

AGREEMENT BETWEEN

THE CITY OF MILWAUKEE AND CORVEL CORPORATION

Agreement dated this 1st day of January, 2000 by and between the City of Milwaukee, a municipal corporation organized and existing under the laws of the State of Wisconsin (hereinafter referred to as "City") and CorVel Corporation, a corporation with principal offices at 125 North Executive Drive, Suite 105, Brookfield, Wisconsin 53005 (hereinafter referred to as "CorVel").

I. RECITALS

- A. The MILWAUKEE TAXING UNITS have adopted the following goals:
 - 1. Prompt, quality care for injured employees.
 - 2. Prompt, medically safe return to work.
 - 3. Compliance with the Wisconsin Worker's Compensation Act.
 - 4. Establishment of fiscally sound cost management programs.
- B. The Milwaukee taxing units have individually established ACCIDENT REPORTING AND RETURN TO WORK Programs with the intent of working with Providers to obtain the most appropriate medical care to enable the injured employees to return to work as soon as medically appropriate.
- C. THE CITY AND OTHER LOCAL TAXING UNITS have cooperated in requesting proposals from a preferred provider network which will provide care to their injured employees. CorVel has responded and has agreed to provide increased accessibility to emergent and urgent care, to communicate care to the City as required by the Worker's Compensation Act, to provide care at agreed upon fees, to provide or assist in quality and



utilization review and to assist the City in return to work programs and risk management.

Now therefore, in consideration of the mutual promises herein, it is agreed as follows:

Department of Employee Relations
OBLIGATIONS OF CORVEL

Tom Barrett
Mayor

Michael J. Hunsicker
Director

Michael S. Bellows
Employee Benefits Director

Troy M. Hamblin
Labor Negotiator

A. TREATMENT.

1. CorVel's participating providers shall provide to the fullest extent of their capability emergent, urgent and total episode of care treatment for injured City employees. Emergent care includes employees who arrive at Providers without appointment. Urgent care includes employees who have illness or injury requiring prompt treatment. Total episode of care extends from date of first treatment, through follow-up treatment, to the release date.
2. If total treatment cannot be completed with the first treatment, participating providers shall within 5 days of first treatment submit to the City on a per case/per injury basis a treatment plan with an estimate of total treatment time and return to work status. CorVel shall use best efforts to educate participating providers of this requirement.
3. CorVel shall provide service, the quality of which must be acceptable on a peer review basis. CorVel agrees to provide internal quality review and for this purpose to have programs to monitor, evaluate and emphasize quality medical care.

B. UTILIZATION REVIEW

1. CorVel shall have in place and adhere to the following utilization controls on terms acceptable to the City and communicate to the City:
 - a. Pre-admission certifications of hospital admissions.



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- b. Concurrent review of in-patient days and length of stay.
- c. Retrospective reviews of in-patient admissions.
- d. Authorization for referrals to outside physicians and other providers.
- e. Pre-review of ambulatory services, including physical/occupational therapy.
- f. Feedback to physicians on cost and utilization data.
- g. Pre-admission testing.
- h. Ambulatory surgery.
- i. Discharge planning.
- j. Home Health Care programs.
- k. Pre-review of Pain Clinic referrals.
- l. Work Hardening.
- m. Documented utilization of treatment based on actual utilization or established standards.

- 2. At the option of the City, CorVel agrees to abide by third-party utilization management contracted by the City on terms acceptable to CorVel.

C. RETURN TO WORK

- 1. CorVel shall work with City return to work coordinators to review job profiles approved by the City and to assist the City in assessing each injured employee's return-to-work capability based on CorVel's current assessment of the injured employee's capability.

2. CorVel agrees that enrollment of an injured employee in a work hardening program or pain management program shall require the prior authorization of the City Manager of Employee Benefits. As an alternative to such pre-authorization of work hardening and pain management programs, the City Manager of Employee Benefits shall have the option of authorizing such programs on a capitation basis.

D. RISK MANAGEMENT

At the request of the City's Manager of Employee Benefits, CorVel shall assist City safety loss control personnel to minimize losses and prevent recurrences. To the fullest extent of CorVel's capability, this assistance shall include participation in on-site training sessions, making available handouts for distribution to employees, and assisting in the preparation of job analyses at the request of the City at no additional cost.

E. COMMUNICATIONS

1. CorVel shall assist the City in efforts to ensure that initial treatment is promptly reported to the City no later than 48 hours after treatment has occurred.
2. CorVel shall intervene as necessary with its participating providers to ensure that they promptly complete and submit to the City Worker's Compensation Forms in a manner acceptable to the City, promptly submit office notes and reports to the City upon request, and promptly complete and return the City's Return to Work Form.
3. CorVel shall assist the City in efforts to ensure that the participating providers promptly communicate initial Treatment Plans to the City.
4. All communications to the City shall be directed to the City's Director of

Employee Benefits.

