

REQUEST FOR PROPOSAL

WORKERS' COMPENSATION THIRD PARTY ADMINISTRATION SERVICES

Coverage Period: January 1, 2023 – January 1, 2024



Project Consultant:



Charlesworth Consulting, LLC
1828 Walnut Street
Suite 701
Kansas City, MO 64108
charlesworthconsulting.com

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1. Introduction

Proposed Insured:

City of Overland Park, Kansas

8500 Santa Fe Drive

Overland Park, KS 66212

Consultant Contact:

James Charlesworth

Charlesworth Consulting, LLC

1828 Walnut St

Suite 701

Kansas City, MO 64108

(816) 857 7849

[Jcharlesworth@charlesworthconsulting.com](mailto:jcharlesworth@charlesworthconsulting.com)

Coverage Period:

January 1, 2022 – January 1, 2023

Proposals Due:

2:00 PM Local Time, Friday, September 9, 2022

IMPORTANT! Any deviation from these specifications MUST be noted in your submission.

SUBMISSION OF PROPOSALS

Proposals must be submitted no later than **2:00 PM Local Time, September 9, 2022** to Charlesworth Consulting via email. The proposal must follow the rules and format established by this RFP. Failure to include requested information may result in the rejection of the proposal.

DISCLAIMER AND NON-WARRANTY OF INFORMATION

The information in this document is for informational purposes only and is not an underwriting submission. The responsibility for determining the full extent of the exposure to risk and verification of all information needed for underwriting shall rest solely on those responding to the RFP and marketing the proposed insured's insurance program. Neither the proposed insured nor its representative shall be responsible for any error or omission in this document, nor for the failure on the part of the quoting companies or their representatives to determine the full extent of that exposure.

The City reserves the right to accept or reject any or all proposals, and to waive any technicalities or irregularities in any proposal, and to make award to the response, which in the City's opinion is most advantageous to the City.

2. Intent

It is the intent of this Request For Proposal (“RFP”) to obtain the services of a qualified firm to provide third party claims administration of the City of Overland Park’s workers’ compensation program, as specified in these RFP documents.

It is of primary importance to the City:

1. To provide employees injured in the course and scope of their employment with the City such entitlements as required by applicable Kansas statutes.
2. To provide employees with quality and necessary health care related to workers’ compensation injuries or illnesses.
3. To manage claims in such a way as to encourage early recovery and early return to a productive work environment. (The City has an aggressive early return to work/limited duty program.)
4. To minimize litigation.
5. To identify and aggressively defend against fraudulent claims.
6. To fully comply with the provision of the Kansas workers’ compensation statutes.
7. To identify and aggressively pursue subrogation against third parties.
8. To partner with the City to understand their culture and provide quality customer service.

Assignments to outside providers, including medical examinations, investigation, vocational rehabilitation services, and defense counsel are to be managed by the Third-Party Administrator (TPA) with final approval of all such assignments from the City. The City’s Human Resources Department will assist the TPA in coordinating benefits, in contacting City personnel, in assisting with subrogation recoveries, in obtaining wage statements, and in obtaining any additional information required.

It is necessary that the selected TPA’s technical claims staff be knowledgeable in Kansas statutory workers’ compensation and maintain a working knowledge of statutory changes and the operation of the Kansas Division of Workers’ Compensation. Failure to provide an adjuster with sufficient training, experience and knowledge of Kansas workers’ compensation benefits and law shall be grounds for immediate termination of the contract. The City shall have full and unfettered discretion to determine if the qualifications and performance of the adjuster, or lack thereof, are acceptable.

CONTRACT PERIOD

It is the intention of the City to enter into a contract with the successful respondent for the twelve (12) month period beginning January 1, 2023 with up to four (4) additional one-year extensions. The City reserves the right to transfer any and all information to the successful respondent prior to January 1, 2023, to ensure that a successful transition of services, if so required, is accomplished.

3. Request for Information

Any request for clarification or additional information deemed necessary by any prospective respondent to present a proper proposal shall be submitted in writing to the Risk Manager, James Charlesworth, jcharlesworth@charlesworthconsulting.com. Requests for information and/or questions will be addressed if received by Monday, August 8, 2022. (Responses to these questions will be submitted back to all known participants). Any request received after the posted due date, will not be addressed.

SELECTION PROCESS

1. Proposals will be evaluated by the project team and will be based on a combination of the following criteria:
 - a. Quality of similar work that has been provided for other public and private entities.
 - b. Comparable experience and background of the specific personnel who shall be assigned to process City claims.
 - c. Overall responsiveness to the RFP.
 - d. Extent of applicable resources available to the respondent firm.
 - e. Understanding of service required by the City as evidenced in the proposal (i.e. administration requirements, location of claims office, claims processing procedures, reporting, inquiry response, etc.).
 - f. Fees for required services.
 - g. References.
2. After evaluating the proposals, the City may request additional information. At its discretion, the City may require any Respondent to make an oral presentation of the

proposal. These presentations provide an opportunity for the Respondent to clarify the proposal for the City. The City will schedule any such presentations between September 5 and September 6, 2022.

3. The City will evaluate the written proposals and will select the proposal which meets the best interests of the City. The City shall be the sole judge of its own best interests, the proposals, and the resulting negotiated agreement. The City's decisions will be final.

