

McHenry County Government Center
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Administration Building Room 200
Woodstock, IL 60098
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August 6, 2018

ADDENDUM #2
RFP #18-63 Workers' Compensation Program Third Party Administrator Services
Due August 14, 2018 by 3:00PM (CST)

Additions & Clarifications to RFP

Clarification #1: **Current TPA Agreement is attached; refer to Addendum #1, Question #18**

Third Party Administrator (TPA) Agreement

This agreement is entered into this 17th day of March, 2015 between Go Self Insured LLC (hereinafter sometimes referred to as GSI), an Illinois corporation having a principal place of business at 308 W. State Street, Suite 302, Sycamore IL 60178, and The County of McHenry, a Body Politic, having a principle place of business at 2200 North Seminary Avenue, Woodstock, IL 60098. The term of this Agreement shall be April 1, 2015 through November 30, 2016 with an option to extend the agreement for two additional 12 month periods, unless terminated or revoked as provided herein ("Term").

In consideration of the mutual covenants and agreements herein contained, the parties agree as follows:

1. Definitions:

- Indemnity Claim: a) a claim wherein a full investigation is warranted; and/or
b) a claim wherein medical and disability management is required; or
c) a claim that was originally set up as medical only but later in the claim condition 'a' or 'b' occurs.
- Medical only claim: a) a claim wherein only a cursory review of the claim is needed *and*
b) medical bills are reviewed and processed through GSI and/or the GSI database is used for logging payments of bills.
- Record only claim: a) a claim wherein any minor medical bills are paid by the customer and the claim is reported to GSI for tracking and statistical purposes only.
- Bill review activities: Medical bills processed for reduction to State fee schedule and/or PPO discount, or medical bills manually reviewed for reduction below billed amount.
- Claims review: An event wherein GSI writes a claim summary for an open claim and one or more open claims are formally reviewed with the customer, GSI, and/or the broker.
Note that routine discussions of claims, roundtable strategy sessions of a given 'problem' claim, or claims routinely discussed between GSI and customer, do not constitute a claims review.
- Allocated Expenses: Any fees charged by vendors utilized by customer or GSI, which are deemed necessary to effective file handling and whose services will be paid out of a claims 'expense' reserve bucket. Examples of allocated expenses may include defense attorney fees, surveillance fees, record copy services, defense IME's etc.

(Definitions continued)

- Excess Coverage claims Claims wherein the combined indemnity/medical/expense reserve activate the excess coverage policy T/E are not incurred on such a claim until the 25th month after the date of accident
- Administrative Claims Handling Fee Annual administrative fee charged to handle all claims provided to Go Self Insured by McHenry County
- Escrow Account Administration Annual charge to administer account established by McHenry County for payment of claims by Go Self Insured
- Online Riskmaster Access by customer to the GSI RMIS

2. Authority, Duties and Obligations of the Third Party Administrator

Go Self Insured warrants that its officers have authority to enter into this Agreement and to complete the duties contemplated under the terms of this Agreement

Go Self Insured agrees to perform the duties and/or services common to TPA standards

Go Self Insured agrees to carry out all business activities in a good and competent manner exercising best professional skill and judgment and in accordance with good business practices

3. Licensure

Go Self Insured is and will remain duly licensed and in compliance with all applicable state and federal laws and regulations governing its profession and will keep itself in good professional standing at all times. Go Self Insured will maintain in effect during the term of this Agreement all licenses, permits, registrations and certificates required by law for the performance of its duties under this Agreement and will further ensure that all of its officers, employees and agents maintain all such licenses, permits, registrations and certificates

4. Terms of Payment.

As consideration for the satisfactory performance of the services contemplated under this Agreement, The County of McHenry will pay Go Self Insured an annual fee as follows

	Contract period		Option Year 1	Option Year 2
Base Services Included	4/1/2015 to 11/30/2015	12/1/2015 to 11/30/2016	12/1/2016 to 11/30/2017	12/1/2017 to 11/30/2018
Administrative, Escrow, online RMIS fee	\$6,000	\$9,000	\$9,000	\$9,000
Auto Subrogation Claims handling fee	\$3,334	\$5,000	\$5,000	\$5,000

Indemnity/medical claims management fee (up to 80 claims in any combination)	\$13,800	\$20,700	\$20,700	\$20,700
Registration or record only claims in RMIS	No Fee	No Fee	No Fee	No Fee
Total Annual Fee:	\$23,134	\$34,700	\$34,700	\$34,700

GSI shall not incur any expenses or costs on behalf of the County or in performing the Services, other than what is provided for above, unless County specifically authorizes in advance such expenses or costs in writing. Such additional expenses may include, but are not limited to, travel and lodging expenses.

It is acknowledged that the fees for the contract period of 4/1-2015 to 11/30/2015 are based on an eight month proration of the \$34,700 annual fee. Fees are payable in 4 equal quarterly installments of \$8,675 except for the first payment which will be based on services provided for 4/1/2015 through 5/31/2015 (two months) in the amount of \$5,784.