F. LIAISON

CorVel shall designate one person to be responsible for liaison with the City with respect to services provided under this Agreement. Such person shall have responsibility within CorVel's organization for implementing the requirements of Article II. Such person shall provide to the City information pertinent to a claimant and obtain information pertinent to claims during the entire period of treatment by all affiliates and referrals. The person initially assigned to be responsible for liaison with the City shall be:

Jan Scott
Account Executive
125 N Executive Dr., Suite 105
Brookfield, WI 53005
(262) 821-4240

G. BILLINGS

1. CorVel and its participating health care providers will not bill or expect payment in excess of allowance under §102.16. In addition, fees subject to §102.16 will not exceed Reasonableness **before discount** is applied, based on a current State Certified database.
2. All details regarding gross amounts, discount amounts and net amounts of bills for services rendered by health care providers in CorVel's preferred provider network shall be provided by CorVel to the City on a quarterly reporting basis. Savings must be reported on a regular basis to the City (at least on a monthly basis).

3. CorVel shall insure that its participating health care providers use the proper and adequate coding or be subject to reimbursing the City at an increased rate if discounted.
4. CorVel shall review all worker's compensation medical bills including prescription drug bills and facility fees for reasonableness based on a current State Certified database. CorVel shall provide the City with an Explanation of Benefits when reductions are made that show the name of the database used. CorVel shall notify the City or flag a bill or CPT code that does not appear to relate to the injury or if the treatment seems excessive. After reviewing this "flag", the City may decide to use other services CorVel makes available to the City.

H. FEES

1. Total treatment (frequency and duration) charges shall be based on necessary and appropriate charges for the diagnosis provided. If partial treatment charges are submitted, the provider may be required to submit a treatment plan. Fees for the entire contract period shall be per cpt code as set forth in participating providers' PPO contracts with CorVel Corporation or Associates for Health Care. CorVel shall provide to the City, upon request, documentation of actual fee schedules in effect from time to time.
2. CorVel shall submit monthly statements to the City for its fees pursuant to this Agreement, which shall include gross charges, discounted amounts and net charges. CorVel's fees shall be calculated as provided in Exhibit -A hereto.
3. CorVel agrees to discount its provider fees in accordance with its contracts with the participating providers or according to the State-certified database, and to

provide the City with any other discount available from participants in CorVel's preferred provider network. Where fees are calculated as a percentage of savings, savings shall mean the discount in billings from health care providers which the City realized as a result of contracting with CorVel for a network of preferred providers.

4. CorVel may propose a not-to-exceed percentage increase in net fees in the second and third year of the agreement but such proposals shall be guaranteed by CorVel not to exceed the maximum percentage set forth in Exhibit A annexed hereto.

I. PPO DISCOUNT

1. CorVel shall provide the City with a discount for services rendered to City of Milwaukee worker's compensation patients by participants in CorVel's preferred provider network or according to the appropriate State-certified database, and to provide the City with any other discount available from participants in CorVel's preferred provider network.
2. A list of health care providers participating in the CorVel preferred provider network under this Agreement, as of January 1, 2000, is attached hereto as Exhibit B.

III.
OBLIGATIONS OF THE CITY

- A. INFORMATION. The City shall provide all requested information which the CorVel may require.
- B. PAYMENT. The City shall pay all qualified medical bills promptly when all pertinent medical information has been received.

- C. EMPLOYEE COMMUNICATION. The City shall facilitate communication of CorVel services to injured or ill employees.
- D. PREFERRED PROVIDER. The City shall make CorVel PPO directories available to its employees.

IV. DURATION AND TERMINATION

- A. TERM. This agreement shall become effective on January 1, 2000 and shall expire on December 31, 2002 unless extended by the parties in writing.
- B. TERMINATION. The City may terminate this agreement at any time upon sixty (60) days advance written notice of such termination directed to the representative of CorVel in Section II.F. hereof. Upon receipt of said termination notice, CorVel shall reduce its activities hereunder as mutually agreed upon. Upon termination, CorVel shall be paid for all qualified medical bills discounted in accordance with the agreement for services rendered through the date of termination.

V. INSURANCE AND INDEMNIFICATION

- A. INSURANCE. CorVel shall have in effect, for the entire term of this Agreement, insurance coverages in the types and amounts as set forth in Exhibit C to this Agreement.

CorVel shall furnish to the City Director of Employee Benefits, prior to the effective date of this contract, a certificate(s) which verify that the required types and amounts of insurance coverage are in effect. Satisfactory certificates of insurance must be filed with the City Director of Employee Benefits before service can be offered to City employees under this agreement. No service will be permitted under this agreement after the expiration or cancellation of the certificates.