4. General Data

Organization:	Mayor/Council/City Manager
Website:	www.opkansas.org
Year Incorporated:	1960
Estimated Population:	185,000
Estimated Payroll (2022):	\$68,459,936
Employees:	986FT / 543PT

Operations consist of:

- Fire Department
- Law Enforcement
- Parks
- Swimming Pools
- Animal Control
- Engineering
- Traffic
- Planning & Building Inspections
- Facilities Management
- Recreation
- Municipal Court
- Administration

The City of Overland Park, Kansas has maintained a self-insured workers' compensation program since March 15, 1987. Thomas McGee has been the City's TPA since January 1, 2000.

City of Overland Park

Valued as of 07/01/2022

Policy Period	Claims	Med	LT	Open Claims	Total Outstanding	Total Incurred	Recovery	Net Incurred
01/01/1990 - 12/31/1990	1			1	\$33,083	\$511,523	\$175,753	\$335,770
01/01/1994 - 12/31/1994	1			0	\$0	\$95	\$0	\$95
01/01/1995 - 12/31/1995	2			0	\$0	\$95,272	\$0	\$95,272
01/01/1996 - 12/31/1996	2			0	\$0	\$247,044	\$0	\$247,044
01/01/1997 - 12/31/1997	1			0	\$0	\$55,070	\$0	\$55,070
01/01/1998 - 12/31/1998	13			0	\$0	\$93,918	\$0	\$93,918
01/01/1999 - 12/31/1999	54			1	\$462	\$221,624	\$43,392	\$178,232
01/01/2000 - 12/31/2000	104			2	\$1,026	\$276,392	\$0	\$276,392
01/01/2001 - 12/31/2001	116			2	\$228	\$466,732	\$605	\$466,127
01/01/2002 - 12/31/2002	100			3	\$1,480	\$306,262	\$7,490	\$298,772
01/01/2003 - 12/31/2003	92			2	\$1,033	\$279,896	\$15,921	\$263,975
01/01/2004 - 12/31/2004	115			4	\$3,600	\$384,918	\$2,728	\$382,190
01/01/2005 - 12/31/2005	113			0	\$0	\$162,783	\$2,309	\$160,474
01/01/2006 - 12/31/2006	105			4	\$4,559	\$269,354	\$2,551	\$266,804
01/01/2007 - 12/31/2007	109			2	\$9,167	\$273,314	\$886	\$272,428
01/01/2008 - 12/31/2008	105			1	\$701	\$130,908	\$0	\$130,908
01/01/2009 - 12/31/2009	93			4	\$46,254	\$945,223	\$2,279	\$942,944
01/01/2010 - 12/31/2010	108			3	\$23,899	\$548,034	\$16,449	\$531,585
01/01/2011 - 12/31/2011	103			6	\$27,996	\$388,106	\$49,856	\$338,250
01/01/2012 - 12/31/2012	96	93	3	0	\$0	\$202,473	\$0	\$202,473
01/01/2013 - 12/31/2013	96	81	15	2	\$10,023	\$617,843	\$59,610	\$558,232
01/01/2014 - 12/31/2014	86	81	5	0	\$0	\$290,761	\$20,618	\$270,143
01/01/2015 - 12/31/2015	97	89	8	1	\$18,453	\$331,230	\$23,280	\$307,950
01/01/2016 - 12/31/2016	100	91	9	2	\$125,378	\$676,777	\$0	\$676,777
01/01/2017 - 12/31/2017	89	80	9	1	\$600	\$336,653	\$0	\$336,653
01/01/2018 - 12/31/2018	91	82	9	0	\$0	\$444,557	\$0	\$444,557
01/01/2019 - 12/31/2019	100	91	9	1	\$23,776	\$442,716	\$0	\$442,716
01/01/2020 - 12/31/2020	68	54	14	8	\$389,595	\$1,012,502	\$0	\$1,012,502
01/01/2021 - 12/31/2021	69	57	12	8	\$134,982	\$696,244	\$0	\$696,244
01/01/2022 - 12/31/2022	34	32	2	28	\$69,576	\$101,607	\$0	\$101,607
Grand Totals				86	\$925,870	\$10,809,830	\$423,725	\$10,386,105

5. Proposal Procedures

ALL PARTICIPANTS **MUST** AGREE TO COMPLY WITH THE FOLLOWING.

ALL questions are to be placed **in writing** via e-mail to the attention of Charlesworth Consulting, LLC

The City reserves the right to modify or cancel these specifications after issuance.

Charlesworth Consulting will consider your proposal "Business Confidential". Information will become public record at the direction of the City.

Neither the City nor Charlesworth Consulting, will be responsible for any expenses incurred by a firm in preparing and submitting proposals.

These specifications and proposal format have been specifically designed for the City of Overland Park, Kansas and are not for further use or modification by any firm without the express written consent of Charlesworth Consulting.

Respondents will be prohibited from assigning, transferring, conveying, subletting, or otherwise disposing of this proposal or any resultant agreement or its rights, title or interest therein or its power to execute such agreement to any other person, agent, broker, company or corporation without the previous written approval of the City and Charlesworth Consulting.

The City reserves the right to select the proposal, which, at the sole discretion of the City, is determined to meet the needs of the City. Each proposer waives any claim against the City or Charlesworth Consulting should the City fail to select their proposal.

It is desired that respondents have staffed claim offices in the Kansas City metropolitan area capable of supporting the type of services required. The Kansas City metropolitan area is defined as Johnson and Wyandotte counties in Kansas, and Jackson, Clay, and Platte counties in Missouri.

