

## CorVel Enterprise Comp Services Agreement

This CorVel Enterprise Comp Services Agreement (this "Agreement") is entered into as of the Effective Date set forth below, by and between Enterprise Comp, Inc., ("CorVel") and the customer identified below ("Customer") to govern Customer's rights to use certain of CorVel's managed care and claims management services. This Agreement consists of and incorporates the following components:

### This Cover and Signature Page

### General Terms and Conditions

**Exhibit A:** Selected TPA Claims Administration Services and Managed Care Services

**Exhibit B:** Fees

**Exhibit C:** CareMC License Agreement

**Exhibit C-1:** My Care Smartphone App Attachment

**Exhibit D:** CorVel Certificate of Insurance

**Exhibit E:** Consultant Expense Reimbursement Policy

1. **Effective Date:** July 1, 2017
2. **CorVel Address and Contact:** CorVel Corporation  
2010 Main Street, Suite 600  
Irvine, California 92614  
Attn: Director, Legal Services  
Phone: (949) 851-1473  
Fax: (949) 851-1469  
Email: Corporate\_Legal@corvel.com
3. **Customer Address and Contact:** City of Lakeland  
1140 East Parker Street  
Lakeland FL 33801  
Attn: Joyce Dias, Risk Manager  
Phone: 863-834-6796  
Fax: 863-834-6743  
Email: joyce.dias@lakelangov.net

By signing below, each party acknowledges his/her agreement with the terms and conditions of this Agreement and represents and certifies that he/she is authorized to sign on behalf of and to bind each of the respective signatories to all of the terms and conditions of this Agreement as of the Effective Date.

### CORVEL ENTERPRISE COMP, INC. :

By: Richard Schreff  
Name: Richard Schreff  
Title: CFO/Sec. Treasurer

### CITY OF LAKELAND:

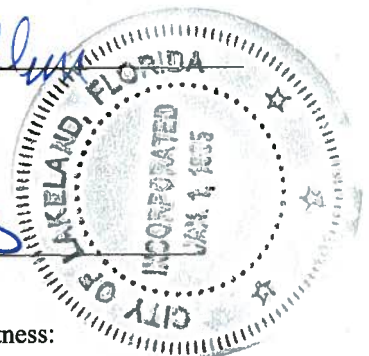
By: R. Howard Wiggs  
Name: R. Howard Wiggs  
Title: Mayor

Attest:

By: Kelly S. Koos  
Kelly S. Koos, City Clerk

Approved as to form and correctness:

By: Timothy J. McCausland  
Timothy J. McCausland, City Attorney



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## GENERAL TERMS & CONDITIONS

### RECITALS

**WHEREAS**, CorVel Corporation is in the business of providing an integrated claims administration cost containment program (the "Services") through its two wholly-owned, operating subsidiaries, CorVel Enterprise Comp, Inc., which provides claims management services, and CorVel Healthcare Corporation, which provides managed care services (collectively referred to here as "CorVel"); and

**WHEREAS**, CorVel has developed a proprietary software solution (the "CareMC Application") which is accessible via the CorVel web site located at URL [www.caremc.com](http://www.caremc.com) (the "CareMC Site"), through which CorVel provides its customers with the option of utilizing certain Services online (the "Online Services"); and

**WHEREAS**, CorVel has developed a proprietary smartphone application ("My Care Services" smartphone app) for Customer and Customer's claimants accessible via claimant's own independent smartphone including but not limited to Apple's iOS 7.0+ or Android 4.0+ or other smartphone device with such access capabilities; and

**WHEREAS**, Customer desires to retain CorVel to provide certain Services, including Online Services for the benefit of Customer and its claimants, insureds and/or their injured employees and My Care Services (including, but not limited to, services enabling Customer's claimant to (i) review the current status of their individual claim, (ii) share pain level data with their healthcare provider by taking a Pain Level Survey, (iii) receive Electronic Funds Transfer ("EFT") direct deposit transactions with respect to claims, and (iv) utilize other functions designed to assist claimants in interactions with health plans and healthcare providers); and

**WHEREAS**, CorVel desires to be so retained by Customer to provide such Services, and Online Services and My Care Services, all under the terms and conditions set forth in this Agreement.

**NOW THEREFORE**, for and in consideration of the agreements, covenants, representations and warranties set forth herein, and other good and valuable consideration provided by the parties, the receipt and adequacy of which are hereby acknowledged, the parties hereto agree as follows:

### AGREEMENT

#### 1. SERVICES

A. Exclusivity. Unless the parties expressly agree otherwise in writing, CorVel shall be the exclusive provider of all Services to Customer during the Term of this Agreement.

B. Terms and Conditions of Services. The Claims Administration Services shall be provided by CorVel Enterprise Comp, Inc., and the Managed Care Services by CorVel Healthcare Corporation as chosen by Customer are indicated on Exhibit A of this Agreement which shall be utilized by Customer in accordance with the terms and conditions set forth on the applicable Schedules. The terms and conditions under which Customer may access and use the Online Services shall be governed by the terms and conditions set forth on Exhibit C (the "CareMC License Agreement"). In the event of a conflict, the terms and conditions of this Agreement shall prevail.

#### 2. FEES

A. Fees, Billing and Payment. The fees and billing and payment procedures for the Services and CareMC Application are set forth on Exhibit B ("Fees"). Customer shall remit payment for all CorVel

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related Fees within forty-five (45) days of receipt of CorVel's invoice in accordance with Florida Statute §218.74 et. seq., the Local Government Prompt Payment Act.

B. Late Fees. A late fee of one percent (1%) per month or the highest rate allowed under the law, whichever is lower, shall be assessed against overdue amounts.

C. Taxes. All charges and fees exclude taxes. If CorVel is required to pay sales, use, value-added or other taxes resulting from services rendered under this Agreement, then such taxes will be billed to and paid by Customer unless otherwise exempt pursuant to a valid Florida sales and use tax exemption certificate which Customer shall provide upon execution of this Agreement. Customer shall not be responsible for taxes based on CorVel's income.

D. Customer's Audit Rights. During the Term of this Agreement and for a three (3) year period following the expiration or termination hereof, CorVel shall keep accurate records related to the provision of the Services performed under this Agreement. Such records shall be open for audit, at Customer's expense, by Customer or a reputable, independent certified public accounting firm (not working on a contingency fee basis, and reasonably acceptable to CorVel) at the local CorVel office or another location mutually agreed to by the parties for the purpose of verifying CorVel's compliance with the terms and conditions of this Agreement, provided such audits are conducted (i) no more than twice per calendar year, (ii) during CorVel's regular business hours, (iii) upon no less than thirty (30) days advance written notice to CorVel, (iv) for an audit period not to exceed twenty four (24) months prior to the date of audit, and (v) Customer or Customer's designee shall provide the results of such audit to CorVel within ten (10) business days including a complete list of all individuals or entities who were provided any CorVel information as a result of such audit and Customer or Customer's designee shall return all materials provided for such audit at the conclusion of the audit. Upon Customer's reasonable written request, no more than twice per calendar year, CorVel agrees to provide Customer with a copy of the results of CorVel's most recent internal SSAE16 audit, which results shall be CorVel's Confidential Information. Notwithstanding anything to the contrary herein, in no event shall Customer be permitted to audit CorVel's information technology systems or facilities or any other records of CorVel other than claims files related to the provision of Services performed under this Agreement.

E. CorVel's Audit Rights. During the Term of this Agreement and for a three (3) year period following the expiration or termination hereof, Customer shall keep accurate books and records supporting Customer's calculations of the amounts payable to CorVel hereunder and Customer's compliance with its obligations under this Agreement. Such records shall be open for audit by CorVel or CorVel's certified public accountants for the purpose of verifying Customer's compliance with its payment and other obligations under this Agreement provided such audits are conducted (i) no more than twice per calendar year; (ii) during Customer's regular business hours, and (iii) upon no less than thirty (30) days advance written notice to Customer.

### **3. REPRESENTATIONS, WARRANTIES AND COVENANTS OF CUSTOMER**

A. Authority. Customer represents and warrants that (i) it has all necessary corporate power and authority to enter into this Agreement and to perform its obligations hereunder, and the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized by all necessary corporate actions on its part, (ii) this Agreement constitutes a legal, valid and binding obligation of Customer, enforceable against it in accordance with its terms, and (iii) the execution, delivery and performance of this Agreement will not constitute a violation of any judgment, order or decree or a breach of a material agreement that would materially impair or prevent Customer from complying with its obligations under this Agreement.

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B. Authorizations. Customer represents and warrants that (i) it has obtained or shall obtain such authorizations or approvals as are required for CorVel to perform the services described in this Agreement, including but not limited to receiving and disclosing patient-specific data as contemplated hereunder, (ii) it shall maintain the compliance of its workers' compensation program under all applicable laws, (iii) it has obtained and shall maintain during the Term any regulatory approval needed in order for CorVel to perform its obligations hereunder, and (iv) it shall promptly notify CorVel if any such approval is terminated, suspended or otherwise materially limited.

C. Insurance. For the term of this Agreement, Customer agrees that Customer shall be deemed in compliance with this Section 3C by being self-insured pursuant to Florida Statute 768.28.

D. Non-Solicitation. As a material inducement to CorVel to provide the Services set forth in the Agreement, Customer agrees that during the Term of this Agreement and for a period of one (1) year after any expiration or termination thereof, Customer shall not, directly or indirectly, recruit or solicit for employment, employ or in any manner engage the services of or otherwise interfere with the employment relationship of any CorVel employee who was in any way involved in providing services to Customer pursuant to the Agreement without the prior written consent of CorVel. In the event Customer breaches this covenant of non-solicitation and non-employment, CorVel shall be entitled to recover the amount of one (1) times annual salary per employee from Customer as liquidated damages. The parties acknowledge that CorVel's actual damages in the event of such a breach by Customer would be extremely difficult or impracticable to determine and acknowledge that this liquidated damages amount has been agreed upon as a reasonable estimate of CorVel's damages and as CorVel's exclusive remedy against Customer in the event of a breach of this Section 3D by Customer. The parties further agree that in any action brought on account of any alleged breach of this covenant, the prevailing party shall be entitled to recover its reasonable attorney's fees and costs.