All certificates of insurance are to confirm that sixty (60) days written notice must be provided to the City before any policy is changed or cancelled.

- B. INDEMNIFICATION. Except for acts or omissions at the direction of a third-party utilization management under Article II.B.2., CorVel shall indemnify, defend and hold harmless the City, its agents, officers and employees from and against all loss or expense, including costs of attorney fees by reason of liability for damage caused by any wrongful, intentional or negligent act or omission of CorVel or its agents which may arise out of or are connected with the activities covered by this agreement including disputes involving treatment or utilization. CorVel agrees to accept tender of the defense of any claim or action against the City falling within the scope of this indemnity.

VII. INCORPORATION OF TERMS OF CORVEL'S RESPONSE TO REQUEST FOR PROPOSALS

Each and every agreement, covenant, representation and warranty of CorVel set forth in its September 13, 1999 response to Milwaukee Taxing Units Request for Proposals for Worker's Compensation Preferred Provider Arrangements is hereby incorporated by reference, and shall be binding upon CorVel as if fully set forth herein.

VIII. DISCRIMINATION

In all hiring or employment made possible by or resulting from this agreement, CorVel agrees there:

(1) Will not be any discrimination against any employee or applicant for employment because of race, color, sex orientation, religion, sex or national origin, and

(2) Affirmative action will be taken to ensure that applicants are employed and that employees are treated during employment without regard to their race, color, religion, sex orientation, sex or national origin.

The above requirements shall apply to but not be limited to the following: employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training including apprenticeship. There shall be posted in conspicuous places available to employees and applicants for employment, notices required or to be provided by federal or state agencies involved setting forth the provisions of the clause. All solicitations or advertisements for employees shall state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex orientation, sex or national origin.

CorVel agrees that no person in the United States shall, on the ground of race, color, sex orientation, religion, sex or national origin, be excluded from participation in, be denied the benefits of, or be subject to discrimination under any program or activity made possible by or resulting from this agreement. The City and each employee will comply with all requirements imposed by or pursuant to the regulations of the appropriate federal agency effectuating Title VI of the Civil Rights Act of 1964.

CorVel shall cause the foregoing provision to be inserted in all subcontracts, if any, for any work covered by this agreement so that such provisions shall be binding upon each subcontractor, provided that the foregoing provisions shall not apply to contracts or subcontracts

for standard commercial supplies or raw materials. In Witness whereof, the parties hereto have caused this agreement to be executed as of the date shown below.

CORVEL CORPORATION

By: Jeffrey T. Brand
Jeffrey T. Brand
CorVel District Manager

By: _____

Date: 7/10/2001

This agreement was drafted by
the Office of the City Attorney

26837

CITY OF MILWAUKEE

By: [Signature]
Mayor

By: Ronald L. Hall
City Clerk

Countersigned:

By: [Signature]
DEPUTY Comptroller *clm*

Date: _____

EXHIBIT A

CORVEL FEE SCHEDULE

Medical Case Management	\$68.00/hour
Vocational Rehabilitation	\$68.00/hour
PPO Precert Savings	20% of savings
Bill Review, Usual & Customary	20% of savings
Utilization Management	\$68.00/hour

Additional Services (PPO)

(These services are completed by members of the PPO and, therefore, costs will vary depending upon the provider(s) selected.)

Blood-Born Pathogen	\$65 - \$100/hour
Drug testing	
Collection	\$15 - \$20/collection
Laboratory Analysis	\$20- \$35 (five-panel)
Hepatitis B Immunizations	\$37 - \$65/shot
Wellness and Prevention Services	\$68/hour

Increases in CorVel fees in the second and third year of this Agreement will be limited to the annual adjustment of the Consumer Price Index.

In addition, CorVel offers a check writing program, which allows CorVel to make direct payments to medical providers. The cost of this service is \$2.00/check plus a one-time start-up fee. Details on how to implement check writing are set forth in the following pages.

EXHIBIT B
PARTICIPATING PREFERRED PROVIDERS

Participating preferred providers are those providers listed in the CorVel directory dated as of the Second Quarter of 1999 and as of September 12, 1999, as the same may be amended from time to time, and which shall be on file with the City's Manager of Employee Benefits. This directory and any amendments thereto are hereby incorporated by reference as if fully set forth herein.

EXHIBIT C
CERTIFICATES OF INSURANCE

MARSH USA INC.

CERTIFICATE OF INSURANCE

CERTIFICATE NUMBER
CHI-000582592-00

PRODUCER

Marsh USA Inc.
500 W. Monroe
Chicago, IL 60661
Attn: Barbara Covell

(312)627-6000

101944-CAS-

INSURED

CorVel Corporation
2010 Main Street
Suite 1020
Irvine, CA 92614

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER OTHER THAN THOSE PROVIDED IN THE POLICY. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES DESCRIBED HEREIN.