6. Scope of Services

The services to be provided by the successful respondent shall include, but not be limited to, the following:

1. CLAIMS ADMINISTRATION

- a. Review and process all workers' compensation claims in accordance with the requirements of the Kansas Division of Workers' Compensation and the Kansas Workers' Compensation law, including determination of compensability of reported injuries and illnesses.
 1. The City self-administers medical-only claims with incurred costs of \$1,000 or below. TPA is to record these into the RMIS.
 2. The City occasionally utilizes its on-site health clinic for minor treatments. TPA must enter these services into the RMIS including a usual and customary amount for the services received, although no specific payment is made to the clinic.
- b. Coordinate medical treatment with the City's selected primary care provider*. Manage any required vocational or medical rehabilitation in conjunction with the City's Administrator, Safety & Loss Prevention. (*Note, the successful TPA may be requested to assist the City in seeking proposals for a primary care provider.)
- c. Determine eligibility for payment of medical treatment as well as compensation for permanent disability.
- d. Develop and maintain adequate individual claim reserve recommendations and provide continuous review of same to reflect changes.
- e. Establish and maintain a complete claim file for each reported accident and injury which shall be available for review by the City at any time.
- f. Assist the City with the filing of any and all reports, forms and documents as required by the Kansas Division of Workers' Compensation and other self-insurance regulatory agencies.

- g. Arrange for independent investigators, medical or other experts to the extent deemed necessary and authorized by the City, in connection with the timely processing of any qualified claim or loss.
- h. Make 2-4 "on site" investigations of injuries at the City's request at no Additional cost
- i. Monitor treatment programs prescribed for employees by health care providers by reviewing all reports prepared by treating physicians and specialists and by maintaining contact with treating providers, as may be appropriate.
- j. Coordinate claims handling activities with the City's Human Resources Department or other City staff which may from time to time be designated.
- k. Assist in the negotiation of settlements. All settlements must be approved by the City.
- l. Seek subrogation recovery on all claims involving a responsible third party.
- m. Provide a loss report in City summary form and by City departments which will assist the City in the analysis of claims by cost, type of injury, and type of action/occurrence to identify trends and developments in order to develop and maintain effective loss control programs as requested, but not less than two to four times per year.
- n. The claims supervisor shall be available to meet with the Human Resources Department for a current and open claims review two to four (2-4) times per year and as needed by the City's Human Resources Department, the City's occupational medicine provider, and City department representative on specific cases. The claims supervisor shall provide written updates regarding current and open claims to the Human Resources Department as needed.
- o. Maintain a bank account for payment of City claims, including funding transfer procedures as set forth in Appendix "A", section V.5.
- p. Prepare Federal 1099 forms and statement of claims audit on the City's behalf.

- q. Provide weekly and monthly check registers listing all checks, vouchers, voided checks, in numerical sequence and stating the date issued, claim number, claimant name, payee, amount, type of benefit paid, and benefit period and/or electronic access to said information.
- r. Prepare the annual loss report on losses paid for the preceding year for the Kansas Workers' Compensation Division assessment.
- s. Provide any and all information, bills, and data to authorized managed care providers as directed and/or requested.
- t. Prepare the annual loss ratio and related reports as directed by the City, including presenting to City Council, as requested.

2. RISK MANAGEMENT INFORMATION SYSTEM (RMIS)

- a. Keep accurate records of all claims. The initial data (loss runs) system requirements are set forth below. However, these may change as the program develops. The successful respondent will have the flexibility to implement changes as the need occurs and shall have an information system available that allows the City to run, access, and save reports with the following requirements:
 - 1) Claims must be coded by:
 - Department
 - Date and time of loss
 - Cause of Loss
 - Type of loss/injury/illness
 - 2) The system must maintain a record of lost time, by claim, by department, and total of all departments/divisions.
 - 3) For each claim, the system shall record amounts paid, reserved and incurred in each of the following categories:
 - Medical
 - Indemnity
 - Allocated expenses

- Attorney expenses
 - Rehabilitation
 - Recoveries (subrogation, etc.)
- 4) The system shall have the ability to provide reports for:
- Cause and Loss codes by department
 - Lost time by department
 - Dates claim opened and closed
 - Injury / Loss Type
 - YTD claims and "as of" feature
 - Custom reports needed by client
 - Current month new claims
 - Open and/or closed claims by selected period
 - Claims by date of injury
 - Claims in alphabetical order
 - Claims by payment type
 - Claims with payments in current month with payment detail in alphabetical order
- b. Provide access to all claims records via web-based service. Access to adjuster notes on a real-time basis is preferred. Be prepared to discuss the name RMIS used, and the level of access available to the client for reporting, claim set-up, etc.

7. Contents of Proposals

Proposals submitted in response to this RFP must contain, at a minimum, the following information:

1. Respondents are to provide written proposals that present the qualifications of your firm and understanding of the work to be performed. Respondents *shall* address each of the specific topics listed below as a minimum portion of their proposal submission.
 - a. Location of office that would service this program
 - b. Number of employees in the service office, with indication of whether they are technical, clerical, and other, and who would be assigned to this contract. Include credentials and related experience of these employees and their familiarity with similar contracts, preferably with municipal governments. If the adjuster assigned to the City does not meet the service needs of the City, can a change be requested?
 - c. Describe the RMIS system offered by your firm and loss listings your firm will provide as part of the identified service fee structure. Also, provide samples of these reports with your proposal.
 - d. Describe the claim settlement procedures your firm believes to be the most effective.
 - e. Describe your firm's overall experiences with other governmental entities.
 - f. Describe your firm's claim reserving practices and philosophies.
 - g. Describe procedures which will be used to determine appropriate medical provider fees and any discounting (PPO, HMO, etc.) programs available through or used by your organization. Is the cost to access the network included in your fee? What is the cost to re-price invoices beyond the Kansas fee schedule (prefer per-line charge verses % of savings)? How are these fees / savings reported to the City?