#### 4. REPRESENTATIONS, WARRANTIES AND COVENANTS OF CORVEL

A. Authority. CorVel represents and warrants that (i) it has all necessary corporate power and authority to enter into this Agreement and to perform its obligations hereunder, and the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized by all necessary corporate actions on its part, (ii) this Agreement constitutes a legal, valid and binding obligation of CorVel, enforceable against it in accordance with its terms, and (iii) the execution, delivery and performance of this Agreement will not constitute a violation of any judgment, order or decree or a breach of a material agreement that would materially impair or prevent CorVel from complying with its obligations under this Agreement.

B. Performance. CorVel represents and warrants that (i) it has the necessary knowledge, skills and experience to provide and perform the Services in accordance with the Agreement, and (ii) it will perform the Services in a diligent, professional and workmanlike manner using an appropriate number of properly trained and qualified individuals and in accordance with applicable industry standards.

C. Insurance. CorVel represents and warrants that it has and agrees that it will maintain at all times during the Term of this Agreement the required errors and omissions liability, workers' compensation, general and auto liability insurance coverages as set forth on the Certificate of Insurance attached hereto as Exhibit C.

#### 5. DISCLAIMERS

A. Coverage and Compensability. SUBJECT TO APPLICABLE STATE REGULATIONS, CODES AND STATUTES, CORVEL SHALL RETAIN FINAL DECISION MAKING AUTHORITY AS TO

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COMPENSABILITY AND COVERAGE DETERMINATION WITH INPUT FROM CUSTOMER. THIS AUTHORITY EXTENDS TO DETERMINATIONS REGARDING THE PAYMENT OF BENEFITS AS REQUIRED BY LAW, AND TO THE EXTENT POSSIBLE, WITHIN THE CUSTOMER'S ESTABLISHED PARAMETERS AND CONTRACT TERMS GOVERNING CORVEL'S PERFORMANCE OF THE SERVICES.

B. Duty of Cooperation. CUSTOMER ACKNOWLEDGES THAT ACCURATE AND LEGALLY SOUND DETERMINATIONS AS TO COMPENSABILITY AND THE PROVISION OF BENEFITS REQUIRES COOPERATION AND ACCESS TO CUSTOMER MATERIALS, DOCUMENTS, AND WITNESSES. CUSTOMER AGREES TO COOPERATE FULLY IN ALL ASPECTS OF CORVEL'S INVESTIGATION IN ORDER TO ENSURE FULL COMPLIANCE WITH ALL APPLICABLE WORKERS' COMPENSATION STATUTES.

C. Healthcare Authority. SUBJECT TO APPLICABLE STATE REGULATIONS, CODES AND STATUTES, CORVEL AND ITS AGENTS HAVE NO AUTHORITY TO CONTROL OR DIRECT THE HEALTH CARE SERVICES PROPOSED FOR OR PROVIDED TO INJURED PERSONS. THIS AUTHORITY SHALL LIE ONLY WITH THE INJURED PERSON AND HIS/HER TREATING PHYSICIAN IN ANY CASE, AND THOSE INDIVIDUALS MAY ACCEPT, REJECT OR MODIFY ANY ADVISORY DETERMINATIONS MADE BY CORVEL OR ITS AGENTS, EXCEPT INsofar AS STATE WORKERS' COMPENSATION LAWS MAY REQUIRE THEM TO FOLLOW THE DETERMINATIONS OF CUSTOMER, CORVEL, CUSTOMER'S AGENTS, A WORKERS' COMPENSATION JUDGE OR REVIEW PANEL, OR ANOTHER THIRD PARTY.

D. No Interference with Practice of Medicine. Neither CorVel nor Customer shall attempt, directly or indirectly, to control, direct or interfere with the practice of medicine by any health care provider.

## **6. LIMITATION OF LIABILITY**

A. Limitation on Damages. BOTH PARTIES AGREE THAT, EXCEPT WITH RESPECT TO (i) A BREACH BY CORVEL OF ITS OBLIGATIONS UNDER SECTION 9 (*Confidentiality*); (ii) CORVEL'S OBLIGATIONS UNDER SECTION 7 (*Indemnification*) INCLUDING CORVEL'S NEGLIGENCE, ERRORS, OMISSIONS, WILLFUL MISCONDUCT OR FRAUD HEREUNDER THE OBLIGATIONS OF THIS AGREEMENT; OR A BREACH BY CORVEL UNDER EXHIBIT F (*HIPAA Business Associate Agreement*) WHICH COULD RESULT IN BLUE SKY DAMAGES. IN NO EVENT WILL CORVEL'S MAXIMUM AGGREGATE LIABILITY FOR DIRECT DAMAGES UNDER OR IN CONNECTION WITH THIS AGREEMENT EXCEED LESSER OF (x) FIVE HUNDRED THOUSAND DOLLARS (\$500,000.00) OR (y) THE FEES PAID BY CUSTOMER TO CORVEL HEREUNDER IN THE TWELVE (12) MONTHS PRIOR TO THE DATE FIRST NOTICE IS PROVIDED BY EITHER PARTY REFERENCING A CLAIM HEREUNDER, REGARDLESS OF WHETHER CLAIMS ARE BROUGHT UNDER TORT, CONTRACT, OR ANY OTHER LEGAL OR EQUITABLE THEORY. For purposes of this Section 6(A), the calculation of fees paid to CorVel shall exclude provider fees, pharmacy fees, facility fees, medical expenses, and allocated loss adjustment expenses which Customer pays to CorVel and CorVel passes through to medical providers, pharmacies and other third parties as may be required in the performance of CorVel's services hereunder.

B. NEITHER PARTY SHALL BE LIABLE TO THE OTHER PARTY FOR ANY SPECIAL, INDIRECT, INCIDENTAL, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES (INCLUDING BUT NOT LIMITED TO LOST PROFITS OR LOST REVENUES) UNDER THIS AGREEMENT. THE FOREGOING EXCLUSION SHALL APPLY REGARDLESS OF WHETHER CLAIMS BROUGHT UNDER OR IN CONNECTION WITH THIS AGREEMENT ARE

FORESEEABLE, WHETHER THEY ARE BROUGHT UNDER TORT, NEGLIGENCE, CONTRACT OR ANY OTHER LEGAL OR EQUITABLE THEORY AND WHETHER ANY REMEDY UNDER THIS AGREEMENT FAILS OF ITS ESSENTIAL PURPOSE.

C. Integral Element. The parties acknowledge that the limitations and disclaimers set forth in this Agreement were an integral element in the business arrangement between the parties. The pricing and other terms of this Agreement reflect this allocation of risk and the disclaimers and limitations of liability set forth herein.

## 7. INDEMNIFICATION

A. Indemnification. Subject to section 7C below, CorVel shall defend any third party claim against the Customer (the Indemnified Party") arising from the death of or physical injury to any person or damage to the indemnified party's property to the extent proximately caused by the negligence of the indemnifying party or its agents or employees, and indemnify and hold harmless the other party and its respective officers, directors and employees from and against damages, liabilities and reasonable costs and expenses, including reasonable legal fees ("Losses") incurred in connection therewith.

### B. Indemnification by CorVel.

(i) Subject to Section 7C below, CorVel shall defend any third party suit or action against Customer to the extent resulting from the negligence or willful misconduct of CorVel in performing or failing to perform the Services for Customer under this Agreement, and CorVel will pay those Losses finally awarded against Customer in any monetary settlement or final, non-appealable judgment of such suit or action which are specifically attributable to such claim, but excluding therefrom the costs of any medical benefits, temporary and permanent disability benefits, death benefits, medical-legal responses, vocational rehabilitation and any other expenses or services that are required to be paid or provided by Customer under any insurance policy or applicable state or federal workers' compensation laws; provided, however, that CorVel shall have no obligation to defend, indemnify or hold harmless Customer from or against any Losses arising out of or relating to any suit or action resulting from (a) the negligent acts or omissions or willful misconduct of Customer, its officers or employees, or (b) actions taken by CorVel at the direction of Customer relating to the Services; and provided, further, that for purposes of computing Losses hereunder in connection with any suit or action there shall be deducted an amount equal to the amount of any insurance proceeds, indemnification payments, contribution payments or reimbursements received directly or indirectly by Customer in connection with such suit or action. CorVel shall not be responsible or liable for any third party claims arising to the extent of Customer's negligence, errors, omissions, willful misconduct or fraud under performance of this Agreement.

(ii) Subject to Section 7D below, CorVel shall defend any third party suit or action against Customer to the extent such suit or action is based on a claim that Customer's permitted use of the CareMC Application under this Agreement constitutes an infringement of a United States patent, trademark, trade name, trade secret, copyright or other United States intellectual property right, and CorVel will pay those Losses finally awarded against Customer in any monetary settlement or final, non-appealable judgment of such suit or action which are specifically attributable to such claim. This indemnity does not apply to any claims based on Customer's use of the CareMC Application (a) in violation of this Agreement or the Documentation (as defined in the CareMC License Agreement), (b) in combination with any other software, hardware, network or system where the alleged infringement relates to such

combination, or (c) based on CorVel's compliance with Customer's instructions, designs or specifications where the alleged infringement relates to such compliance. If any portion of the CareMC Application becomes, or in CorVel's opinion is likely to become, the subject of a claim of infringement, then CorVel may, at its option and expense, procure for Customer the right to continue using the CareMC Application or replace or modify the affected portion of the CareMC Application so that it becomes non-infringing. If neither alternative is reasonably available, CorVel may terminate this Agreement. THE FOREGOING STATES CORVEL'S ENTIRE LIABILITY AND CUSTOMER'S SOLE REMEDY FOR INFRINGEMENT CLAIMS.

