-transferable and is solely for the internal business use of Client.

CCMSI owns and reserves all rights, title, and interest in and to the CCMSI Applications. Client has no right to receive a copy of the object code or source code to the CCMSI Applications. Client may not attempt to:

1. License, sell, lease or otherwise make the CCMSI Applications available to any other party. Client will not provide any access, passwords or other information regarding the CCMSI Applications to any third parties and/or competitors of CCMSI without the prior written consent of CCMSI;
2. Use the CCMSI Applications in any way that violates any law, regulation or mandate, or the term of this Agreement; or
3. Take any action that jeopardizes confidential or proprietary information held by CCMSI.

Client is responsible for any confidential or proprietary information accessed or downloaded by Client from the CCMSI Applications, including the implementation of appropriate information security controls surrounding such information.

Except as expressly provided in this Agreement, CCMSI Applications are provided "as-is". CCMSI disclaims all other warranties, express, implied, or statutory, including the implied warranties or





8. File Destruction Policy. CCMSI will maintain electronic claim file records or hard copy files (where applicable) on all closed files on behalf of Client for a period of fifteen (15) years after the month of closure, or for as long as necessary to protect the applicable statute of limitations, whichever is longer. It is the sole responsibility of Client to advise CCMSI if files are not to be destroyed per this policy.
9. Insurance. CCMSI will purchase and maintain insurance coverages for its performance of the services contemplated in this Agreement. Minimum policy limits are as follows:

Workers Compensation – Statutory  
Professional - \$5,000,000  
General Liability - \$1,000,000 / \$2,000,000  
Umbrella - \$5,000,000  
Cyber Coverage - \$5,000,000

10. Escheatment. CCMSI will monitor all outstanding checks issued on CCMSI escrow accounts for escheatment. Information necessary for escheatment filings and funds to cover those amounts will be provided to Client no less than 90 days prior to the applicable filing date. Client is solely responsible for complying with all applicable abandoned property or escheat laws, making any required payments, and filing any required reports.
11. Confidential Information. Confidential Information includes nonpublic information that is exchanged between the Client and CCMSI, including, without limitation, information relating to the business, financials, personnel, customer data and operating procedures. Confidential Information includes information whether in written, electronic, or oral form created and relating to services provided under the Agreement. All Confidential Information is proprietary. Client and CCMSI may use the other party's Confidential Information only for the purpose of this Agreement and will limit its disclosure to only those persons reasonably necessary to perform under the Agreement. CCMSI will share nonpersonal bulk claim data with the IDS National Database unless the Client directs otherwise.
12. Information Security. CCMSI is responsible for the protection of the confidentiality, availability, privacy and integrity of Client information in our custody. CCMSI has implemented an Information Security Policy that has been developed to comply with applicable federal and state laws or regulations and industry best practices. The Information Security Policy applies to all CCMSI personnel, including temporary employees, independent contractors and vendors with access to CCMSI systems.
13. Entire Agreement/Amendment. This Agreement sets forth the full and final understanding of the parties hereto with respect to the matters described herein, and supersedes any and all prior agreements and understandings between them, whether written or oral. This Agreement may be amended only by written document executed by the Client and CCMSI.

Executed this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

**CANNON COCHRAN MANAGEMENT SERVICES, INC.**

By: \_\_\_\_\_  
Rodney J. Golden

Its: Chief Operating Officer/Executive Vice President

**CLIENT NAME**

By: \_\_\_\_\_

Its: \_\_\_\_\_

**EXHIBIT A**  
**SCHEDULE OF REPORTS**

TBD



**EXHIBIT B**

**SCHEDULE OF RISK MANAGEMENT SERVICES**

**EXHIBIT C**

**SCHEDULE OF LOSS CONTROL SERVICES**

CCMSI will provide the Client loss control services upon mutual agreement of the parties. The client shall remain fully responsible for the implementation and operation of its own safety programs and for the detection and elimination of any unsafe conditions or practices.

CCMSI assumes no responsibility for the detection, identification, communication, mitigation, or elimination of any unsafe condition or practice associated with the safety program of any client. Further, CCMSI assumes no responsibility for any injury sustained by an employee of the client.



**EXHIBIT D**

**SCHEDULE OF comp mc™ SERVICES AND FEES**

**Provider Bill Re-pricing**

<i>Service</i>	<i>Fee</i>
Usual and Customary re-pricing	\$10.00 per bill
Fee Schedule state re-pricing	\$10.00 per bill
Medical Bill State Reporting for applicable medical bills to reportable state	\$1.50 per reportable bill

**PPO Re-pricing / Out of Network Negotiations**

PPO re-pricing / Speciality and Hospital bill negotiation is billed at 33% of savings

**Pharmacy Network Services**

Pharmacy Network services are priced at 33% of savings.