- h. Describe the maximum number of claims an adjuster is allowed to control. What is the average number of new claim assignments per month given to adjusters?
- i. Describe the levels of supervision and management review provided to claim adjusting personnel.
- j. Describe how your firm would handle the outstanding claims if services provided by your firm were discontinued.
- k. Describe the transition process of open claims and related information from previous TPA to your firm.
- l. Provide a sample scenario of how you would handle a claims dispute.
- m. Provide an overview of your firm's daily operations, detailing the firm's experience in performing third party workers' compensation claims administration.
- n. All offerors shall include with their proposals a list of at least five (5) current references for whom comparable work has been performed in the past five (5) years. This list shall include company name, person to contact, address, telephone number, and a detailed description of work performed.
- o. The excess insurance is currently written by Midwest Employers Casualty and brokered by Thomas McGee on a commission basis. If your firm is appointed as the successful TPA and also the excess insurance broker of record, note the excess insurance commission rate.
- p. Provide details regarding the handling of Medicare set-a-sides and compliance with Section 111.
- q. Please include a list of ancillary services available on a cost+ basis such as Loss Control, Safety Seminars, etc.
- r. List legal counsel currently utilized for workers' compensation claims, and under what circumstances you would consult legal counsel.

- s. A sample contract forms a part of this RFP. Please note any variations you would require.
- t. Describe your customer service philosophy for clients and client's employees (response time, benchmarks, etc.)

8. Fee Structure

Proposed fee structures for the City's workers compensation program shall be submitted for the first year and for two subsequent years. The fee structure shall provide cost quotations for:

- a. Per medical claim (Med Plus – City Administered under \$1,000)
- b. Per medical claim
- c. Per lost time claim
- d. Per record only claim
- e. Cost for Medicare Set-a-sides
- f. Claim Indexing
- g. Service fees / Set-up fees / Risk Management fees
- h. Minimum / Maximum Annual Fees (If any)
- i. Take-over charges
- ji. List charges with examples for RMIS reports which you believe to be beneficial but

not

included in the above fees.

9. Excess Insurance

January 1, 2022 – January 1, 2024

Carrier	Midwest Employers
Est. Payroll Base	\$68,459,336
Term	2 Year
Manual Premium	1,595,473
SPECIFIC COVERAGE	
Self Insured Retention	500,000
SIR Police & Fire	750,000
Specific Limit	Statutory
Employers Liability Limit	\$1,000,000
AGGREGATE COVERAGE	
Rate as % of Normal Premium	136.93%
Estimated Loss Fund	\$4,369,362
Aggregate Limit	\$3,000,000
COST	
Premium Rate (of Standard Premium)	8.14%
Estimated Annual Premium	\$129,872
Estimated Rate per \$100 Payroll	\$0.1897

10. Estimated Payrolls by Class Code (2022)

Class Code	Classification	Estimate	Full-time	Part-time
5506	Streets & Roads	\$3,110,458.97	76	0
7710	Firefighter	\$16,003,612.61	195	2
7720	Police	\$20,978,242.11	281	9
8264	Recycling	\$34,251.06	1	0
8380	Auto Repair	\$361,168.85	7	0
8742	Messenger/Driver	\$72,229.95	1	0
8810	Clerical	\$15,604,675.32	254	94
8820	Legal	\$843,723.19	8	1
8831	Veterinary & Drivers	\$182,072.80	6	0
9015	Buildings	\$1,372,979.73	16	178
9016	Amusement Parks	\$37,215.38	0	13
9060	Golf Club Operators	\$513,160.58	9	0
9063	Health & Exercise	\$773,421.07	6	85
9102	Parks	\$2,660,492.53	46	118
9182	Athletic Sports/Parks	\$344,548.19	3	41
9410	Municipal NOC	\$5,567,083.57	77	2
Grand		\$68,459,335.89	986	543

11. Sample Contract

(Subject to City Legal Review)

THIRD PARTY ADMINISTRATOR AGREEMENT

This agreement, made and entered into as of this _____ day of _____, 2022, by and between the City of Overland Park, Kansas, with principle offices at 8500 Santa Fe Drive, Overland Park, Kansas, 66212, organized and existing under the laws of the State of Kansas, hereinafter referred to as City, and _____ with principal offices _____, hereinafter referred to as "Administrator".

WHEREAS, City has established a self-funded program to cover Workers' Compensation insurance for City; and

WHEREAS, City desires to contract for a claims management program, hereinafter referred to as the "program".

NOW, THEREFORE, it is mutually agreed by and between the parties hereto as follows:

ARTICLE I. ADMINISTRATION

Administrator agrees to assign competent personnel to perform all tasks necessary to provide the service specified in this contract. Administrator will advise City of the identity of all professional personnel providing direct services to City.

ARTICLE II. SERVICES PROVIDED BY ADMINISTRATOR

- A. Administrator agrees to act as the Service Provider for the City program and to provide the following administrative services:
 - 1. File and assist in the filing of reports as required by any applicable state or federal law or regulation.
 - 2. File all of the necessary reports and documents in compliance with the Medicare Secondary Payer Mandatory Reporting Provision of Section 111 of the Medicare, Medicaid, and SCHIP Extension Act of 2007.

3. Provide assistance and advice to legal, accounting, actuarial, or other personnel as reasonably requested by City.
4. Maintain complete records of all City business for which Administrator is responsible hereunder during the term of this Agreement and, following termination of the Agreement return such files to City.