C. Conditions. The parties' indemnification obligations under this Section 7 are contingent upon: (i) the indemnified party giving prompt written notice to the indemnifying party of any claim under this Section (provided, however, that failure to give such notification shall not affect the indemnification provided hereunder except to the extent, and only to the extent, that the indemnifying party shall have been actually prejudiced as a result of such failure), (ii) the indemnifying party having the right, but not the obligation, to assume sole control of the defense or settlement of the claim, and (iii) at the indemnifying party's request and expense, the indemnified party cooperating in the investigation and defense of such claim(s). If the indemnifying party assumes the defense of any claim hereunder, the indemnified party shall be entitled to participate in (but not control) such defense and to retain its own counsel, at its own expense. The indemnifying party shall not settle or consent to an adverse judgment in any such claim that adversely affects the rights or interests of the indemnified party or imposes additional obligations on the indemnified party, without the prior express written consent of the indemnified party.

## **8. TERM AND TERMINATION.**

A. Term. Unless provided otherwise on Exhibit B, the initial term of this Agreement shall begin on the Effective Date and continue for a period of three (3) years from the Effective Date (the "Initial Term"). Thereafter, the Agreement shall be renewed upon mutual written agreement of the parties for subsequent one (1)-year terms (each a "Renewal Term"), unless either party gives written notice of its intent to terminate no less than thirty (30) days prior to the end of the then-current term. The Initial Term and any subsequent Renewal Term(s) are collectively referred to herein as the "Term".

B. Termination for Convenience. This Agreement may be terminated by either party for convenience upon ninety (90) days written notice to the other party any time after the expiration of the Initial Term.

C. Termination for Cause. This Agreement may be terminated by either party for cause as follows: (i) upon thirty (30) days written notice if the other party breaches or defaults under any material provision of this Agreement or the CareMC License Agreement and does not cure such breach prior to the end of such thirty (30) day period, (ii) effective immediately and without notice if the other party ceases to do business, or otherwise terminates its business operations, except as a result of an assignment permitted under the terms and conditions of this Agreement, or (iii) effective immediately and without notice if the other party becomes insolvent or seeks protection under any bankruptcy, receivership, trust deed, creditors arrangement, composition or comparable proceeding, or if any such proceeding is instituted against the other and continues for ninety (90) days undismissed, unbonded and undischarged.

D. Effects of Termination. Termination or expiration of this Agreement shall have the following effects: (i) all outstanding unpaid invoices rendered by CorVel shall become immediately payable by Customer and invoices in respect of services provided prior to termination but for which an invoice has not been submitted shall be payable immediately by upon submission of an invoice by CorVel, (ii) all licenses granted to Customer under this Agreement (including any and all Exhibits) shall terminate immediately, (iii) all rights of Customer to use the CareMC Application and Online Services shall cease immediately,

(iv) provided Customer has paid all outstanding amounts due to CorVel under this Agreement, CorVel shall provide Customer with any proprietary data belonging to Customer, including but not limited to claim history, in the current format in which it is stored at CorVel at the termination of the Agreement, and (v) each party shall promptly return all claims files, information, documents, manuals and other materials belonging to the other party, whether in printed or electronic form, except as otherwise provided in this Agreement, including without limitation all Confidential Information of the other party then currently in its possession.

E. Transition Period. Upon expiration or termination of the Agreement CorVel shall upon prior written request from Customer continue to provide Services to Customer for a period up to ninety (90) days after such expiration or termination of the Agreement pursuant to Exhibit B. Access to the CareMC Application shall continue during such timeframe at no costs to Customer. If Customer requests the CareMC Application beyond the ninety (90) day timeframe or CorVel shall continue to provide Open Claims services, CorVel shall also invoice for such Open Claims transfers and Administrative Fee as described hereunder in Exhibit B. CorVel shall assist and support in a reasonable manner during such transition period. CorVel will not provide such transition assistance or services if the Agreement is terminated pursuant to Section 8C as a result of a material breach by Customer which is not curable to the satisfaction of CorVel.

F. Survival. Except to the extent expressly provided to the contrary in this Agreement, any rights to accrued payments, any right of action for breach of the Agreement prior to termination, and the following provisions shall survive the termination of this Agreement: Sections 2B-2E, 3A, 3B, 3D, 4A, 4B, 5, 6, 7, 8E, 8F, 9, 10, 11 (as applicable) and the provisions identified the Section of the CareMC License Agreement titled "Effect of Termination".

## **9. CONFIDENTIALITY**

A. Definition of Confidential Information. "Confidential Information" shall mean any non-public data, information and other materials regarding the products, services or business of a party (and/or, if either party is bound to protect the confidentiality of any third party's information, of a third party) provided to either party by the other party where such information is marked or otherwise communicated as being "proprietary" or "confidential" or the like, or where such information should, by its nature, be reasonably considered to be confidential and/or proprietary. Without limiting the foregoing, the parties agree that (i) the CareMC Application, My Care App, Documentation, CorVel Content (as defined in the in the CareMC License Agreement) and all software, source code, source documentation, inventions, know-how, and ideas, updates and any documentation and information relating thereto constitutes Confidential Information of CorVel, (ii) the Customer Data (as defined in the CareMC License Agreement) constitute Confidential Information of Customer, and (iii) this Agreement and Exhibits attached hereto, and the terms and conditions set forth herein and therein are Confidential Information of both parties.

B. Disclosure and Use of Confidential Information. The Confidential Information disclosed by either party ("Disclosing Party") to the other ("Receiving Party") constitutes the confidential and proprietary information of the Disclosing Party and the Receiving Party agrees to treat such Confidential Information in the same manner as it treats its own similar proprietary information, but in no case will the degree of care be less than reasonable care. The Receiving Party shall use the Confidential Information of the Disclosing Party only in performing under this Agreement and shall retain the Confidential Information in confidence and not disclose it to any third party (except as authorized under this Agreement) without the Disclosing Party's express written consent. The Receiving Party shall disclose the Disclosing Party's Confidential Information only to those employees and contractors of the Receiving Party who have a need to know such information for the purposes of this Agreement, and such employees and contractors must be bound by this Agreement or have entered into agreements with the

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Receiving Party containing confidentiality provisions covering the Confidential Information with terms and conditions at least as restrictive as those set forth herein.

C. Exceptions. Notwithstanding the foregoing, the parties' confidentiality obligations hereunder shall not apply to information which: (i) is already known to the Receiving Party prior to disclosure by the Disclosing Party, (ii) becomes publicly available without fault of the Receiving Party, (iii) is rightfully obtained by the Receiving Party from a third party without restriction as to disclosure, (iv) is approved for release by written authorization of the Disclosing Party, (v) is developed independently by the Receiving Party without use of or access to the Disclosing Party's Confidential Information, or (vi) is required to be disclosed by law, rule, regulation, court of competent jurisdiction or governmental order, provided, however, that the Receiving Party shall advise the Disclosing Party of the Confidential Information required to be disclosed promptly upon learning thereof in order to afford the Disclosing Party a reasonable opportunity to contest, limit or assist the Receiving Party in crafting the disclosure, and then such disclosure shall be made only to the extent necessary to satisfy such requirements.

D. Use of Data. Nothing shall prohibit CorVel from using aggregate, non-identifying, statistical data generated through its customers', including Customer, use of the CareMC Application and Online Services for analytical purposes, provided that CorVel shall not use or disclose any such data or information in a manner that would reveal the identity of, or other confidential information concerning, Customer and such data has been completely de-identified or scrubbed of any personal health information of claimants. Such aggregate, non-identifying statistical data could include, without limitation, statistics regarding usage of the CareMC Application and Online Services, the number of case referrals generated through the CareMC Application and Online Services and the efficiencies gained by CorVel customers through their use of the CareMC Application and Online Services.

**E. Public Records. IF CORVEL HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO THE CONTRACTOR'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS CONTRACT, CONTACT THE CUSTODIAN OF PUBLIC RECORDS: KEVIN COOK - DIRECTOR OF COMMUNICATIONS AT: PHONE: 863-834-6264, E-MAIL: KEVIN.COOK@LAKELANDGOV.NET, ADDRESS: ATTN: COMMUNICATIONS DEPARTMENT, 228 S. MASSACHUSETTS AVE., LAKELAND, FLORIDA 33801.**

In accordance with Florida Statute §119.0701, CorVel shall keep and maintain public records required by the Customer in performance of services pursuant to the contract. Upon request from the Customer's custodian of public records, CorVel shall provide the Customer with a copy of the requested records or allow the records to be inspected or copied within a reasonable time at a cost that does not exceed the cost provided pursuant to Florida Statute Chapter 119 or as otherwise provided by law. CorVel shall ensure that public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law for the duration of the contract term and following completion of the contract if CorVel does not transfer the records to the Customer. CorVel shall, upon completion of the contract, transfer, at no cost, to the Customer all public records in possession of CorVel or keep and maintain public records required by the Customer to perform services pursuant to the contract. If CorVel transfers all public records to the Customer upon completion of the contract, CorVel shall destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. If CorVel keeps and maintains public records upon completion of the contract, CorVel shall meet all applicable requirements for retaining public records. All records stored electronically must be provided to the Customer, upon request from the Customer's custodian of public records, in a format that is compatible with the information technology systems of the

Customer. If such format is not an industry standard and would require CorVel to re-format such records, Customer shall be responsible for such reasonable costs of formatting to such Customer requirements.

## 10. GOVERNING LAW

This Agreement shall be governed by and construed under the laws of the State of Florida and the United States without regard to conflicts of laws provisions thereof. Venue and jurisdiction for any legal action arising out of this Agreement shall be in Polk County, Florida or the United States District Court in and for the Middle District of Florida, Tampa division. The parties expressly agree that the United Nations Convention on Contracts for the International Sale of Goods is specifically excluded from application to this Agreement.

