

**RENEWAL OF A SERVICE AGREEMENT BETWEEN THE VILLAGE OF OAK PARK
AND PMA MANAGEMENT CORP.**

THIS RENEWAL OF THE SERVICE AGREEMENT DATED JUNE 21, 2017 (hereinafter referred to as the "Renewal") between the Village of Oak Park, an Illinois home rule municipal corporation (hereinafter referred to as the "Village"), and PMA Management Corp., a Pennsylvania corporation authorized to conduct business in the State of Illinois (hereinafter referred to as the "Contractor") is entered into as of the effective date set forth below (collectively referred to as the "Parties").

RECITALS

WHEREAS, the Parties previously entered into Service Agreement dated June 21, 2017 ("Agreement") for the Contract to provide third party administrator services performed by the Contractor for the Village's self-insured workers' compensation program and other services as set forth in the Agreement; and

WHEREAS, Section H(1) of the Agreement provides that the Parties may renew the Agreement at fees to be agreed upon; and

WHEREAS, the Parties seek to renew the Agreement for a three (3) year term beginning on August 1, 2020 and ending on July 31, 2023 for the fees as more fully set forth in Exhibit A, attached hereto and incorporated herein by reference.

NOW, THEREFORE, in consideration of the foregoing, and the mutual covenants and agreements contained herein and other good and valuable consideration, the receipt and sufficiency of which is acknowledged by the Parties, the Parties hereto agree as follows:

1. **RECITALS INCORPORATED.** The above recitals are incorporated herein as though fully set forth.
2. **RENEWAL OF AGREEMENT.** The Agreement between the Parties is hereby renewed for an additional three (3) year term beginning on August 1, 2020 and ending on July 31, 2023 for the fees as set forth in Exhibit A.
3. **OTHER PROVISIONS OF THE AGREEMENT TO REMAIN IN EFFECT.** All other terms and conditions of the Agreement shall remain in full force and effect, except as set forth herein.
4. **MANAGED CARE FEES.**
 - a. The Village agrees to exclusively utilize the following Contractor's managed care services:

- i. Contractor's medical bill review and repricing services, which may include but are not limited to:
 - 1. reviewing medical documents for appropriateness, relatedness to the injury or accident, unbundling, and conformity to applicable fee schedule or usual and customary re-pricing; and
 - 2. utilizing Contractor's complex bill review process to review certain medical bills for possible additional savings.

- ii. Contractor's managed care networks which include:
 - 1. traditional networks (e.g. physicians and medical facilities);
 - 2. specialty networks (e.g. providers of durable medical equipment, diagnostic testing, physical therapy, pain management, home health, and dental services); and
 - 3. out-of-network services from Contractor and third-party vendors.

- iii. Contractor's pharmacy benefit management program (e.g. bill repricing, home-delivery, brand-to-generic conversion, customized formularies, narcotic management, drug utilization review).

- iv. Utilization of telephonic or onsite nurse case management services when any of the following criteria are met:
 - 1. loss of bone or loss of soft tissue requiring surgical intervention;
 - 2. spinal cord injury;
 - 3. inpatient surgical procedures;
 - 4. third degree burns;
 - 5. multiple complex fractures;
 - 6. crush injuries requiring poor initial medical outcome;
 - 7. head injuries with cognitive impairment or loss of consciousness;
 - 8. immediate post-injury hospital admission
 - 9. multiple trauma; or
 - 10. adjuster identified assignments.

Continued telephonic or onsite case management will proceed at the discretion of Contractor.

- b. Contractor shall also provide the Medicare related services set forth in Exhibit A to this Renewal.

- c. Contractor's Medical Managers are authorized to provide Contractor's Point of Sale Nurse Intervention Program on all claims at Contractor's discretion to assist with seeking improved claim outcomes. The Program will review incoming claimant medications which are outside of Centers for Disease Control and Prevention guidelines, and recommend an intervention strategy which may include potential weaning, drug testing, and peer reviews to attempt to mitigate long term dependency at the point of sale.
- d. Contractor is authorized to employ utilization review services for evaluation of reasonableness, necessity, duration, and frequency of treatment or medication. These services may include, but are not limited to the following:
 - i. Prospective Review - a review prior to treatment or admission conducted by an experienced registered nurse to validate the necessity, frequency and duration of treatment.
 - ii. Concurrent Review - a review during the course of treatment conducted by an experienced registered nurse to evaluate treatment and planned procedures and establish target completion dates.
 - iii. Retrospective Utilization Review - a review after the completion of treatment conducted by an experienced registered nurse to identify inappropriate treatment utilization.
 - iv. Peer Review or Physician Advisor Review - physician-to-physician review and contact to resolve questions related to treatment and diagnosis.
- e. Contractor is authorized to employ prospective and concurrent utilization review services may also include the use of physician advisor review such as for cases that are complicated and warrant physician review to resolve treatment or diagnosis questions.
- f. Upon the Village's request, Contractor will utilize Contractor Care24 point of injury nurse triage to assist with determining the direction of care when an injury is reported. This service may include but is not limited to a Medical Manager providing self-care recommendations to the claimant, first notice of loss reporting, direction of care into the network or to a panel provider, or a recommendation for use of emergency room care.
- g. Contractor may retain third party vendors for the purpose of providing specific medical management services.

