

**SIXTH AMENDMENT TO
THIRD PARTY CLAIMS ADMINISTRATION AGREEMENT**

This Sixth Amendment to Third Party Claims Administration Agreement (this “**Sixth Amendment**”) is effective as of October 1, 2023 (the “**Sixth Amendment Effective Date**”) and amends the Third Party Claims Administration Agreement dated September 19, 2017, as amended (the “**Agreement**”) between Gallagher Bassett Services, Inc., a Delaware corporation (“**GB**”), and City of Lake Worth Beach, a municipal corporation existing under the laws of the State of Florida (“**Client**”).

WHEREAS, the Client and GB entered into the Agreement pursuant to Client issued RFP 17-208;

WHEREAS, the Agreement had an Initial Term of one (1) year with four (4) additional one (1) year Renewal Terms, extending through October 1, 2022;

WHEREAS, the parties have continued to renew and extend the Agreement by mutual agreement; and

WHEREAS, the Client desires to renew and extend the Agreement for one (1) additional Renewal Term to allow it time to follow the competitive procurement process.

In consideration of the mutual promises contained herein, the parties agree as follows:

1. The following shall be added as a new Section 1.5 of the Agreement:

1.5 Vendors and Subcontractors. GB utilizes its preferred vendors and service providers to provide medical management and ancillary claims management services. Other than GB’s preferred vendors and service providers, GB will not and shall not use subcontractors to provide Services under this Agreement without the consent of Client.

2. Section 8.8 of the Agreement is hereby modified to add the following:

f. GB shall maintain during the term of the Agreement cyber liability coverage in the amount of \$1,000,000 per occurrence and \$2,000,000 aggregate. Such coverage shall be sufficiently broad to respond to the duties and obligations as set forth in the Agreement and shall include claims involving data breach, media content, infringement of intellectual property, invasion of privacy violations, information theft, damage to or destruction of electronic information, release of private information, alteration of electronic information, extortion and network security. The policy shall provide coverage for breach response costs as well as regulatory fines and penalties as well as credit monitoring expenses.

3. Section 9.1 of the Agreement is hereby modified so that the expiration of the Term of the Agreement is extended through October 1, 2024.

4. The following shall be added as a new Section 10.15 of the Agreement:

10.15 Procurement Compliance. GB shall, to the extent applicable, comply with the requirements under *Section 448.095(2), Florida Statutes as well as section 287.135, Florida Statutes*.

5. The contact information for the Client’s public records custodian under Section 12 of the Agreement is amended to replace the email address with cityclerk@lakeworthbeachfl.gov.
6. Exhibit A of the Agreement is hereby deleted in its entirety and replaced with Exhibit A attached hereto, effective as of the Sixth Amendment Effective Date.

7. In all other respects, the Agreement shall remain unaltered and in full force and effect.

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SIGNATURE PAGE FOLLOWS

IN WITNESS WHEREOF, the parties have executed this Sixth Amendment to the Third Party Claims Administration Agreement by their duly authorized representative as of the Sixth Amendment Effective Date.

CITY OF LAKE WORTH BEACH, FLORIDA

ATTEST:

By: _____ Betty
Resch, Mayor

By: _____
Melissa Ann Coyne, City Clerk


APPROVED AS TO FORM AND
LEGAL SUFFICIENCY:

APPROVED FOR FINANCIAL
SUFFICIENCY

By: _____
Glen J. Torcivia, City Attorney

By: _____
Yannick Ngendahayo, Financial Services Director

GALLAGHER BASSETT SERVICES, INC.

By:  _____ Name:
Liz Staruck

[Corporate Seal]

The foregoing was acknowledged before me by an individual duly authorized to execute the foregoing instrument and bind Gallagher Bassett Services, Inc.