COMPANIES AFFORDING COVERAGE

COMPANY

A TRAVELERS INDEMNITY OF ILL.

COMPANY

B National Union Fire of Pittsburgh

COMPANY

C

COMPANY

D

COVERAGES

THIS IS TO CERTIFY THAT POLICIES OF INSURANCE DESCRIBED HEREIN HAVE BEEN ISSUED TO THE INSURED NAMED HEREIN FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THE CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, CONDITIONS AND EXCLUSIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	GENERAL LIABILITY	TC2J GLSA 280K509-5-01	04/30/01	04/30/02	GENERAL AGGREGATE \$ 10,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000 PERSONAL & ADV INJURY \$ 1,000,000 EACH OCCURRENCE \$ 1,000,000 FIRE DAMAGE (Any one fire) \$ 1,000,000 MED EXP (Any one person) \$ 10,000 COMBINED SINGLE LIMIT \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE \$
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> OWNERS & CONTRACTOR'S PROT				
A	AUTOMOBILE LIABILITY	TC2J CAP 280K510-2-01	04/30/01	04/30/02	AUTO ONLY - EA ACCIDENT \$ OTHER THAN AUTO ONLY: \$ EACH ACCIDENT \$ AGGREGATE \$ EACH OCCURRENCE \$ 5,000,000 AGGREGATE \$ 5,000,000
	ANY AUTO ALL OWNED AUTOS <input checked="" type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS				
	GARAGE LIABILITY				AUTO ONLY - EA ACCIDENT \$ OTHER THAN AUTO ONLY: \$ EACH ACCIDENT \$ AGGREGATE \$
	ANY AUTO				
B	EXCESS LIABILITY	BE 6714022	04/30/01	04/30/02	EACH OCCURRENCE \$ 5,000,000 AGGREGATE \$ 5,000,000
	<input checked="" type="checkbox"/> UMBRELLA FORM OTHER THAN UMBRELLA FORM				
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY	TC2J UB 280K507-1-01	04/30/01	04/30/02	WC STATUTORY LIMITS <input checked="" type="checkbox"/> OTH ER \$ EL EACH ACCIDENT \$ 1,000,000 EL DISEASE-POLICY LIMIT \$ 1,000,000 EL DISEASE-EACH EMPLOYEE \$ 1,000,000
	THE PROPRIETOR/ PARTNERS/EXECUTIVE OFFICERS ARE: <input checked="" type="checkbox"/> INCL <input type="checkbox"/> EXCL	TC2J GLSA 280K509-5-01	04/30/01	04/30/02	
A	OTHER	KTJ-CMB-122D748-8-01	04/30/01	04/30/02	On File With Company
	PROP/ALL RISK				

DESCRIPTION OF OPERATIONS/LOCATION/VEHICLES/SPECIAL ITEMS (LIMITS MAY BE SUBJECT TO DEDUCTIBLES OR RETENTIONS)
Deductible \$25,000 All Risk of Physical Damage or Loss
except as excluded or limited by the policy.

CERTIFICATE HOLDER

Sample

CANCELLATION

SHOULD ANY OF THE POLICIES DESCRIBED HEREIN BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE INSURER AFFORDING COVERAGE WILL ENDEAVOR TO MAIL _____ 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED HEREIN, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER AFFORDING COVERAGE, ITS AGENTS OR REPRESENTATIVES.

MARSH USA INC.

By: James S Wylie

MM1(9/98)

James S Wylie

VALID AS OF: 04/30/01

CORVEL

EXHIBIT A CORVEL FEE SCHEDULE January 1, 2009 – December 31, 2011

CorCase Case Management

	<u>2009</u>	<u>2010</u>	<u>2011</u>
Medical Case Management:	\$85.00/hour	\$87.00/hour	\$90.00/hour
Vocational Rehabilitation:	\$85.00/hour	\$87.00/hour	\$90.00/hour
Loss of Earnings Evaluation:	\$88.00/hour	\$89.00/hour	\$90.00/hour
Utilization Management:	\$85.00/hour	\$87.00/hour	\$90.00/hour
Travel / Wait:	FULL	FULL	FULL
Expense Reimbursement:	IRS Mileage	IRS Mileage	IRS Mileage

MedCheck Medical Bill Review

	<u>2009</u>	<u>2010</u>	<u>2011</u>
Professional Review:	23% of savings	23% of savings	23% of savings
Usual & Customary:	23% of savings	23% of savings	23% of savings
PPO Re-pricing:	23% of savings	23% of savings	23% of savings
CorCare Rx:	35% of savings	35% of savings	35% of savings
Checkwriting services:	\$3.25/check	\$3.25/check	\$3.25/check

ACCEPTED:

Date: _____

Michael Brady, Director
City of Milwaukee
Employee Benefits Division