## 11. DISPUTE RESOLUTION

**READ THIS DISPUTE RESOLUTION PROVISION CAREFULLY. IT WILL HAVE A SUBSTANTIAL IMPACT ON THE WAY THE PARTIES WILL RESOLVE ANY CLAIMS WHICH THEY HAVE AGAINST EACH OTHER NOW OR IN THE FUTURE. AMONG OTHER THINGS, IF A CLAIM HAS NOT BEEN RESOLVED THROUGH NEGOTIATION AND IS ARBITRATED: (i) NO PARTY WILL HAVE THE RIGHT TO PURSUE THAT CLAIM IN COURT OR HAVE A JURY DECIDE THE CLAIM; (ii) A PARTY'S ABILITY TO OBTAIN INFORMATION OR DISCOVERY FROM ANOTHER PARTY AND TO APPEAL IS MORE LIMITED IN AN ARBITRATION THAN IN A LAWSUIT; (iii) THERE WILL BE NO RIGHT TO PURSUE A CLASS ACTION IN COURT OR IN ARBITRATION OR TO CONSOLIDATE CLAIMS; (iv) THE FEES CHARGED BY THE ARBITRATION ADMINISTRATOR MAY BE HIGHER THAN FEES CHARGED BY A COURT; AND (v) OTHER RIGHTS THAT A PARTY WOULD HAVE IN COURT MAY ALSO NOT BE AVAILABLE IN ARBITRATION.**

A. Negotiation and Escalation of Disputes. In the event of any dispute, controversy or claim arising from or relating to this Agreement or the breach thereof ("Claim"), the parties will attempt in good faith to negotiate a solution to their differences, including progressively escalating any Claim through senior levels of management. If negotiation does not result in a resolution of the Claim within thirty (30) days of the date when one party first notifies the other of the Claim, any party desiring to pursue that Claim must do so exclusively pursuant to the arbitration provision set forth in Section 11B.

B. Arbitration Provision. To the extent permitted by applicable law, any Claim which a party desires to pursue which has not been resolved through negotiation under Section 11A shall be submitted to and finally resolved by a single arbitrator mutually agreed to by both parties through arbitration in accordance with the following terms.

(i) Claim. "Claim," as defined in Section 11A, includes, without limitation, initial claims and counterclaims, disputes based on statutes, regulations, ordinances, common law, equity, constitutions, contracts, torts and acts of every type (whether intentional, fraudulent, reckless or negligent), and requests for monetary and equitable relief. This arbitration provision shall apply to the parties hereto, to their officers, directors, employees, affiliates, agents, contractors, assigns and to third party beneficiaries of this Agreement. "Claim" includes only a party's individual claims and not class action, consolidated or private attorney general claims, as set forth in Section 11B(vi). In addition, "Claim" does not include disputes about the validity, enforceability, coverage or scope of this arbitration provision or any part thereof, (including, without limitation, the Class Action and Consolidation Waiver in Section 11.B.(vi) and/or this sentence); all such disputes are for a court and not an arbitrator to decide. However, any dispute

or argument that concerns the validity or enforceability of the Agreement as a whole is for the arbitrator, not a court, to decide.

(ii) Governing Law. This Agreement involves interstate commerce, and this arbitration provision shall be governed, interpreted and enforced pursuant to the Federal Arbitration Act ("FAA"), 9 U.S.C. §§ 1 et seq. (and by the law of the state where [Customer] is located to the extent state law governs the enforceability of the arbitration provision under Section 2 of the FAA).

(iii) Administrator. The arbitration shall be administered by the American Arbitration Association ("AAA") according to the Commercial Arbitration Rules (excluding the Optional Procedures for Large, Complex Commercial Disputes) and the Optional Rules for Emergency Measures of Protection of the AAA. A copy of the rules, forms and instructions for initiating an arbitration and additional information concerning the AAA may be obtained by contacting the AAA, 1633 Broadway, New York, NY 10019, (800) 778-7879, [www.adr.org](http://www.adr.org). If the AAA cannot or will not serve and the parties are unable to select another administrator by mutual consent, a court with jurisdiction will select the administrator; provided that no arbitration may be administered, without the consent of all parties to the arbitration, by any organization that has in place a formal or informal policy that is inconsistent with and purports to override the terms of this arbitration provision.

(iv) Venue; Arbitrator Selection. Arbitration shall take place in Polk County, Florida at a location agreed to by all parties or, in the absence of an agreement, at a place specified by the AAA. The arbitration shall be heard by one (1) arbitrator who must be disinterested, experienced in commercial transactions, and knowledgeable about the subject matter of this Agreement. The arbitrator shall be appointed jointly by the parties within thirty (30) days following the date on which the arbitration is instituted and shall apply the AAA rules. If the parties are unable to agree upon an arbitrator within said thirty (30)-day period, the arbitrator shall be selected by the AAA pursuant to its rules within thirty (30) days thereafter.

(v) Arbitrator Authority. The decision of the arbitrator shall be executory, final and binding upon the parties hereto, except for any appeal rights under the FAA. Judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. The arbitrator shall follow the substantive law applicable to the Claim to the extent consistent with the FAA and this Agreement, applicable statutes of limitation and applicable privilege rules. The arbitrator will not have the power to award any damages excluded by, or in excess of, any damage limitations expressed in this Agreement. The arbitrator also will not have authority to conduct class-wide, consolidated or private attorney general arbitration, as set forth in Section 11B (vi). Upon the timely request of either party, the arbitrator shall write a brief explanation of the basis for the award.

(vi) Class Action and Consolidation Waiver. Regardless of anything else in this Agreement or this arbitration provision, no party to this Agreement or person or entity covered by this arbitration provision will be allowed to participate in a class action in court or in class-wide arbitration, whether as a class representative, class member or otherwise, or act as a private attorney general, in connection with any arbitration or court proceeding involving this Agreement or any Claim covered by this Agreement. In addition, any arbitration or court proceeding involving this Agreement or any Claim covered by this Agreement may not be joined or consolidated with any other arbitration or court proceeding involving a different agreement or different parties. The arbitrator has no power or authority to conduct class-wide, consolidated or

private attorney general arbitration. The validity and effect of this Class Action and Consolidation Waiver may be determined only by a court and not by an arbitrator. If a determination is made in a proceeding involving the parties to this Agreement that the Class Action and Consolidation Waiver is invalid or unenforceable, only this sentence of this Arbitration Provision will remain in force and the remainder of this arbitration provision shall be null and void, provided that the determination concerning the Class Action and Consolidation Waiver shall be subject to appeal.

(vii) Arbitration Costs. The compensation and expenses of the arbitrator and any administrative fees or costs associated with the arbitration proceeding shall be borne equally by the parties. The AAA's fee schedule is posted on its website or may be obtained by writing or calling the AAA. Each party must pay for that party's own attorneys, experts and witnesses unless applicable law, this Agreement or the AAA's rules provide otherwise.

(viii) Continued Effect of Arbitration Provision. Subject to the terms of Section 11B (vi), this arbitration provision will remain in force even if (a) there is a breach of or default under this Agreement, (b) this Agreement has been terminated and (c) a party to this Agreement becomes bankrupt or insolvent or a bankruptcy or insolvency proceeding is begun by or against a party to this Agreement, to the extent consistent with applicable bankruptcy law.

(ix) Other Provisions. (a) If court proceedings to stay litigation or compel arbitration or otherwise enforce rights under this Agreement are necessary, the party who unsuccessfully opposes such proceedings will reimburse and pay all associated costs, expenses and attorneys' fees that are reasonably incurred by the other party. (b) In no event shall a demand for arbitration be made after the date when institution of a legal or equitable proceeding based on such Claim would be barred by the applicable statute of limitations. (c) All proceedings that take place under or in connection with this arbitration provision shall be considered Confidential Information of both parties and subject to appropriate confidentiality restrictions and/or protective orders. (d) Either party may apply to the arbitrator to seek injunctive relief until such time as the arbitration award is rendered or the controversy is otherwise resolved. Either party also may, without waiving any remedy under this Agreement, seek from any court having jurisdiction, interim or provisional equitable relief that is necessary to protect the rights or property of that party, pending establishment of the arbitral tribunal. (e) In the event of a conflict between this arbitration provision and the rules or policies of the AAA, or between this arbitration provision and other parts of this Agreement, this arbitration provision shall govern.

(x) Acknowledgements. The parties hereby acknowledge that this Agreement is a commercial, not a consumer, contract; that they have had a full and fair opportunity to negotiate the terms of this Agreement and this arbitration provision and to consult with and utilize counsel of their choice before signing this Agreement; and that they have entered into this Agreement and this arbitration provision knowingly, intelligently, voluntarily and of their own free will.

C. Injunctive Relief. Either party may apply to the arbitrator to seek injunctive relief until such time as the arbitration award is rendered or the controversy is otherwise resolved. Either party also may, without waiving any remedy under this agreement, seek from any court having jurisdiction, interim or provisional relief that is necessary to protect the rights or property of that party, pending establishment of the arbitral tribunal.

D. Fees and Costs. In any action or proceeding to enforce rights under this Agreement, the prevailing party shall be entitled to an award of reasonable attorneys' fees and costs.

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## 12. GENERAL PROVISIONS

A. Contacts for Notices. The parties' contacts for notices to be provided under this Agreement shall be as set forth on the cover pages to this Agreement.

B. Assignment. Neither this Agreement nor any rights, licenses or obligations hereunder, may be assigned by either party without the prior written consent of the non-assigning party. Notwithstanding the foregoing, CorVel may assign this Agreement to any acquiror of all or of substantially all of CorVel's equity securities, assets or business related to the subject matter of this Agreement. Any attempted assignment in violation of this Agreement shall be void and without effect.

C. Severability. Should any term of this Agreement be declared void or unenforceable by any court of competent jurisdiction, such declaration shall have no effect on the remaining terms hereof, which shall continue in full force and effect.

D. Waiver. The failure of either party to enforce any rights granted hereunder or to take action against the other party in the event of any breach hereunder shall not be deemed a waiver by that party as to subsequent enforcement of rights or subsequent actions in the event of future breaches.