B. Administrator will provide the following claims management services:

1. Report, investigate, adjust and otherwise administer all claims, including medical case management and the management of the defense for litigated claims as directed by City and in accordance with Administrator's professional judgment. Administrator may engage the use of outside services when deemed to be the most cost effective, or special expertise is necessary upon the direction and approval of City. These services are to be considered allocated loss expenses.
2. Determine what claim payment, if any, should be paid on behalf of City in light of the nature of the claim and any applicable law. Administrator will seek City approval before offering any sum in settlement of any permanent disability claim. Administrator will follow the procedures set forth in Appendix "A".
3. Determine with the concurrence of City, what allocated loss expenses (as hereinafter defined) shall be incurred with respect to any claim.
4. Maintain a claim file on each reported claim. The claim files will be property of City and will be available for inspection by City upon reasonable notice.
5. Provide statistical and loss experience reports concerning claims status, claim reserves and claims payments, with a frequency no less than monthly.
6. Advise City of all significant developments arising from any investigation, adjustment or settlement that affects any claim with a reserve of \$10,000 and over or would raise any lesser-reserved claim to \$10,000 or over.
7. Administer, investigate and adjust all reported claims during the term of and according to the terms and conditions of this Agreement.
8. "Allocated loss expenses" as used in this Agreement means any cost or expenses incurred by City or by Administrator on behalf of City as a result of Administrator or City engaging the services of a firm or person outside of the Administrator organization for work in

connection with the investigation, adjustment, settlement or defense of a claim. Allocated loss expenses include, but are not limited to, the following: subrogation; rehabilitation; all court costs, fees and expenses; fees for service of process; fees to attorneys; the cost of services for investigation or adjustment of claims in areas removed from reasonable access to Administrator salaried employees; the cost of employing experts for the purpose of analysis, or for expert advice or opinions; the cost of obtaining copies of any public records; the cost of depositions and court reporters or recorded statements; medical case management, hospital audits and drug audits. Allocated loss expenses are not included within Administrator's fees. Fees paid to Administrator for the adjudication of medical bill reviews outside of the State of Kansas shall be expensed as allocated loss adjustment expenses. The payment of these fees is outlined in Article III.

9. Administrator shall use its professional judgment to set adequate and reasonable reserves for all claims filed. On any claim reserved in excess of \$10,000 a quarterly review will be performed and submitted to City.
10. Provide a claim manual and training of its use to City.
11. Complete annual renewal application as required by the Kansas Insurance Department, Division of Workers' Compensation.
12. Provide all services and placement of excess insurance, including seeking alternative proposals as requested by the City. Administrator shall submit the appropriate certificate of excess insurance to the State as required.
13. Forward loss information to the excess insurer as required by the insurer.
14. Complete State "Form 92" (or equivalent) and forward such to the City for review and signature.
15. Submit all necessary 1099's, workers' compensation CPT4 information and any additional forms or filings as required by the Division of Workers' Compensation.
16. Accept the procedures set forth in Appendix "A".

ARTICLE III. FEES FOR ADMINISTRATOR SERVICES

The following service fee structure for the initial term has been agreed upon.

Indemnity and Medical claims over \$_____:	\$ _____
Medical Only Claims under \$_____):	\$ _____
Medical Plus Claims (City Administered):	\$ _____
Record Only Claims (City Administered):	\$ _____
Administration Fee:	\$ _____

The \$_____ annual Administration Fee will be due and payable at contract inception. Claim handling fees are to be paid in quarterly installments of \$_____ in advance, on the first day of each month, provided that at the conclusion of this agreement and six months thereafter, claim audits will determine any applicable refund to be paid to the City or additional fee to be paid to Administrator.

Loss Control Services are available as an option. If the City elects to engage Administrators' services for a minimum of eight (8) hours, access will be provided to Administrators' secured Loss Control Library.

Administrator will charge \$_____ per line per bill for the adjudication of medical bills per the Kansas Fee Schedule. A charge of \$_____ per claim (or _____% of savings beyond the Kansas Fee Schedule) will be made for re-pricing outside of the State of Kansas. The use of a managed care organization for these services will be managed by the City. Fees will be paid from the claims fund and will be allocated to each claim file as an allocated loss adjustment expense.

Administrator will submit renewal service fees sixty (60) days prior to the end of the initial term and additional annual terms if Administrator wishes to continue servicing the City.

For the purpose of this Agreement only, a **Medical Only Claim** shall be defined as any claim submitted that principally utilizes an Administrative Assistant to process invoices and correspondence regarding the claim.

For the purpose of this Agreement only, a **Lost Time Claim** shall be defined as any claim submitted that due to the specific nature of the claim requires principally the use of a Senior Adjuster to oversee the management of the claim, whether for investigative, medical management or other reason regardless if any indemnity or medical payments are ever made.

For the purpose of this Agreement only, a **Record Only Claim** shall be defined as any incident that has been submitted that has not turned into a claim.

For the purposes of this Agreement only, a **Med Plus Claim** shall be defined as a claim handled exclusively by the client and that has been closed and is being submitted to Administrator upon conclusion for a single input into our database.

ARTICLE IV. DUTIES OF CITY

City will assist Administrator in administration of this agreement, and shall properly and timely perform the following obligations:

- A. Refer all claims, which fall in the purview of this contract, to Administrator.
- B. Pay Administrator fees in accordance with the terms and conditions of this Agreement.
- C. City shall be required to cooperate fully and act expeditiously regarding request by Administrator and any request made in connection with the management or administration of the program. City agrees that its consent or approval when and where required by this Agreement shall not unreasonably be withheld. Administrator shall consider any consent or approval given by Chief Human Resources Officer, or his/her designee, as binding upon City unless expressly stated otherwise in this agreement.
- D. Use its best efforts to assure that all information furnished Administrator by City shall be true, accurate and complete which Administrator shall be entitled to rely upon.
- E. Representations, oral or written, made by any Officer, Director, Agent, or employee of the City to the third party shall in no way be the responsibility of or in any way obligate Administrator.