JUL 21 2020

P.L. Slight
LAW DEPARTMENT

5. **RISK MANAGEMENT INFORMATION SYSTEMS (RMIS).**

a) Contractor will provide the following additional RMIS services:

- i. Assist the Village with Occupational Safety and Health Administration ("OSHA") recordkeeping services, including recordability decisions and time tracking in individual cases. Contractor will provide the Village access to Contractor's RMIS reporting tool to generate OSHA 301 forms, OSHA 300 logs, and 300A summary reports, as well as verify data capture on Village's OSHA logs.
- ii. Contractor's OSHA related services are only intended to aid the Village in its compliance obligations. The Village remains responsible for compliance with OSHA requirements. Contractor does not assume Village's OSHA obligations.

6. **EFFECTIVE DATE.** This Renewal shall be effective on the last date of its execution by one of the Parties as reflected below.

IN WITNESS WHEREOF, the Parties hereto have caused this Renewal to be signed by their duly authorized representatives on the dates set forth below.

VILLAGE OF OAK PARK

PMA MANAGEMENT CORP.

Cara Pavlicek

By: Cara Pavlicek
Its: Village Manager

Dated: 7/21, 2020

Frank X. Altieri III

By: Frank X. Altieri, III
Its: President

Dated: August 4, 2020

ATTEST

ATTEST

Vicki Scaman

By: Vicki Scaman
Its: Village Clerk

Dated: 7/21, 2020

Stephen Sartner

By: Stephen Sartner
Its: AVP, AGC - Asst. Sec.

Dated: August 4, 2020

EXHIBIT A

FEE AND PAYMENT SCHEDULE

Claim Handling Fees

For claim handling services to be rendered under this Renewal, the Village shall pay the Contractor an annual estimated fee based upon the projected number of claims to be serviced by the Contractor during the term of this Renewal. The annual estimated fee due to Contractor is \$16,800, payable in equal quarterly installments as invoiced by Contractor.

At the end of the first and second term years of this Renewal, Contractor shall calculate for each year the actual fees for services based upon the number of claims multiplied by the following per claim fees:

\$785 for each new Indemnity Claim

\$275 for each Takeover Indemnity Claim

\$131 for each new Medical Only Claim

\$25 for each Record Only Claim

At the end of the third term year of this Renewal, Contractor shall calculate for that year the actual fees for services based upon the number of claims multiplied by the following per claim fees:

\$810 for each new Indemnity Claim

\$275 for each Takeover Indemnity Claim

\$135 for each new Medical Only Claim

\$25 for each Record Only Claim

For each year of this Renewal, if Contractor determines the annual estimated fee paid by Village is less than the calculated actual fee incurred by the Village, then Contractor shall issue an invoice to reflect the amount due and owing by the Village. If Contractor determines the annual estimated fee paid by the Village is greater than the calculated actual fees incurred by the Village, then Contractor shall return the overpayment to the Village.

Other Fees

As compensation for the TPA services provided in this Renewal, the Village agrees to pay Contractor the fees identified in the Fee Schedule set forth below.

<u>Service Type</u>	<u>Amount</u>	<u>Billed</u>
Managed Care:		
Bill review and repricing	\$8.50 per bill, plus 29% of savings over and above fee schedule and/or usual and customary	Monthly
Utilization review	\$105 per review	Monthly
Medical management services	\$98.00 per hour	Monthly
Medical consultant review	\$235 per review	Monthly
PMA Care 24	\$98.00 per call	Monthly
Point of Sale Pharmacy Program	\$35.00 per review	Monthly
Medical Director	\$250 per hour	Monthly
Medicare Solutions		
Section 111 Reporting	\$8.00 per claim queried	Monthly
Medicare Set-Aside Allocation	\$2,100 each	Monthly
CMS Submissions	\$600 each	Monthly
Medicare Conditional Payment Research	\$125 each	Monthly
Medicare Conditional Payment Appeal or Dispute	\$250 each	Monthly
Medicare Conditional Payment Research Final Demand	\$50 each	Monthly
Medical Cost Projections	\$1,800 each	Monthly
Evidenced Based MSA	\$2,100 each	Monthly
Life Care Plan	\$175 per hour	Monthly
Legal Nurse Review	\$1,800 per review	Monthly
Update (of prior MSA report)	\$750 per report	Monthly
Resolution Services	\$125 per hour	Monthly
Medicare/Social Security Verification	\$195 each	Monthly
Medicaid Conditional Payment Research	\$250 each	Monthly

Medicare Advantage Plan Conditional Payment Negotiation	\$500 each	Monthly
Provider Relations Specialist	\$98 per hour	Monthly
Information Systems:		
RMIS fee	\$6,000 for up to 3 users \$500 each add'l user	Annually Agreement terminated until is Annually
Customized Reporting	\$95.00 per hour	Monthly
Risk Control:		
General	\$135 per hour	Monthly
Industrial hygiene services	\$140 per hour	Monthly
Special Projects	To be determined	As incurred
Claim Adjustment:		
Vocational Rehabilitation	\$98.00 per hour	Monthly
Claim Indexing	\$7.90 - \$13.10 depending upon search method and services	Monthly
Other:		
Administrative	\$4,200	Annually Agreement terminated until is
Subrogation	No Charge	As recovered
Recover to Work	\$98.00 per hour	Monthly
Standard Data Extract (upon termination)	\$2,500	As incurred
OSHA reporting preparation services	\$10 per incident \$1,500 annual minimum	Monthly