E. Relationship of the Parties. The relationship of CorVel and Customer established by this Agreement is that of independent contractor, and nothing contained in this Agreement shall be construed to (i) give either party the power to direct or control the day-to-day activities of the other, (ii) constitute the parties as partners, franchisee-franchiser, joint venturers, co-owners or otherwise as participants in a joint or common undertaking, or (iii) otherwise give rise to fiduciary obligations between the parties.

F. Force Majeure. Except for the obligation to make payments, nonperformance by either party shall be excused to the extent that performance is rendered impossible by war, acts of terrorism, strikes, fire, flood, hurricane, governmental acts or orders or restrictions, failure of suppliers, or any other reason where failure to perform is beyond the control of the non-performing party.

G. Entire Agreement; Amendments. This Agreement and the Exhibits attached hereto constitute the entire, final, complete and exclusive agreement between the parties and supersedes all previous agreements or representations, oral or written, relating to the subject matter of this Agreement. This Agreement may not be modified or amended except in writing signed by a duly authorized representative of each party. Both parties acknowledge having read the terms and conditions set forth in this Agreement and all attachments hereto, understand all terms and conditions, and agree to be bound thereby.

H. Counterparts; Facsimile Signatures. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Delivery of a facsimile copy of a manually signed signature to this Agreement shall be deemed to be valid execution of this Agreement by the signatory.

I. No Third Party Beneficiaries. This Agreement and the obligations hereunder are not intended to benefit any party other than the Customer and CorVel, except as expressly provided otherwise herein. No entity not a signatory to this Agreement shall have any rights or causes of action against any party to this Agreement as a result of that party's performance or non-performance under this Agreement, except as provided otherwise herein.

## EXHIBIT A

### Claims Administration and Managed Care Services Selected by Customer

Customer has chosen the Claims Administration and Managed Care Services indicated below. The specific terms and conditions that apply to CorVel's provision and Customer's receipt of such Claims Administration and Managed Care Services are set forth in the indicated Schedules, which are hereby incorporated by reference into this Agreement.

<u>Service</u>	<u>Selected by Customer</u> (check box if yes)	<u>Applicable Terms &amp; Conditions</u>
Claims Administration Services: Workers Compensation Claims Administration Services	<b>X</b>	Schedule A
Liability Claims Administration Services	<b>X</b>	Schedule A-1
Texas Non-Subscriber Services	<input type="checkbox"/>	Schedule A-2
Managed Care Services: First Report of Loss and Early Intervention Services	<input type="checkbox"/>	Schedule 1
Case Management Services	<b>X</b>	Schedule 2
Network Solutions: Bill Review Services	<b>X</b>	Schedule 3
w/ On-Site Bill Review Services	<input type="checkbox"/>	Schedule 3-A
Professional Review	<b>X</b>	Schedule 3-B
Enhanced Bill Review (CERiS)	<b>X</b>	Schedule 3-C
w/ Hospital Itemization Review w/ Negotiations w/ Implant Cost Review Preferred Provider Network Access Services (PPO)	<b>X</b>	Schedule 4
Care <sup>IQ</sup> Services: Independent Medical Exams (IME) Durable Medical Equipment (DME) Medical Imaging Services Transportation and Translation Services Physical and Occupational Therapy	<b>X</b>	Schedule 5

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Pharmacy Benefit Program	<b>X</b>	Schedule 6
Peer Review/Medical Records Review	<b>X</b>	Schedule 7
Medicare Reports/Medicare Set Asides	<b>X</b>	Schedule 8
Clearinghouse Payer Agent Services Program	<input type="checkbox"/>	Schedule 9
Clearinghouse Services	<input type="checkbox"/>	Schedule 9A
NCCI Medical Data Call Services	<input type="checkbox"/>	Schedule 10
Advocacy 24/7 Nurse Triage Services	<b>X</b>	Schedule 11
Connected Care Services	<b>X</b>	Schedule 12

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## **Schedule A**

### **Workers' Compensation Claims Management Services Terms and Conditions**

#### **I. DESCRIPTION OF WORKERS' COMPENSATION CLAIMS MANAGEMENT SERVICES**

- (a) Customer shall promptly notify CorVel of all incidents subject to the services described in this Agreement.
- (b) First report of loss services involve gathering pertinent information related to a work injury and reporting such information to the appropriate state industrial accident board or commission as required by law, and is used to facilitate CorVel's initial review of the claim to determine whether the claim is likely to be medical-only or lost time and to help guide the initial determination of Services that may be required ("First Report Services").
- (c) CorVel's Workers' Compensation Claims Management services provide Customer with a process to comply with Customer's workers' compensation issues in the applicable jurisdiction. CorVel shall provide workers' compensation claims management services set forth herein to Customer on behalf of employees that sustain work related injuries ("Injured Employees"). CorVel may subcontract with a third party to provide some portion or all of its claims management services obligations hereunder.

#### **II. DELIVERY OF FIRST REPORT OF LOSS SERVICES**

- (a) CorVel shall provide First Report Services to Customer upon receipt by CorVel of specific requests from Customer. Prior to the implementation of CorVel First Report Services and as required during the Term of this Agreement, Customer may provide CorVel with instructions regarding the scope and extent of the First Report to be performed by CorVel. Absent such instruction, CorVel First Report Services shall be performed as described below.
- (b) Customer shall initiate First Report Services by (i) entering such information online through CareMC, (ii) calling CorVel via a toll-free number provided by CorVel, or (iii) faxing such information to the CorVel intake specialist. Customer or the Customer representative entering such information on CareMC, making such calls, or faxing such information shall provide CorVel with all information required to complete the First Report of Loss form required by the applicable state ("Required Information"). Required Information generally includes the following: name/address of claimant, date of incident, description of injuries, social security number, date of birth, employer, salary, and other descriptive information reasonably required by CorVel, and may include information required by applicable statute (e.g., employer TIN). CorVel shall (i) provide sufficient staff to handle all incoming calls, and (ii) be prepared to complete First Report of Loss forms for all applicable states.
- (c) Once the Required Information is validated and confirmed by a CorVel representative, First Report of Loss forms will be made available to Customer through the CareMC Application. CorVel will, upon request of Customer, provide a hard copy of the

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completed First Report of Loss form to the Customer. An electronic copy shall be available to Customer via CareMC. To the extent permitted by the applicable state industrial accident board or commission, the Required Information shall be transmitted electronically.

- (d) To the extent required by applicable statute or otherwise agreed in writing by CorVel, CorVel will file additional reports on earlier-filed First Reports of Loss ("Subsequent Reports").
- (e) Unless agreed to otherwise in writing by the parties, any questions or concerns from an industrial accident board or commission concerning First Reports of Loss forms completed by CorVel hereunder will be handled directly by CorVel. All such inquiries will receive an initial response within the next business day following CorVel's receipt of the inquiry. CorVel will keep Customer apprised of any inquiries it receives and the response thereto. CorVel will send a written response to the inquiry within five (5) business days outlining the nature of the inquiry and the resolution of same by CorVel. A copy of such response will also be sent to the attention of the designated Customer representative if requested in writing by Customer. Customer shall have the right, but not the obligation, at any time and at Customer's expense, to interject itself into the inquiry between CorVel and the industrial accident board or commission, and in connection therewith to resolve the inquiry in a manner acceptable to Customer at its sole discretion, in which case Customer shall defend, indemnify and hold harmless CorVel from and against any claim, liability, damages or costs arising from Customer's handling of such inquiry or the resolution thereof.

### **III. DELIVERY OF CLAIMS MANAGEMENT SERVICES**

- (a) Customer shall arrange so that all claims and all related bills of any type, as well as all other correspondence that Customer receives relating to such claims, are sent directly to CorVel. CorVel shall perform all of the following "Claims Services" in connection with each portion of a Claim related to Workers' Compensation benefit payments shall be defined as:

Claims requiring work beyond the standard scope for each claim type will be invoiced at the next higher rate. The following section indicates the basis for the categorization of claims fees. You will be provided with reports that provide full transparency of the fees invoiced.

- Record Only – system notation of an event that does not require any claims handling, including contact or investigation. These are used solely for the purpose of record keeping.
- Medical Only – claims where time-off does not exceed the state waiting period and the scope of work is within the parameters noted in the Pricing section ("Fees"), Exhibit B.
- Indemnity – claims not otherwise classified as either Record Only or Medical Only.

All Claims Services provided by CorVel under this Agreement shall be performed in accordance with the guidelines set forth in Sections II-IV of this Exhibit A:

- (i) CorVel shall immediately assign each new Indemnity Claim and Medical Only Claim to CorVel's designated claims professional.
- (ii) Utilizing CorVel's CareMC Application or other applicable CorVel Online

System, CorVel shall maintain a chronological record of all Claims Services performed by CorVel.