**EXHIBIT E**

**SCHEDULE OF CLEAR SERVICES AND FEES**

<b>Service</b>	<b>Description</b>	<b>Service Fee</b>
Legal Bill Review / Audit Services	Review and audit all legal invoices submitted by Client-approved law firms for adjudication in compliance with Client's Defense Counsel Billing Guidelines and Generally Accepted Legal Billing Principles.	<b>PAID TO BOTTOMLINE TECHNOLOGIES, INC.</b> 1.95% of the gross monetary total of each invoice submitted and audited (inclusive of law firm fees, costs and disbursements).
Management Fee for administration of Legal Bill Review Program, administration and integration of data reporting and data transfer, development and delivery of Performance Reports, and maintenance of technology interface	Integration and interface of legal bill review / audit software with CCMSI's claim system necessary to review and adjudicate legal invoices electronically. Periodic standard reports will be developed and produced summarizing Program's overall savings results. Metrics will be applied to analyze the overall performance of law firms. A Bill Analysis Report (BAR) will be generated for each legal invoice reviewed. The BAR will be included with each check to the appropriate law firm and include details and supporting documentation for any deductions applied to the original billing.	<b>PAID TO CCMSI</b> 0.25% of the gross monetary total of each invoice submitted and audited (inclusive of law firm fees, costs and disbursements).

**Note:** Fees relative to legal bill review services will appear on the transaction register payable to "CLEAR", CCMSI's proprietary legal bill review program.

**EXHIBIT F**

**FEE AND PAYMENT SCHEDULE**

<b>Service Agreement Term:</b>	
<b>Services:</b>	<b>Fees:</b>
<b>Claims Administration (minimum)</b>	<b>\$25,000</b>
<p>CCMSI will manage all claims for the <b>Life of Agreement</b> for an a per claim fee as follows:</p> <p>Claims will be analyzed by the number and type of claim on a quarterly basis and priced on a per claim basis as outlined below.</p> <p><u>Workers' Compensation:</u></p> <p>Indemnity claims: \$1125 per claim</p> <p>Medical only claims: \$175 per claim</p> <p>Incident/Record only: \$50 per incident</p> <p><u>Property and Casualty</u></p> <p>Auto and General Liability Bodily Injury: \$1100 per claim                  Auto and General Liability Property Damage: \$465 per claim                  Public Officials, Law Enforcement, EPL: \$1125 per claim</p> <p>Any additional charges over the \$20,000 minimum claim fee will be billed quarterly thereafter.</p> <p>There will be a 3% fee increase to claim fees only per year.</p> <p><u>Workers' Compensation Claim Definitions</u></p> <ul style="list-style-type: none"> <li>▪ <b>Indemnity Claims</b> – Claims involving lost-time, questionable compensability, legal involvement, subrogation, second injury fund, probable permanent impairment/disability, jurisdictional issues, coverage issues or claims involving complex issues that are assigned or transferred to the indemnity adjuster for claims handling.</li> <li>▪ <b>Medical Only Claims</b> – Claims which have no issues of lost time, no evidence of other indemnity benefit exposure, no obvious question of compensability, no evidence of potential subrogation or second injury fund recovery, no evidence of problematic medical issues and no requirement or need for any formal statements.</li> </ul>	

<ul style="list-style-type: none"> <li>▪ <b>Report Only/Incident Only Claims</b> – Reported claims which require only input into RMIS system and requires no claims management activity.</li> </ul>	
<p><b>Annual Administration</b></p>	<p><b>\$5000</b></p>
<ul style="list-style-type: none"> <li>• Designated client service team</li> <li>• Development of specific client service requirements</li> <li>• Monthly loss reporting</li> <li>• Quarterly claim reviews at client's request</li> <li>• Issuance of 1099's</li> <li>• Assistance in filing of all required state forms including state mandated assessments                         <ul style="list-style-type: none"> <li>○ If Client has directed CCMSI to utilize a third party vendor selected by Client for the provision of services then such assistance will be the responsibility of the third party vendor</li> </ul> </li> <li>• Workers' compensation claim packets/state forms</li> <li>• Preparation for, compliance with and response to regulatory audits</li> <li>• Account Management and Administration</li> <li>• Ability to generate OSHA 300 Log and 300A OSHA Summary</li> </ul>	
<p><b>Account Set-up (One time only fee)</b></p>	<p><b>\$5000</b></p>
<p><u>Initial set-up meeting to review and establish the following:</u></p> <ul style="list-style-type: none"> <li>• Computer Set-up</li> <li>• Banking and Funding</li> <li>• Reports</li> <li>• Special Claim Handling Guidelines</li> <li>• All Other Miscellaneous Start-up Issues</li> </ul>	
<p><b>Internet Claim Access</b></p>	<p><b>\$2500</b></p>
<p><u>Internet claims system for 5 users which includes:</u></p> <ul style="list-style-type: none"> <li>• Viewing access to all claims data</li> <li>• Risk Management statistical analysis</li> <li>• Comprehensive and complete access to claims management process</li> <li>• On-line reports</li> <li>• On-line reporting capability via the internet</li> <li>• Ability to generate OSHA 301 Form First Report of Injury</li> </ul>	
<p><b>Loss Control Services</b></p>	
<p>CCMSI will provide the Client loss control services upon mutual agreement of the parties. The client shall remain fully responsible for the implementation and operation of its own safety programs and for the detection and elimination of any unsafe conditions or practices.</p>	

CCMSI assumes no responsibility for the detection, identification, communication, mitigation, or elimination of any unsafe condition or practice associated with the safety program of any client. Further, CCMSI assumes no responsibility for any injury sustained by an employee of the client.