At the County of McHenry's option, GSI will install and make functional a basic claims dashboard feature on designated workstations. GSI will charge a one-time fee of \$600 for installation of this feature.

The annual fee covers the following services:

Run-off claims

GSI will

Continue to handle open claims taken over at the inception of the original contract. GSI will continue to manage these claims to closure or until this contract is terminated or not renewed, by utilizing exit strategies on each claim.

New claims

GSI will

- Handle up to 80 new worker's compensation claims annually,
- Provide record only (first aid) claims tracking,
- Provide onsite visits as needed,
- Perform up to 4 formal claim reviews annually,
- Report excess coverage claims to current excess carrier and maintain reporting as required for each claim,
- Each additional claim beyond the 80 total combined claims is priced as follows:
 - Indemnity claim \$500
 - Medical only claim \$100

Indemnity, medical, expense, and legal claims costs are all paid directly by The County of McHenry, tracked through the GSI RMIS database. GSI will maintain an escrow account and provide appropriate reports to the County of McHenry as needed.

Management of Worker's Compensation Risk

GSI will

- Write and implement an annual customer service plan, encompassing the areas of worker's compensation risk management including loss prevention, claims, managed care, and data support McHenry County staff must agree to collaborate in construction of the service plan, if a service plan is desired by McHenry County
- Participate as requested in The County of McHenry internal meetings, provide assistance in writing, implementing, and governing new policies, procedures, and programs that may effect the cost of worker's compensation or other risk management concerns
- Conduct meetings with The County of McHenry staff involved in carrying out the activities implied within this contract for purposes of role definition and responsibility, so that top efficiencies in execution are maintained
- Meet with managers of The County of McHenry as needed for purposes of showing the current cost of risk and plans designed to manage same
- Provide online access to our RMIS database for purposes of claims interaction and management Online access is granted for the life of this contract.
- Provide online access to Go Self Insured's basic claims data dashboard
- Provide initial screening for claimant qualification to the MMSEA Federal mandate

Auto Subrogation Claims

GSI will handle up to 30 3rd party auto subrogation claims in behalf of McHenry County All recovered monies are returned to McHenry County with no fee withheld for GSI.

Additional Services available on an ala carte basis

Service	Fee
Telephonic Nurse Case Management	\$85 per hour
Advanced analytics data dashboard	\$200 per hour development fee \$80 per month maintenance fee
Medical bill review and re-pricing	TBD
Mobile RMIS app for smartphone	\$500 installation fee per device
Mobile Risk Management app for smartphone	\$500 installation per device
Use of Riskmaster for OSHA purposes	\$100 per month

Any additional services, as outlined above, must be requested in writing by the County

5. Records

Go Self Insured agrees to keep such books and records as will be required to demonstrate the services rendered However, The County of McHenry acknowledges that all claim hard files are owned and stored by The County of McHenry, and that such records are maintained at The County of McHenry Both parties acknowledge that the Risk Management Information Services (RMIS) database used for processing of claims is Riskmaster, a database owned and maintained by Go Self Insured

Upon termination of this contract, either by early termination by mutual agreement, or by reason of expiration of this contract, Go Self Insured agrees to retain The County of McHenry's electronic data for up to 2 years in the Riskmaster system, or until such time as a data transfer occurs

6. Term and Termination.

The term of the Agreement will commence on 04/01/2015 and expire on November 30, 2016. The County may choose to execute up to two additional 12 month option terms upon the expiration of the Initial term by notifying GSI in writing of its decision to exercise an option term at least 30 days prior to the expiration of the current term. Nothing in this agreement shall be construed to create an automatic renewal, or exercise of an option term, without written notice by the County of its intent to enter into an option term. Notwithstanding the foregoing, either party may terminate this contract without cause by providing 30 day written notice of contract cancellation to the other party. In the event of termination by the County, the County shall be relieved of any obligation to pay the annual fee for any subsequent years. In the event of termination by GSI, the County shall be reimbursed a prorated share, based on the date that services terminate, of the annual fee paid to GSI. Upon termination of this contract prior to the expiration date, Go Self Insured reserves the right to terminate handling of all claims on the 30th day after the contract has been terminated. Upon expiration of the initial term or the first 12 month option term without renewal, GSI will no longer handle claims for the County. Upon termination of this agreement, GSI shall not incur any costs for data transfer. Go Self Insured reserves the right to invoice parties for internal IT costs that may be reasonably incurred as part of the data transfer as agreed to in writing by the County.

7. Indemnity.

GSI liability for any matter arising under this Agreement or from any transaction contemplated herein, including without limitation the provision of Services, shall not exceed the actual amount paid by an insurer as a result of any claim made with respect to such matter under GSI's insurance policies.

GSI agrees to hold harmless and defend The County of McHenry, its officers, agents, and employees from any and all liabilities including claims, demands, losses, costs, damages, and expenses of every kind in connection with or occurring during the course of this agreement where liability is founded upon and grows out of the acts or omissions of any of the officers, employees, or agents of The County of McHenry while acting within the scope of this contract.