- (iii) CorVel shall make all filings related to Indemnity Claims and Medical Only Claims with the appropriate state Workers' Compensation regulatory authorities.
  - (iv) CorVel shall maintain a complete and accurate claim file for each Indemnity Claim and Medical Only Claim.
  - (v) CorVel shall perform reasonable and necessary administrative and clerical work including, without limitation, the following:
    - (A) Investigate all Indemnity Claims and Medical Only Claims.
    - (B) Determine and evaluate any coverage and/or compensability issues and provide Customer with appropriate recommendations and advice regarding the same.
    - (C) Adjust, handle, or settle to a conclusion those Indemnity Claims and Medical Only Claims that CorVel believes the Customer is legally obligated to pay under applicable state law and regulations, and in accordance with the authority granted to CorVel by Customer under the Agreement. Customer authorizes CorVel to settle claims up to a threshold of Seven Thousand five hundred dollars (\$7,500.00.) Any settlements over the threshold requires prior written approval of the Customer before CorVel pays such settlements.
    - (D) Prepare checks for payments of Indemnity claims, Medical Only Claims and Allocated Loss Adjustment Expenses.
    - (E) Prepare documents as necessary to close out Indemnity Claims and Medical Only Claims.
    - (F) Medical Only claims requiring the following work will be invoiced at the rates under Exhibit B "Fees". Claims previously invoiced as a Medical Only will be invoiced based on the difference between the Medical Only rate and the Indemnity rate as described also under Exhibit B "Fees". This increase is limited to claims with paid medical expense exceeding Five Thousand Dollars (\$5,000.00); claims requiring investigation to determine compensability, apportionment, medical causation, and subrogation; claims where medical benefits are disputed or denied, or claims where defense counsel is retained to respond to a legal proceeding or regulatory matter.
- (b) CorVel shall process claims and process the disbursement of benefit payments to claimants and providers entitled to such payments from Customer. Funding for the payment of all benefits to claimants, providers, vendors and "allocated loss adjustment expenses" (as defined below) is the sole responsibility of Customer and Customer agrees to be liable for and fund all proper claims processed by CorVel by establishing its own bank account through Wells Fargo. CorVel shall establish a bank account whereby CorVel shall issue checks for payment on behalf of Customer through the CorVel bank account. CorVel shall debit the Customer's Bank Account as needed for daily check issuance purposes. Such bank accounts are being established for claims relating to both

First Reports of Loss arising on or after July 1, 2017 and for tail claims arising before July 1, 2017 (the "bank account"). CorVel shall provide Customer with a check register in a mutually agreed format for each check run drawn on a bank account prior to mailing of the checks. CorVel also will provide Customer information as necessary for Customer to prepare periodic bank account reconciliation reports. CorVel shall provide weekly (Excel) payment detail reports. Such report will be separated by coverage line. Payment threshold and pre-approval guidelines will be established by the City for CorVel to comply with during the Term of the Agreement. Customer agrees to pay into the bank account funds sufficient to pay approved claims and to maintain the advance deposit set forth below and to provide CorVel with such authorizations as shall be necessary to make the required instruments valid claims against Customer. Notwithstanding the other provisions of this Agreement, if payments are not made when due, Customer shall be in default and subject to immediate termination without notice, and CorVel shall have no liability for claims, penalties or other damages arising out of or relating to any such failures on the part of Customer. (Note: City Finance and Treasurer's Offices need to be included in related discussions.)

- (i) (A) Customer shall make an initial advance deposit into the bank account in an amount equal to one week's claims amount. CorVel shall not be responsible to fund the bank account nor be responsible for any penalties, fees, costs or damages arising from the Zero funded account not being properly funded by Customer.
- (ii) Allocated loss adjustment expenses ("ALAE") generally encompasses costs which can be directly allocated to a particular claim. As used herein, that term shall include, but not necessarily be limited to, the following: claim adjustment costs and expenses incurred by CorVel or its subcontractor and allocated by CorVel to the investigation, adjustment and settlement or defense of a claim for benefits, including, without limitation, attorneys' fees and disbursements; pre- and post- judgment interest; court reporter services and transcripts; deposition charges and transcripts; fees for service of process or summons; court costs; courier/express mail; appeal bonds and filing fees; travel, printing costs related to trials and appeals; witness and expert fees and expense; alternate dispute resolution fees and expense; mediation fees and expense; arbitration fees and expense; ombudsman fees and expense; medical examinations and reviews to determine issues such as causal connection, length or extent of disability, degree of permanency, and other issues related to determining liability of the Customer; laboratory costs; engineering fees and expense; autopsy fees and expense; independent adjuster and private investigator fees and expense; surveillance and activity checks; photography; fees and expense related to the defense of controverted or litigated claims, including subrogation recovery; medical cost containment expense including, but not limited to, medical bill auditing expenses, hospital and other treatment utilization reviews, including precertification/preadmission and concurrent or retrospective reviews; peer reviews; preferred medical provider network or similar organization expenses; medical fee review panel expense; pharmacy benefit management expense; drug testing expense; indexing fees; expense and fees related to Medicare set aside agreements; vocational rehabilitation or return to work expense; telephonic and field medical case management expense; fees and expense for reproduction of medical and/or hospital records; fees for police reports, birth certificates, death

certificates, OSHA reports and other similar regulatory authority reports; copying fees assessed by a vendor other than TPA; translation services; legal bill audit expenses; other costs and expenses reasonably incurred and related to the investigation and defense of claims or the protection and collection of subrogation rights of the Customer; and other expenses that are not defined as losses and are directly related to and directly allocated to the handling of a particular claim for services that are required to be performed by statute or regulation. Unless expressly stated as a separate fee or otherwise included within CorVel's service fees, each of the above ALAE items is subject to reimbursement at the rate charged. All reimbursable expenses shall be paid in accordance with Customer's "City of Lakeland Consultant Reimbursement Policy", which is attached and incorporated herein as Exhibit "E".

- (c) CorVel shall provide Customer with payment services through Check Writing services in accordance with specifications mutually agreed by Customer and CorVel.
  - (i) The checks referred to in Section II (d) will be drawn on CorVel's account at Wells Fargo Bank, Portland, Oregon or CorVel's account at such other bank as the parties of this Agreement may mutually accept, as evidenced by a letter or written document signed by both parties (hereafter, the "Bank"), with Customer identified on each check as the insurer or any insurance carrier as such may be required. Check Writing services shall also include IRS form 1099 filing and associated follow-up, bank reconciliation, and bank fees specifically related to such processing if Customer is using CorVel's bank account. Otherwise, such services will be subject to an additional fee.
- (d) CorVel agrees to provide the following services to Customer relating to the processing and payment of claims:
  - (i) to receive claims and process payment of benefits in accordance with applicable State(s) program guidelines required for the payment of workers' compensation claims;
  - (ii) to correspond with the claimants, providers of services and vendors if additional information is deemed necessary to complete the processing of claims;
  - (iii) to determine the amount of benefits payable;
  - (iv) to provide notice to claimants as to the reason(s) for denial of benefits (when such are denied) and to provide for the review of such denied claims;
  - (v) to receive and process for payment claims for benefits incurred prior to the Effective Date in consideration for the separate fees established in Exhibit B; and
  - (vi) at Customer's request, to provide specified additional services for such fees as the parties mutually agree;
- (e) Subject to applicable law, all claims files, data, systems and records and associated documents and notices regarding the administration of claims and provision of services pursuant to this Agreement and the payment of claims and allocated loss adjustment expenses, may be audited, examined, and copied by Customer, its representatives, excess carriers, reinsurers or any state insurance department or other regulatory body that so requires, at Customer's expense, at any time or times during CorVel's normal business hours and with not less than thirty (30) days advance notice; and notwithstanding

anything to the contrary contained in this Agreement.

- (f) CorVel is and shall remain an independent contractor with respect to the services being performed hereunder and shall not for any purpose be deemed an employee of Customer, nor shall CorVel and Customer be deemed partners, joint venturers or governed by any legal relationship other than that of independent contractor as set forth herein. CorVel does not assume any responsibility for the adequacy of the funding of benefits or any act or omission or breach of duty by Customer.
- (g) CorVel is not in any way to be deemed an insurer, underwriter or guarantor with respect to any benefits payable under Customer's workers' compensation program.
- (h) CorVel may rely on instructions received from such person or persons as Customer may from time to time designate in writing, provided that no such instruction may vary the terms of this Agreement.
- (i) Unless otherwise directed by Customer or precluded by law, CorVel shall seek subrogation recoveries on behalf of Customer and shall provide Customer with any recoveries obtained, minus the attorneys' fees and costs incurred in obtaining such recoveries. Customer represents and warrants that its workers' compensation program provides for rights of subrogation. Customer delegates and/or assigns these subrogation rights and third party recovery rights to CorVel as its agent for purposes of subrogation only. Customer shall assist CorVel in its subrogation efforts by providing requested information and documentation. CorVel may engage the services of a subrogation management firm to assist with the identification and management of subrogation cases. The fees charged by the subrogation management firm will be deducted from any recovery. In those cases where the subrogation recovery efforts of the claimant's attorney should be compensated, Customer delegates to CorVel full authority to act on behalf of the Customer to negotiate reasonable attorneys' fees. In those instances where Customer's subrogation lien, in the opinion of CorVel, should be compromised or abandoned, Customer delegates to CorVel full authority to act on behalf of Customer to compromise or abandon the lien. Any determination by CorVel with respect to subrogation liens shall be final and conclusive, unless overturned by order of a limited arbitrary and capricious standard of review.
- (j) CorVel shall consult and cooperate with Customer with respect to any loss or claim resulting in a lawsuit being instituted against Customer. Nothing in this paragraph shall be construed in any way as a waiver by CorVel of any attorney/client, work product or other applicable privilege with respect to any materials or documents prepared by CorVel or its counsel in anticipation of litigation.
- (k) CorVel shall assist, cooperate and participate with Customer, carriers and reinsurers in connection with claim reviews and audits and catastrophic injury claim analysis and excess claim related reporting.

#### **IV. SERVICE CRITERIA, STANDARDS AND GUIDELINES**

- (a) Assignments: Customer will notify CorVel, either via CareMC, telephone or facsimile, that Customer's employee has sustained a work related injury. All new Lost Time claims will be acknowledged and established by CorVel within the next business day following such notice. The acknowledgement will include the name and contact information of the assigned Adjuster.
- (b) Contacts: As warranted, and always with regard to lost time, or anticipated lost time

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claim situations, initial contact with the injured employee will be made within the next business day following receipt of a new assignment claim. Contact with the Physician, and employer, if required will be made by the next business day.

- (c) Investigation: Completed and documented within thirty (30) days from date of assignment.