By:  _____

Print Name: Stephanie L. Renguso

Title: Corporate Counsel

Date: 09/12/23

EXHIBIT A COST & TERMS

FLAT FEE - LIFE OF PARTNERSHIP	Est. Claim Frequency		Fee
Workers' Compensation			
WC Medical Only			Included
WC Indemnity (OH, TX)			Included
WC Indemnity (FL)			Included
WC Indemnity (NY)			Included
Incidents - Workers' Compensation			Included
Total Workers' Compensation Flat Fee			\$26,452
Liability			
Auto Liability/Bodily Injury			Included
Auto Liability/Property Damage			Included
Auto/Physical Damage			Included
General Liability/Bodily Injury			Included
General Liability/Property Damage			Included
Professional Liability			Included
Incidents - Liability			Included
Total Liability Flat Fee			\$49,409
Property			
Property			Included
Incidents - Property			Included
Total Property Flat Fee			\$4,260

ADMINISTRATIVE SERVICES	Quantity	Rate	Fee
Administrative Services			
Administration / Data Management			\$9,298
RMIS Standard License (2 RMIS Users)			Included
RMIS Additional Full-Access Users	0	\$1,000	\$0
RMIS Additional View-Only Users	1	\$500	\$500
Total Administrative Services			\$9,798

TOTAL			\$89,919
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Assumed Fees			\$0
GRAND TOTAL USD			\$89,919

- The above fees contemplate 103 total newly arising claims. Should the City's claim volume vary by more than 10%, GB reserves the right to proportionately modify these fees.



City of Lake Worth Beach

10/01/2023 - 10/01/2024

- This is a one year contract extension effective 10/1/23 - 10/1/24.

GBCARE MEDICAL MANAGEMENT SERVICES

SERVICES	CHARGES
Fee Schedule (Bill Review / UCR / System Savings)	\$ 9.50 Per Bill
All Other Savings	
• Clinical Validation/Nurse Review (CV)	28 % of Savings
• Preferred Provider Networks (PPO)	28 % of Savings
• Out Of Network (OON)	28 % of Savings
• Specialty Networks/Physical Therapy (PT)	28 % of Savings
Electronic Receipt of Medical Bills	\$2 additional per bill
Telephonic Case Management	\$90 Medical Triage one time per file \$340 per claim (each 30 days)
Utilization Review Program	\$105 Outpatient Pre-Certification \$29 Letter Only Authorization Program
UR Physician Review	\$270 per Review
California UR IMR Processing	\$125 per IMR Request
Medical Case Management and Vocational Rehabilitation - Hourly	\$115 per hour plus expenses \$135 per hour plus expenses - AK, CA, HI, NY \$175 per hour plus expenses CAT \$225 per hour plus expenses CAT - AK, CA, HI, NY
Priority Care 365	\$95 per call - Language line charges apply where utilized
Other State Services:	For claims handled in the designated states (otherwise, Not Applicable)
• California MPN Service	No additional fees beyond the normal Cost & Terms
• Illinois PPP Service	No additional fees beyond the normal Cost & Terms
• New York PPO Service	No additional fees beyond the normal Cost & Terms
• Texas HCN Service	Percent of savings: 9.5% of total savings to include bill review, network access & Nurse triage.
• West Virginia MHCP Service	Available option if client enrolls in a West Virginia MHCP. If selected, fees include \$45 per claim. Network Management and Administration of \$45 per hour when required
Medical Cost Projection (MCP) and Clinical Recommendations	\$150 per hour
Pharmacy Benefit Management (PBM)	Cost of prescriptions - no charge for Bill Review or PPO reductions for PBM transactions
Durable Medical Equipment (DME) Program	Cost of medical equipment - no charge for Bill Review or PPO reductions for Prospective DME transactions
Dental Review Program	Charged on a per review basis



City of Lake Worth Beach

10/01/2023 - 10/01/2024

Client and GB agree as follows: If a vendor other than the GBCARE Medical Management Services preferred vendor is utilized, an administrative fee may apply in exchange for bona fide administrative services. The administrative services may include, but not be limited to overhead costs for the oversight and management of medical management vendors which includes the development and oversight of quality standards, development and maintenance of EDI interfaces and reports, and ensuring proper mandatory state compliance and reporting.