ARTICLE V. ACCESS TO AND OWNERSHIP OF RECORDS AND FILES

All records and files pertaining to the operations of City are the property of City. Such records and files shall be maintained and protected by Administrator, and shall be delivered to City immediately upon reasonable notice.

At all times during this Agreement, City or its designee shall have access to records and files maintained by Administrator pertaining to City and its claims, provided reasonable notice is given.

City and Administrator agree that they and their agents, employees, and members shall in no manner make use of, disclose or otherwise benefit from any proprietary information that they learn about the other, its agents, partners, employees or its manner of operations or service or marketing strategy or techniques or any information about the other that it may learn through its contact with the other, if such information is not disclosed to the public by the other party.

Administrator agrees that it shall not disclose the contents of City files or internal policies, procedures or operations to any third party, except as reasonably necessary for Administrator to carry out its

obligation to City under this Agreement or to comply with any requirement imposed by law, without the expressed written permission of City.

ARTICLE VI. LIABILITY

Administrator shall maintain Errors and Omissions Insurance with limits of liability of at least one million dollars (\$1,000,000). Administrator will continue to maintain such insurance. Administrator will advise City if such insurance is terminated for any reason and will provide City with a certificate of insurance.

Notwithstanding anything elsewhere in the Agreement expressed or implied to the contrary:

1. All outside parties shall be engaged by City, with or without the recommendation of Administrator, and shall be the direct responsibility of City. Administrator shall not be responsible for the performance or lack thereof or for the results of such performance by any person or party whose charges or cost are defined in the Agreement as an allocable loss expense, except as to Administrator's responsibilities under this Agreement to administer, monitor, and advise City with respect to City programs hereunder.
2. Administrator acts only as a technical consultant, advisor, manager and agent for the program, but all decisions regarding City operations including but not limited to settlement, declination, underwriting, additional outside service providers, coverage and limits rest exclusively with City. Administrator shall not be held accountable for increased costs or expense to City because of any contention that any portion of this Agreement could have been handled in a different manner, except that Administrator may be held accountable for its own negligence or any deliberate or willful failure to carry out the provisions of this agreement.
3. Administrator agrees to hold and save the City harmless from any and all claims, settlements and judgments to include personal injury, bodily injury, property damage and/or death or any other claim arising out of Administrator's or any of its agent's, servant's and/or employee's negligent acts and/or failures to act in the performance of this Agreement.

ARTICLE VII. TERM AND TERMINATION

The initial term of this Agreement shall be from January 1, 2023, to and including December 31, 2023 (the "Initial Term"). After the Initial Term, the Agreement shall automatically renew for four (4) successive one-year terms on January 1 of each year with the option to renew unless the Agreement is terminated as provided in Article VII. Unless otherwise terminated, the term of this Agreement will expire on January 1, 2028.

City may terminate this contract for cause by giving Administrator thirty (30) days written notice and specifying the reasons for such termination. Cause shall be defined as a breach of this Agreement, negligence in the performance of this Agreement or unacceptable renewal fees as stipulated in Article III.

City may terminate this agreement, without cause, by giving 60 days prior written notice.

Effective upon termination, all files and other materials of City will be delivered to City in accordance with the terms and provisions of this Agreement and City shall compensate Administrator for work completed through the effective termination date.

Administrator may terminate this contract for cause by giving City thirty (30) days written notice and specifying the reasons for such termination. Cause shall be defined as a breach of this Agreement or negligence in the performance of this Agreement.

This agreement may terminate immediately upon mutual consent between both Administrator and City. Upon termination of this agreement, by either party, Administrator shall have no further duties under Article II of this agreement.

ARTICLE VIII. KANSAS ACT AGAINST DISCRIMINATION

The contractor agrees that:

1. The contractor shall observe the provisions of the Kansas Act Against Discrimination and shall not discriminate against any person in the performance of work under the present contract because of race, religion, color, sex, disability, national origin or ancestry;
2. in all solicitations or advertisements for employees, the contractor shall include the phrase, "equal opportunity employer," or a similar phrase to be approved by the commission;
3. if the contractor fails to comply with the manner in which the contractor reports to the commission in accordance with the provision of K.S.A. 44-1031 and amendments thereto, the contractor shall be deemed to have breached the present contract and it may be canceled, terminated or suspended, in whole or in part, by the contracting agency;
4. if the contractor is found guilty of a violation of the Kansas Act Against Discrimination under a decision or order of the commission which has become final, the contractor

shall be deemed to have breached the present contract and it may be canceled, terminated or suspended, in whole or in part, by the contracting agency; and

5. the contract shall include the provisions of subsections (a)(1) through (4) in every subcontract or purchase order so that such provisions will be binding upon such subcontractor or vendor.

ARTICLE IX. MISCELLANEOUS PROVISIONS

This Agreement shall be construed under and in accordance with the laws of the State of Kansas. In the event that any one or more of the provisions contained in the Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or enforceability shall not affect any other provision hereof and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been included in this Agreement. This Agreement and all attachments, appendix and amendments constitute the sole and only Agreement of the parties with respect to the subject matter described herein, and any prior understandings or written or oral agreements are void and of no effect. This Agreement may only be amended in writing signed by both parties.