## **SCHEDULE A – 1**

### **Liability Claims Management Services Terms and Conditions**

#### **I. GENERAL SERVICES**

- (a) Subject to the Customer's direction, CorVel shall supervise and administer the Liability Claims Adjustment Program for the Customer and shall act as the Customer's representative in connection with the investigation, adjustment, processing, supervision and resolution of liability claims by third parties against the Customer. CorVel shall provide a claims adjuster to provide claims handling for liability claims on-site at Customer's facility. Customer shall provide a safe workplace and station with all necessary equipment including but not limited to a work station desk and chair, telephone, internet connections. Such claims adjuster shall comply with all applicable Customer policies and procedures.
- (b) CorVel shall undertake periodic program and administrative reviews on at least a quarterly basis to Customer as to any CorVel recommendations for changes or improvements in the administration of the third party claims program.
- (c) CorVel shall invoice Customer a flat annual fee that can be broken into monthly payments hereunder this Exhibit A-1. Such pricing is not occurrence based under the Services provided by CorVel.
- (d) CorVel shall manage the following types of claims:

- ☒ **General Liability**
- ☒ **Personal Injury**
- ☐ **Professional Liability**
- ☐ **Product Liability**
- ☒ **Auto Liability**
- ☐ **Auto Physical Damage**
- ☒ **Other (Specify):**
  - Excess General and Auto Liability Claims
  - \_\_\_\_\_
  - \_\_\_\_\_

#### **II. INVESTIGATIVE SERVICES**

- (a) CorVel shall provide investigative services to include, but not limited to:
  - (i) Receipt and examination of all reports of accidents, incidents, and claims cases which are or may be the subject of such liability claims;

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- (ii) Investigation of such accidents, incidents, claims or cases where examination warrants such investigation to include on-site investigation, photographs, statements of clients, claimants and witnesses, evaluation and determination of losses, and other such investigative services necessary to determine liability and losses, but not to include extraordinary investigative services as set forth in Section b(iii) below;
  - (iii) Timely and periodic reporting to the Customer of the in-progress investigation efforts and the results of the investigations, as well as offering recommendations to the Customer of extraordinary investigative services, if required.
- (b) To the extent extraordinary investigative services are required:
  - (i) Customer agrees to pay the cost of all reasonable and supportable extraordinary investigative services such as, but not limited to, service performed by other adjusting and/or investigating companies, professional photographs, independent medical examinations, professional engineering services, laboratory services and legal services. CorVel shall order such extraordinary investigative services only with prior written authorization from the Customer. To the extent circumstances do not permit prior written authorization from the Customer, CorVel shall obtain verbal authorization from the Customer to proceed with the recommended extraordinary investigative services and CorVel shall promptly confirm in writing the verbal authorization provided by the Customer.

### **III. CLAIMS ADJUSTMENT SERVICES**

- (a) CorVel shall provide reasonable and customary Liability claims adjustment services.
- (b) CorVel shall create, maintain and keep current a claim file on each potential or actual claim reported to CorVel. The Customer will be entitled to access and review the claim files of CorVel.
- (c) If CorVel's investigation results in a determination that the Customer has sustained a liability loss, CorVel shall process any such claim or potential claim for settlement in accordance with the instructions and policies established by the Customer for settlement of such claims. CorVel shall document all processing efforts and timely report to the Customer on all such processing and settlement efforts.
- (d) Subject to the Customer's direction, CorVel shall serve as a liaison and be responsible for communications between insurance and excess carriers, if any, and the Customer on any matters affecting the adjustment of such claim or potential claim.
- (e) CorVel shall obtain all necessary written Release Agreements on settlement of any claim or potential claim (other than those in litigation), and shall maintain fully-executed originals or copies in the claim file.
  - (i) Upon the Customer's request, CorVel shall provide the Customer with a copy of the executed Release Agreement(s);
  - (ii) Upon the Customer's request, CorVel shall seek to incorporate in standard Release Agreements such further provisions as the Customer may reasonably request by reason of the nature and specifics of the claim or potential claim being processed and settled.

- (f) Pursuant to CorVel's Liability Claims Handling Best Practices, each adjuster will be assigned a reasonable and manageable number of claims files. Adjusters assigned to the Customer's account shall also be supervised to assure proper, competent, timely, and complete services for the Customer.
- (g) CorVel's adjusters shall work, on average, no more than one hundred fifty (150) files for the Customer.
- (h) CorVel shall provide an on-site claims adjuster for the liability claims during the Term of the Agreement. Customer shall provide a safe environment and working space for such adjuster and anything required to perform such services shall be mutually agreed upon in the special handling instructions mutually agreed to by both parties. CorVel shall provide its own computer(s), printer(s) and related soft telephone while working on-site at Customer's facilities. CorVel's on-site claims adjuster shall comply with applicable Customer policies and procedures while working on-site at Customer's facilities. CorVel shall provide automobile liability insurance coverages for its employees who are required to as part of their services drive an automobile. As part of the automobile liability coverage CorVel shall add Customer as an additional insured.

#### **IV. CLAIMS ADMINISTRATIVE SERVICES**

- (a) CorVel shall provide reasonable and customary administrative services as required and appropriate for First and Third Party claims administration services on behalf of the Customer.
- (b) CorVel shall enter all new claims and tail claims into the RIMS system and provide to the Customer a Monthly Status Report for the term of this Agreement.
  - (i) The Monthly Status Report shall be provided within thirty (30) days of the close of each calendar month;
  - (ii) The Monthly Status Report shall indicate the status of each reported claim assigned to CorVel, the details of each claim, the outstanding reserves for each claim, and the details of all claim payments during the month;
  - (iii) CorVel shall, upon written and reasonable request from the Customer, add additional reporting categories to the Monthly Status Report.
- (c) CorVel shall periodically review and adjust reserves on all open claims.
- (d) CorVel will set up the appropriate Trust account to process claim payments suggested in the client instructions.

## SCHEDULE 2

### Case Management Services Terms and Conditions

#### 1. DESCRIPTION OF SERVICES

- (a) Case management services are provided to manage a claimant's case in order to identify the most appropriate rehabilitative treatment and/or most cost-effective health care alternatives ("Case Management Services"). Case managers may confer with the adjuster, attending physician, other medical providers, employer(s), attorney(s), the patient and the patient's family.
- (b) In certain states if requested by Customer, Case Management Services may include vocational rehabilitation services.

#### 2. DELIVERY OF SERVICES

- (a) CorVel shall provide Case Management Services to Customer upon receipt by CorVel of specific requests from Customer, however unless otherwise agreed to by the parties, those cases that meet the case management referral criteria set forth below shall be automatically referred to the appropriate level of Case Management Services indicated.

##### Case Management Referral Criteria:

*[list]*

- (b) Telephonic Case Management: Telephonic case management ("TCM") includes a four-point contact with claimant, employer, claims professional and provider. CorVel case managers ("CMs") do the following: (i) facilitate communication among all appropriate parties regarding the diagnosis, prognosis and treatment plan provided by claimant's treating physician, (ii) channel or direct claimant to a PPO Network provider as appropriate, (iii) monitor and facilitate treatment planning, (iv) coordinate early return to work, and (v) subsequently provide periodic assessments of treatment and return to work plans. CMs may recommend additional services or coordinate claim closure, as appropriate.
- (c) Medical/Field Case Management: CorVel's medical/field case management ("MCM") personnel perform field based case management services as directed by the employer and/or Authorized TPA which may include on-site contact with claimant, employer, and provider, as well as telephonic communication with the claims professional. MCM's provide the CM services set forth in Section A above.
- (d) Vocational Case Management: Vocational case management services may include the following: (i) coordinating return to work, (ii) providing job analysis, (iii) assisting with job placement, (iv) providing expert testimony, (v) assisting with job development, (vi) providing job analysis of essential and non-essential duties for employers under the American's With Disabilities Act, (vii) providing vocational testimony, (viii) providing advice regarding job seeking skills, and (ix) providing transferable skills analysis.
- (e) Utilization Review:
  - (i) CorVel's utilization management program reviews proposed inpatient hospital admissions and ambulatory care to determine the appropriateness, frequency, length of stay, and setting for such proposed treatment. In addition, CorVel can monitor and assess the appropriate utilization of treatment for all orthopedic and soft tissue injuries requiring ambulatory diagnostics and treatment.

- (ii) CorVel nurses make recommendations to the claims adjuster based on nationally accepted medical guidelines, including Optimed Managed Care System, a clinical protocol software; the American College of Occupational and Environmental Medicine (ACOEM) Occupational Medicine Practice Guidelines: Evaluation and Management of Common Health Problems and Functional Recovery in Workers; other nationally accepted treatment practice guidelines, as well as any state mandated treatment guidelines.
- (iii) Any nurse recommendations for limitation or denial of care based on lack of medical necessity are reviewed by a CorVel Physician Advisor. The Physician Advisor makes a final recommendation to the claims adjuster to approve or deny. If a final recommendation is made to deny treatment, the treating physician is notified in writing of the decision and the appeals process.

## **SCHEDULE 3**

### **Bill Audit, Review and Payment Services Terms and Conditions**

#### **1. DESCRIPTION OF SERVICES**

- (a) CorVel's proprietary computerized bill review software program enables an application of the appropriate Fee Schedule or usual and customary value, and further value-added applications subscribed to by client which includes PPO, Professional Review, Enhanced Bill Review (CERiS), Onsite, and Check writing Services applied to medical provider bills ("Provider Bills"), hospital bills ("Hospital Bills") and, both together, "Bills").
- (b) Fee Schedule or usual and customary services includes:
  - (i) review of current procedural terminology ("CPT"), revenue code, healthcare common procedure coding ("HCPCS") and national drug code ("NDC") at the rate is published and incorporated into the state fee schedule or usual and customary value.
  - (ii) allowance based on specified conversion factor (s) multiply by referenced value(s)

#### **2. DELIVERY OF SERVICES**

##### **(a) Customer's Obligations**

- (i) During the term of this Agreement, unless agreed to otherwise by the parties in writing, Customer shall utilize CorVel exclusively (even as to Customer) for audit, review and repricing services for Bills related to workers' compensation, auto liability and general liability claims. A breach of the foregoing obligation shall constitute a material breach under this Agreement. Without limiting any other remedies available under law, a breach of the foregoing obligation with respect to PPO (as defined in Schedule 7) Provider Bills will result in immediate termination of all PPO discounts provided by CorVel.
- (ii) To facilitate timely processing by CorVel, Customer agrees to deliver to CorVel (A) each Provider Bill no later than ten (10) days after Customer's receipt thereof, and (B) batches of Provider Bills on a daily basis or as volume dictates.
- (iii) Customer shall process PPO Provider reimbursements within fourteen (14) days from receipt of the corresponding Bill Review Audit analysis from CorVel.