Furthermore, GSI agrees to defend, indemnify and hold County harmless from and against all claims, demands, liabilities, losses, damages, suits, judgments, costs and expenses (including reasonable attorney's fees and costs of defense) in any manner arising out of the infringement or alleged infringement of any United States patent, trademark, trade dress, copyright or other intellectual property arising out of the Services provided by the GSI to County.

Each party agrees to keep the other fully informed of any matter for which it is defending, holding harmless, or indemnifying the other party.

8. Assignment

Go Self Insured will not transfer or assign any of the work and services or claims which may arise under this Agreement without the prior written consent of The County of McHenry.

9. Confidential and Proprietary Information

Go Self Insured acknowledges and agrees that its employees and agents may have access to proprietary and confidential information, including, but not limited to, business and financial information and plans of The County of McHenry and other third parties, pricing and profit information, lists of actual or potential customers, documents reflecting information of existing customers and/or employees and intellectual property of The County of McHenry. Go Self Insured agrees that all such information will be held in the strictest confidence, that Go Self Insured employees and agents will not reveal the same to any third parties, that Go Self Insured will not make or retain any copies thereof and upon termination or expiration of this Agreement will return all such confidential information. Go Self Insured further agrees that its employees and agents will not, except for the performance of services hereunder, make any use of such information, plans and intellectual property.

Disclosure of Confidential Information shall be permitted if such disclosure is in response to a valid order of a court or other governmental body of the United States, any State, or any political subdivision thereof or is otherwise required to be disclosed by law (including the Freedom of Information Act). GSI agrees to waive any and all potential claims or causes of action against the County and its employees arising out of the County's disclosure of GSI's Confidential Information when such disclosure is made pursuant to the Freedom of Information Act.

Parties acknowledge and agree that the foregoing obligations will survive the termination or expiration of this Agreement.

10. Governing Law and Venue

This Agreement will be construed and governed by the laws of the State of Illinois. Proper venue for any causes of action arising out of this agreement shall be the 22nd Judicial Circuit, McHenry County, Illinois.

11. Insurance requirements

At GSI's sole expense, GSI shall be required to maintain at all times, for the duration of this Agreement, insurance coverage issued by a company or companies qualified to do business in the State of Illinois with a Best's Rating of A or higher and with a Best's financial size category of Class XIV or higher, in the following types and amounts:

- A. Commercial General Liability in a broad form, to include, but not limited to, coverage for the following where exposure exists: Bodily Injury and Property Damage, Premises/Operations, Independent Vendors, Products/Completed Operations, Personal Injury and Contractual Liability,
 - limits of liability not less than \$500,000 per occurrence and \$1,000,000 in the aggregate,

- B. Business Auto Liability to include, but not be limited to, coverage for the following where exposure exists: Owned Vehicles, Hired and Non-Owned Vehicles and Employee Non-Ownership, limits of liability not less than

- \$1,000,000 per occurrence combined single limit for: Bodily Injury Liability and Property Damage Liability;
- C. Workers' Compensation Insurance to cover all employees and meet statutory limits in compliance with applicable state and federal laws. The coverage must also include Employer's Liability with minimum limits of \$100,000 for each incident.
- D. Professional Liability Insurance with \$1,000,000 per occurrence and \$1,000,000 in aggregate.

GSI agrees that with respect to the above-required insurance that County shall be provided with Certificates of Insurance evidencing the above required insurance, prior to commencement of the Agreement and thereafter with certificates evidencing renewals or replacements of said policies of insurance at least fifteen (15) days prior to the expiration or cancellation of any such policies. The contractual liability arising out of the Agreement shall be acknowledged on the Certificate of Insurance by the insurance company.

In addition to being named as an additional insured on the Certificate of Insurance, each liability policy shall contain an endorsement naming County as an additional insured. A copy of the endorsement shall be provided to County along with the Certificate of Insurance.

County shall be named as an additional insured and the address for certificate holder must read exactly as:

County of McHenry, a body politic
2200 N. Seminary Avenue
Woodstock, IL 60098

Insurance Notices and Certificates of Insurance shall be provided to:


McHenry County, Purchasing Department
2200 N. Seminary Avenue, Room 200
Woodstock, Illinois 60098

12. Entire Agreement

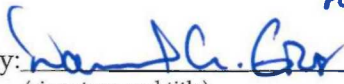
This contract is the exclusive statement of the entire Agreement of the parties and no statement, promise, inducement or other representation whether oral or written made by either party not contained in this Agreement will be valid or binding.

IN WITNESS WHEREOF, the parties or their authorized representatives have read, understood and executed this Agreement in duplicate on the date indicated below.

Go Self Insured LLC

By: 
(signature and title) President

The County of McHenry

By:  *For Mc Henry County*
(signature and title) DIRECTOR OF PURCHASING

(date)

Witness: _____
(signature)

5/11/15

(date)

Witness: _____
(signature)