Any notice given hereunder by either party to the other shall be in writing and may be effectuated by delivery of U.S. Certified Mail. Notice hereunder shall be sufficient if properly addressed and mailed to:

Chief Human Resources Officer
City of Overland Park
8500 Santa Fe Drive
Overland Park, Kansas 66212-2866

Administrator may not assign rights or delegate its duties without City prior written notice and approval.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on their behalf by the undersigned duly authorized persons.

APPENDIX A

SERVICE INSTRUCTIONS

CITY OF OVERLAND PARK

Policy Period 01/01/23 – 01/01/2028

1. These instructions apply to the following types of claims:

Workers' Compensation

Index

- I. General Information
- II. Assignment and Reporting of Claims
- III. Coverage
- IV. Reporting Procedures
- V. Procedures
- VI. Litigation/Settlement Procedures
- VII. Subrogation Recovery
- VIII. Record Only and Medical Plus Claims

I.GENERAL INFORMATION

City of Overland Park is a municipality comprised of several departments, all of which are covered through this policy.

II. ASSIGNMENT AND REPORTING OF CLAIMS

Injuries will be reported by mail, e-mail or by telephone for serious losses to Administrator. Reports will be directed by the City's Human Resources Department.

III. COVERAGE

Any inquiry regarding claim coverage should be referred to:

Administrator, Safety & Loss Prevention

The City of Overland Park

8500 Santa Fe Drive

Overland Park, Kansas 66212-2866

IV. REPORTING PROCEDURE:

1. Substance.
 - a. Verification regarding each lost time claim will be sent by photo copying, to Administrator, Safety & Loss Prevention, the standard benefit letter which is sent to the claimant.
 - b. Reporting to the Kansas Division of Workers' Compensation will be made by Administrator when needed and in a timely manner as required by law.
 - c. A monthly report will be submitted to the City of Overland Park and Charlesworth & Associates, L.C. as soon after the 1st of the month as possible. These reports will list all claims whether open or closed.
 - d. Contact will be made as necessary with Administrator, Safety & Loss Prevention by telephone or e-mail to discuss any potential problems or issues requiring attention.

- e. Representatives of the City and Administrator will meet quarterly or as needed to address areas of concern. Such meetings will be held on or around the 15th of the month as practical.
2. Procedure.

Reports will be directed as follows:

Administrator, Safety & Loss Prevention
City of Overland Park
8500 Santa Fe Drive
Overland Park, Kansas 66212

James Charlesworth, ARM
Charlesworth & Associates, L.C.
P.O. Box 23588
Overland Park, Kansas 66283

V. PROCEDURES:

- 1. All claims will be initially investigated according to Administrator's standards and procedures.
- 2. Bills.
 - a. On bills totaling \$250.00 or less, payment will be made within thirty (30) days of receipt of the bill by Administrator, without regard to receipt of supporting documentation. Each bill will be carefully reviewed prior to payment for relatedness and accuracy. If a question exists the Administrator, Safety & Loss Prevention will be contacted for discussion.
 - b. Bills received which are more than \$250.00 will be held for receipt of records.
- 3. Temporary Total Disability Payments
 - a. The Administrator, Safety & Loss Prevention will notify Thomas Administrator of any City employee(s) unable to return to work and eligible for temporary total disability. This information will be furnished to Administrator at noon on each Monday following the end of a payroll period.

- b. All temporary total disability checks are to be sent to the Administrator, Safety & Loss Prevention by Tuesday morning following each Payroll Period.
 - c. Temporary total disability checks are then given to the Payroll Division, where checks will be adjusted according to established procedures. On regularly scheduled paydays, any employee on temporary total disability will report to the Human Resources Department to receive his/her check and sign an acknowledgment.
 - d. No checks for temporary total disability will be mailed directly from Administrator to the employee's residence unless instructed by the Administrator, Safety & Loss Prevention.
4. In cases where malingering or fraud may exist, Administrator will discuss and determine the appropriate course of action with the City.
5. Account Maintenance
- a. Administrator will be responsible for opening and maintaining a bank account, which will be used solely for the purpose of paying claims filed against the City's workers' compensation fund.
 - b. Once a week (Wednesday by noon), a check register will be posted on the Thomas Administrator website (www.thomasAdministrator.com) itemizing the checks produced that week and the amount of money that needs to be deposited to cover the checks.
 - c. The appropriate funds will be deposited as soon as administratively possible after the web posting is made to the City. The City will transfer an amount equal to the amount indicated on the check register via Automatic ClearingHouse (ACH). In the event additional funds over and above the amount requested by the weekly check register are needed, Administrator will contact the Administrator, Safety & Loss Prevention.
 - d. In the event a refund is received by Administrator, these funds will be deposited in the account described in 5a above. Refunds are not to be used as credits to the weekly check registers.

- e. Voids should occur on an infrequent basis and will be recorded on a Void Check Register. The total of voided checks will be subtracted from the Weekly Check Register. The number of a voided check shall not be reused
- f. Although Administrator maintains the bank account, detailed copies of bank statements are to be provided to the City at intervals no less than monthly. These statements can be delivered by the bank or by Administrator, but they must be original or exact copies of original bank statements. Delivery of these statements will be made to the Administrator, Safety & Loss Prevention, and the Manager, Human Resources.

The bank statements will be accompanied by a Monthly Check Register, which will be posted on the web page and will include the employee's date of injury.