OTHER SERVICES

SERVICES	CHARGES
RMIS Additional Users (RMIS Standard License includes a set number of Full Access Users outlined under Administrative Services, and unlimited use of GB standard scheduled training classes)	RMIS View-only User, \$500 annually per user
	RMIS Full Access User, \$1,000 annually per user
Loss control	\$140 per hour
OSHA Reporting	\$6,000, OSHA platform to produce compliant OSHA 301 Report, 300 and 300a Logs, and electronic data file. Oversight and accuracy of all OSHA data is responsibility of the employer prior to posting or submitting any OSHA log.
Subrogation and Recovery	20% of net recovery amount less legal and collections expense based on recovery date Recoveries include subrogation, credits, lien waivers, file transfer (based on lien to date at time of transfer), and contribution or coverage handled in a separate action. Applies to all coverage types
Gallagher Bassett Investigative Services (GBIS)	
Special Fraud Investigations - SIU, Outside Field Investigations, Surveillance Investigations, Targeted Field Investigations	Prevailing hourly rate plus expenses
Targeted Database Searches, Self Service Database Searches	Prevailing rate per report
Gallagher Bassett Litigation Management Program (GBLMP)	
Invoice and Matter Management platform for adjusters/ counsel	If utilized, 2% of net legal invoice (invoice net of disbursements and invoice review savings). Charged as discount off total payment remitted to counsel and will be reflected as an allocated expense on the claim file.
5 client licenses for Legal Analytics platform	
Attorney-led legal bill review	
Gallagher Bassett Compliance Services (GBCS)	
Medicare Set-Aside Services: Allocation, CMS Submission, Medicare Eligibility Inquiry (MEI), SSDI Verification, Medical Cost Projection (MCP)	Prevailing rate per each service Rush fees apply for MSA completed within 5 business days MSA Revision fees apply
Medicare Secondary Payer Services: BCRC Notification, Conditional Payment Research (CPR), Conditional Payment Negotiations (CPN), Conditional Payment Notice Evaluation, Conditional Payment Dispute, Securing Final Demand for Settlement (SFD), Release / Settlement Agreement Review, Lien Research and Resolution (Advantage Plan, Medicaid, Part D)	Prevailing rate per each service
Taxes	
Taxes	All applicable taxes will be added to the service fees where required

PROGRAM SPECIFIC TERMS AND CONDITIONS

1. Claim Count Reconciliation:

- There will be no claim count reconciliation. The total flat fee will apply unless the claim counts are more than 10% higher than the estimated frequency. If the claim counts are more than 10% higher, GB will discuss revisions to the fee.

2. Billing and Payment Terms: Fees will be billed monthly during the service period.

3. Claim Pricing Terms:

Life of Partnership:

Claims will be handled for the life of the partnership with no additional per claim fees. If the client decides to non-renew all or a portion of the program, all open files will be handled in one of the following two ways:

- GB will return the files to the client (contingent upon Carrier approval) at the client's expense.
- GB will continue to handle the open files at our prevailing annual rate per year open.

Assumed Claims: Life of Partnership:

Claims will be handled for the life of the partnership with no additional per claim fees. If the client decides to non-renew all or a portion of the program, all open files will be handled in one of the following two ways:

- GB will return the files to the client (contingent upon Carrier approval) at the client's expense.
- GB will continue to handle the open files at our prevailing annual rate per year open.

Additional Charges:

There will be additional charges for ongoing Data Management (RISX-FACS®), RMIS users, Administration, Banking fees and monthly reports for as long as GB handles claims.

4. Account Administration includes the following:

- Client Services
- 2 Telephonic Claim Strategy Meeting(s)
- Detailed Status Reports All Lines of Business @ \$50,000
- Settlement Consultation All Lines of Business @ \$0
- Loss Fund /Banking Services (SIMMS)
- Claim Reporting
- Data Transfer to Carrier(s)
- Acknowledgement Letter to Injured Employee WC
- Acknowledgement Letter to Claimant Liab

5. Claim Charges: Claim and incident fees will be assessed on a per occurrence, per claimant, per line of coverage basis.