<b>Managed Care Service</b>	<b>See Detail</b>										
<p style="text-align: center;"><b>Provider Bill Re-pricing</b></p> <table border="1" data-bbox="203 525 1120 777"> <thead> <tr> <th><i>Service</i></th> <th><i>Fee</i></th> </tr> </thead> <tbody> <tr> <td>Usual and Customary re-pricing</td> <td>\$10.00 per bill</td> </tr> <tr> <td>Fee Schedule state re-pricing</td> <td>\$10.00 per bill</td> </tr> <tr> <td>Medical Bill State Reporting for applicable medical bills to reportable state</td> <td>\$1.50 per reportable bill</td> </tr> </tbody> </table> <p style="text-align: center;"><b>PPO Re-pricing / Out of Network Negotiations</b></p> <table border="1" data-bbox="203 840 1120 924"> <tr> <td style="text-align: center;">PPO re-pricing / Speciality and Hospital bill negotiation is billed at 33% of savings</td> </tr> </table> <p style="text-align: center;"><b>Pharmacy Network Services</b></p> <table border="1" data-bbox="203 987 1120 1029"> <tr> <td style="text-align: center;">Pharmacy Network services are priced at 33% of savings.</td> </tr> </table>	<i>Service</i>	<i>Fee</i>	Usual and Customary re-pricing	\$10.00 per bill	Fee Schedule state re-pricing	\$10.00 per bill	Medical Bill State Reporting for applicable medical bills to reportable state	\$1.50 per reportable bill	PPO re-pricing / Speciality and Hospital bill negotiation is billed at 33% of savings	Pharmacy Network services are priced at 33% of savings.	
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<p><b>State Reporting EDI</b></p> <p>Initial reporting \$10 per report Subsequent reports \$5 per report</p>	<p><b>\$10 FROI \$5 SROI</b></p>										
<p><b>Index Bureau</b></p> <p>Note: The above index fee is a direct pass through charge for ISO. If ISO increases their current market rate per index, CCMSI will adjust the above fee accordingly.</p>	<p><b>Current ISO Market Rate = \$12.30/Per Index</b></p>										
<p><b>Subrogation</b></p> <p>25% of recovery with a cap of \$50,000 per claim.</p>	<p><b>25% of Recovery</b></p>										
<p><b>Data Conversion Fee (one-time fee)</b></p> <p>This includes the transfer of claim data from the prior TPA(s) claim system to CCMSI (if applicable).</p>	<p><b>N/A</b></p>										
<p><b>MMSEA Section 111 Reporting</b></p> <p>CCMSI in conjunction with our reporting agent will comply with MMSEA Section 111 Reporting on behalf of (ACCOUNT NAME).</p> <ul style="list-style-type: none"> <li>All injury claims will be queried to CMS for Medicare eligibility (no charge).</li> </ul>	<p><b>\$25/Per Claim Hit</b></p>										



<ul style="list-style-type: none"> <li>CCMSI will collect additional mandatory data on claims where Medicare eligibility has been verified. CCMSI along with our reporting agent will report all claims meeting the reporting guidelines as set forth by CMS. (one-time \$25 per claim fee)</li> </ul>	
<b>Carrier Fees</b>	<b>TBD</b>
If applicable, Client will be responsible for payment of any carrier fees associated with the transition of claim handling responsibilities to CCMSI.	
<b>Special System Reports</b>	<b>\$125 an hour</b>
CCMSI will provide special reports, (reports not currently programmed or written) for a fee of \$125 per hour for system programming time. CCMSI will provide an estimate of charges before any work will be done.	
<b>Taxes</b>	<b>See Detail</b>
CCMSI fees will be increased by any applicable Sales, Gross Receipts, or similar (excluding income) taxes imposed by Federal, State or Local bodies.	
<b>GRAND TOTAL</b>	
<b>Fee &amp; Payment Schedule</b>	
<p>The quarterly installments will be due on</p> <p>Subsequent year service fees shall be subject to an annual 3% increase as previously indicated in Exhibit F.</p>	

Executed this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

**CANNON COCHRAN MANAGEMENT SERVICES, INC.**

By: \_\_\_\_\_  
Rodney J. Golden

Its: Chief Operating Officer/Executive Vice President

**CLIENT NAME**

By: \_\_\_\_\_

Its: \_\_\_\_\_