VI. LITIGATION & SETTLEMENT PROCEDURES:

1. Applications for Hearings received by Administrator will be reviewed and sent to the Administrator, Safety & Loss Prevention if prior notification cannot be verified.
2. When a letter of representation is received, Administrator will forward the necessary information to the Law Department of the City of Overland Park, for the handling of settlements. Administrator will continue case handling according to the procedures set forth herein.
3. Administrator will negotiate settlements when the employee is not represented; and the City's Workers' Compensation Attorney will negotiate settlements when the employee is represented however, final settlement authorization shall be obtained from the City Law Department.
4. Once the claimant reaches Maximum Medical Improvement (MMI) Administrator and the City's Workers' Compensation Attorney will discuss settlement authority and verify calculations of settlement.
5. Administrator will send a "Settlement Request" to the Administrator, Safety & Loss Prevention. The City Attorney, the Chief Human Resources Officer, and the Manager, Human Resources will sign this document. A signed copy will be forwarded back to Administrator by the Administrator, Safety & Loss Prevention.

6. Administrator will obtain a verbal agreement with Claimant for settlement when the employee is not represented and the City's Workers' Compensation Attorney will obtain a verbal agreement with Claimant attorney for settlement when represented.
7. Administrator and the City's Workers' Compensation Attorney will verify settlement.
8. The City's Workers' Compensation Attorney will set-up the Settlement Conference and send a letter and/or Form 12 "Worksheet for Settlement" to Administrator, Safety & Loss Prevention and City Attorney requesting settlement check one (1) week in advance of Hearing.
9. The Administrator, Safety & Loss Prevention will prepare a check request with appropriate line item number and the Manager, Human Resources and Chief Human Resources Officer will sign. The settlement check will be mailed to the City's Workers' Compensation Attorney and a copy of the check will be forwarded to Administrator for data entry into the Loss Run report. Settlements will be paid by check from the City's operating bank account and charged to the Workers' Compensation Fund.
10. The City's Workers' Compensation Attorney or City Attorney will attend the Settlement Conference with the settlement check. The Claimant will sign for the settlement check and a copy of the signed receipt will be forwarded to the City and Administrator.

VII. SUBROGATION/RECOVERY

1. Charlesworth & Associates, L.C. will review all incident reports to determine if an identifiable third party is or may be responsible for the employee injury. If the claim has subrogation potential, it will be so noted and Charlesworth & Associates, L.C. will monitor all recovery activity.
2. For all claims submitted to Administrator for handling, Administrator will review and identify claims with subrogation potential, build the necessary casework to substantiate, contact the responsible party, and make every reasonable effort to collect amounts due. Administrator will copy the Administrator, Safety & Loss Prevention and Risk Manager with their initial letter to the responsible party so to confirm Administrator's involvement in the recovery activity. At the completion of subrogation efforts, a memo will be submitted to the Administrator, Safety & Loss Prevention, and copy to the Risk Manager, advising the status.
3. If Administrator determines a claim to have subrogation potential but deems the claim unsuitable for subrogation due to type or limited recovery opportunities, Charlesworth

& Associates, L.C. will review the claim and advise the City in writing if additional subrogation efforts are warranted. If the City elects to pursue the matter further, Charlesworth & Associates, L.C. will oversee all subrogation responsibilities. At the completion of subrogation efforts, a memo will be submitted to the Administrator, Safety & Loss Prevention, and copy to Administrator, advising the status.

4. Charlesworth & Associates, L.C. will monitor and oversee all subrogation responsibilities in support of City Administered claims.
5. When a file with subrogation potential is closed, it will be so noted on the Loss Run report.

VIII RECORD ONLY AND MEDICAL PLUS CLAIMS (CITY ADMINISTERED)

1. The City will self-administer selected "Record Only" and "Medical Plus" claims.
 - a. Claims that meet the threshold below will be forwarded to Administrator for claims administration at set forth in Article II.
 - i. Total medical bill(s) exceed or reasonably expected to exceed \$1,000;
 - ii. Claim has not resolved in three (3) months;
 - iii. Claim develops into a Lost Time claim; or
 - iv. Injured employee has formally retained legal counsel.
2. The KS – First Report of Incident will be completed, filed and faxed or emailed within 28 days to the State of Kansas, Administrator and Risk Manager to include a notation as to the type of claim [(Lost time, Medical Only (TPA Administered), Medical Plus (City Administered), or Record Only (City Administered))] for Administrator billing purposes.
3. The following information will be emailed to the injured/ill employee per City policy and workers' compensation law.
 - a. So...You've been injured on the job...Now what?
 - b. Ombudsman / Claims Advisory Section
 - c. Attention Important Information For Injured Employees
 - d. Claim For Workers' Compensation
 - i. For documentation purposes City employees should complete the bottom section of the "Claim For Workers' Compensation" form and forward to Human Resources who will in turn complete the top section and return to the City employee.

- e. Table of Maximum Benefits
- f. Stop Fraud

4. Employees may be directed to the City's Care Center. The Care Center operator will provide appropriate CPT Codes to Administrator on a regular basis. Administrator shall assign a charge for each CPT Code per the Kansas Fee Schedule and include the claim in the City's loss report.
5. The Occupational Health Clinic and Pharmacy will forward all invoices to the City for review. The City will forward to the Managed Care Organization for re-pricing when appropriate. Re-Priced bills will be returned to the City for approval and payment.
6. A \$1,000 reserve will be established for all "Medical Plus" claims.
7. When a "Medical Plus" claim is closed, the City will send a letter to the employee and Administrator signifying this status change and a report will be forwarded to Administrator indicating all medical and prescription payments. Administrator will charge a "Medical Plus" fee as set forth in Article III for recording basic loss information into the City's loss report.
8. The City reserves the right to forward any and all claims, regardless of type, to Administrator for claims administration as set forth in Article II.