6. This material is the proprietary, confidential property of Gallagher Bassett Services, Inc. It has been provided to you for the sole purpose of considering a quote for claims administration services. It is not to be duplicated or shared in any form with anyone other than the individuals of such prospective client that have a business need to know the information. It must be destroyed or returned to Gallagher Bassett Services, Inc. after its intended use.

7. Gallagher Bassett Services, Inc. will not pay a fee, commission, or rebate to any party for the privilege of presenting our proposal or in order to secure the awarding of any program to Gallagher Bassett Services, Inc.

8. Pricing is based on using GBCARE Medical Management Services preferred vendors for Bill Review, PPO, out-of-network, utilization review, telephonic case management, MSA and field case management.

GENERAL CONTRACT TERMS AND CONDITIONS

1. Independent Adjusters - If applicable, following any significant loss as a result of a single event (hurricane, tornado, flood, earthquake, etc.), GB reserves the right to retain outside resources (adjusters) when appropriate and those fees will be paid as an Allocated Expense off the file.
2. The pricing quoted in this Cost & Terms is based upon the data and information provided by Client, as well as existing legislative and regulatory requirements. Material inaccuracies or changes to the foregoing may require adjustments to the quoted pricing.
3. Taxes - All applicable taxes will be added to the service fees where required.
4. Allocated Expenses: Shall be your responsibility as applicable and shall include, but not be limited to:
 - Legal Fees
 - Legal Bill Review
 - Medical Examination
 - Professional Photographs
 - Travel made at client's request
 - Costs for witness statements
 - Court reporter service, translation, and interpretation
 - Record retrieval and copying services (Including medical and legal)
 - Accident reconstruction
 - Experts' rehabilitation costs
 - Chemist
 - Fees for service of process
 - Collection cost payable to third parties on subrogation
 - Architects, contractors
 - Engineer
 - Any other similar cost, fee or expense reasonably chargeable to the investigation, negotiation, settlement or defense of a claim or loss which must have the explicit prior approval of the client
 - Police, fire, coroner, weather, or other such reports
 - Property damage appraisals
 - Vehicle appraisals (vehicle damage assessment)
 - SIU, surveillance and sub rosa investigation
 - Official documents and transcripts
 - Pre- and post-judgment interest paid
 - Outside Field Investigations
 - Subrogation at 20% of net recovery
 - Index Bureau Reporting (All Coverages)
 - Second Injury Fund Recovery
 - Data Intelligence Self-Service Reports
 - Medical Management - Medical Management services may include, but are not limited to:
 - Preferred provider organization networks
 - Utilization review services
 - Automated state fee scheduling
 - Light duty/return-to-work programs
 - Medical case management and Vocational rehabilitation network
 - Prospective injury management services
 - Hospital bill audit services

DEFINITIONS

Incidents

An incident is a loss reported electronically through ClaimLine and/or the Web, or set up manually at the branch. GB will review the incident and make a courtesy call (if necessary) to determine if it is a claim or incident. GB will have full discretion in the determination and handling of these incidents and/or their conversion into claim status.

Workers' Compensation - Medical Only Claims

A work-related Claim that meets all of the following criteria:

- Payments for either indemnity or vocational rehabilitation were not required
- The Claim has not become contested or in suit
- No investigation required to determine compensability or subrogation requirements
- No loss notices, captioned reports, client meetings (other than routine meetings where the claim is listed and noted) or settlement consultation approvals were required
- Payments on the Claim do not exceed \$5,000
- Days open do not exceed 180 days

Workers' Compensation - Indemnity Claims

A work-related claim that is not a Medical Only Claim.

Auto Physical Damage (APD)

Investigate, evaluate and adjudicate all first-party claims which you report involving damage or loss of real or personal property. First-party claims will be managed and administered in accordance with our product guidelines.

Liability Claims

Investigate, evaluate and adjudicate all third-party claims for which you may be legally obligated. Third-party claims will be managed and administered in accordance with our product guidelines.

Property Claims

Investigate, evaluate and adjudicate all first-party claims which you report involving damage or loss of real or personal property. First-party claims will be managed and administered in accordance with our product guidelines.