##### **(b) CorVel's Obligations**

- (i) CorVel shall provide Bill Review Services described herein to Customer upon receipt of specific requests from Customer. In the absence of instructions from Customer to the contrary, which CorVel must approve, Bill Review Services shall be performed as described herein.
- (ii) Bill Review Services shall be completed within five (5) business days of CorVel's receipt from receipt by CorVel of all necessary billing information from Customer ("Complete Billing Information").
- (iii) CorVel will be responsible for monitoring, "flagging" and returning to Customer duplicate copies of a Bill ("Duplicates").
- (iv) Any conflicts or complaints from medical providers ("Complaints") concerning Bill Review Services completed by CorVel initially will be handled directly by CorVel. CorVel will provide an initial response to a Complaint within one (1) business day following the date on

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which CorVel received the Complaint. CorVel will send a written response to the complainant within five (5) working days that summarizes the nature of the Complaint and the steps CorVel has taken to resolve it. A copy of this response will be sent to the attention of the designated Customer representative. Different or more specific parameters of CorVel's authority to respond to and resolve Complaints hereunder may be agreed to the parties. Further, Customer shall have the right, but not the obligation, at any time, to interject itself into a Complaint between CorVel and a medical provider and to resolve the Complaint in a manner acceptable to Customer at its sole discretion. Notwithstanding the foregoing, Customer shall retain full responsibility for payment of all benefits and any other expenses or services required to be paid or provided under applicable policies or state and federal workers' compensation laws.

- (v) CorVel agrees to supply Customer, at no additional cost, in the format in which it is then customarily stored by CorVel, a transmission or tape reflecting the results of the Bill Review Services provided hereunder. Such data shall be provided as to further allow for the application of Bill Review fees to the individual claim file, the preparation of insured specific savings reports and the payment of Bill Review fees.

(c) Savings for the Fee schedule or usual and customary service shall be:

- (i) for states having a state mandated Fee Schedule: (A) the medical provider's original bill amount; less (B) the billed amount resulting from the allowance based on specified conversion factor(s) multiply by referenced value(s).
- (ii) for states not having a state mandated Fee Schedule: (A) the medical provider's original bill amount; less (B) the bill amount resulting from Usual and customary value.

(d) Scanning Services

- (i) CorVel shall provide Optical Character Recognition ("OCR") Services set forth herein to Customer on request of Customer. Upon receipt of such request CorVel shall scan all bills and attached medical notes delivered to CorVel necessary for providing Bill Review services within seventy-two (72) business hours of CorVel's receipt of such information. Customer shall mark and date/time stamp the claims as instructed by CorVel.
- (ii) Subject to applicable law and obtaining any required authorizations, CorVel also shall provide OCR Services for such additional claim-related documentation as Customer reasonably requests, for example, case notes, peer review information and independent medical examinations.
- (iii) All material scanned by CorVel hereunder shall be accessible to Customer on the Internet pursuant to CorVel's CareMC Agreement with Customer.

## **SCHEDULE 3-B**

### **Professional Review Services Terms and Conditions**

#### **1. DESCRIPTION OF SERVICES**

- (a) Professional Review Services. CorVel may provide professional review services to evaluate various state specific complex rules and verify coding by providers are valid. This can include clinical review to validate coding is correct for all applicable Provider bills, Ambulatory Surgical Center bills, and all Hospital Bills (inpatient and outpatient) including:
- (i) review and analysis of codes, charges and billing structure for incorrect coding, incorrect billing, bundling, and up-coding of procedures which effect Fee Schedule values;
  - (ii) review of bills, records, and documentation by a nurse and/or coder;
  - (iii) separation of charges not related to the compensable injury;
  - (iv) review and apply complex state specific rules;
  - (v) application of utilization review determinations and clinical edits
  - (vi) diagnostic related group validation (i.e., verification that the diagnostic related group billed is appropriate for the services rendered); and
  - (vii) cost shifting of revenue and CPT codes.

#### **2. DELIVERY OF SERVICES**

- (a) Unless CorVel otherwise notifies Customer, CorVel shall complete Professional Review Services and return the reviewed Bills to Customer, with any adjustments to identified overcharges, within ten (10) business days from receipt of Bills.
- (b) Savings for the Professional Review Services shall be:
- (i) for states having a state mandated Fee Schedule: (A) the bill amount in the Fee Schedule; less (B) the bill amount resulting from the nurse review services.
  - (ii) for states not having a state mandated Fee Schedule: (A) the medical provider's original bill amount; less (B) the bill amount resulting from the nurse review services.
  - (iii) for states having a state mandated Fee schedule (A) the medical provider's original bill amount; less (B) the bill amount resulting from complex review services.

#### **Customer Responsibilities**

- (iv) Customer shall pay bills reviewed by CorVel in a timely manner in accordance with all state guidelines, and agrees to waive any bill audit and/or other retrospective reviews regarding all bills for which CorVel has secured a reduction from the original billed charges.
  - (v) Customer will identify all bills that are not eligible for Professional Review Services due to: (A) compensability; (B) a pre-negotiated rate with Customer or other previously established discount; (C) services that are "review only" due to litigation or other non-payment issues; and (D) duplicate bills.
- (c) If a medical provider questions the adjustment and/or balance bills the patient, and the claim payor notifies CorVel of such communication, CorVel will provide documentation of its findings. If the hospital provides corrective or qualifying information sufficient to alter our original

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adjustments, CorVel will revise its report, advise the claim payor of the new, corrected adjustment. Only in the event of a successful appeal of the reduction of the bill by the medical provider shall Customer be entitled to receive a credit for the portion of the fee previously charged for the amount of the adjustment successfully appealed.

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## **SCHEDULE 3-C**

### **Enhanced Bill Review Services (CERiS) (Hospital Bill Itemization Review Services; Negotiation Services; Implant cost Review Service) Terms and Conditions**

#### **1. DESCRIPTION OF SERVICES**

- (a) Hospital Line Itemization Review Services. CorVel's Enhanced Bill Review Services (CERiS) are performed on Hospital Bills (inpatient and outpatient) in excess of two thousand five-hundred dollars (\$2,500) and consist of procurement of actual bill itemization, (i) a line-by-line validation and comparison of the itemization description charges actually billed by a particular hospital to what CMS billing guidelines allow to be separately billed for in order to disallow inappropriate charges, and then will compare the valid itemization descriptions to the average itemization description charges utilized by other hospitals within a pre-designated geographic area, and (ii) a review of charges that fall outside of any pre-contracted discounts or fee schedules, and generates payment recommendations in accordance with the Customer's "Payors Allowable" language. This service does not itself include negotiation services nor Implant Cost Services.
- (b) Negotiation Services. CorVel's Enhanced Bill Review Services (CERiS) can provide negotiation services with respect to all Hospital Bills (inpatient and outpatient) in excess of two thousand five-hundred dollars (\$2,500). CorVel will contact the provider for agreement of the negotiated rate. A signed agreement regarding such rates will be maintained by CorVel. CorVel will use its commercially reasonable efforts to enter into an agreement regarding negotiated rates in accordance with a mutually agreed upon schedule.
- (c) Implant Cost Review Service. CorVel's Enhanced Bill Review Services (CERiS) can include Implant Cost Review services with respect to the applicability of the Customer's "Payors Allowable" plan or policy language that specifically addresses implant payments. CorVel will identify and provide the manufacturers implant cost through its proprietary repository of national implant invoice data. CorVel then determines the recommended payment in accordance with the Customer's "Payors Allowable". In the event there is insufficient implant invoice data for the requested implant, CorVel will notify the Customer and CorVel shall not be responsible for any costs, fees, damages or penalties for any such inability of CorVel to produce a cost savings per Customer's request.

#### **2. DELIVERY OF SERVICES**

- (d) Unless CorVel otherwise notifies Customer, CorVel shall complete Enhanced Bill Review Services and return the reviewed Hospital Bills to Customer, together with a written summary of any adjustments to identified overcharges, within ten (10) business days from receipt of Bills.
- (e) Savings for the Enhanced Bill Review Services shall be:
  - (i) for states having a state mandated Fee Schedule: (A) the bill amount in the Fee Schedule; less (B) the bill amount resulting from the Enhanced Bill Review Services.
  - (ii) for states not having a state mandated Fee Schedule: (A) the medical provider's original bill amount; less (B) the bill amount resulting from the Enhanced Bill Review Services.

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(f) Customer Responsibilities

- (i) Customer shall pay bills reviewed by CorVel in a timely manner in accordance with all state guidelines, and agrees to waive any bill audit and/or other retrospective reviews regarding all bills for which CorVel has secured a reduction from the original billed charges.
- (ii) Customer will identify all bills that are not eligible for Enhanced Bill Review Services due to:  
(A) compensability; (B) a pre-negotiated rate with Customer or other previously established discount; (C) services that are “review only” due to litigation or other non-payment issues; and (D) duplicate bills.
- (g) If a medical provider questions the adjustment and/or balance bills the patient, and the claim payor notifies CorVel of such communication, CorVel will provide documentation of its findings. If the hospital provides corrective or qualifying information sufficient to alter our original adjustments, CorVel will revise its report, advise the claim payor of the new, corrected adjustment. Only in the event of a successful appeal of the reduction of the bill by the medical provider shall Customer be entitled to receive a credit for the portion of the fee previously charged for the amount of the adjustment successfully appealed.

## **SCHEDULE 4**

### **Preferred Provider Network Access Services (PPO) Terms and Conditions**

#### **I. DESCRIPTION OF SERVICES**

- (a) CorVel's preferred provider organization is a network of hospitals, physicians and other health care providers ("Participating Providers") that offer services at pre-negotiated rates ("PPO Network").

#### **II. DELIVERY OF SERVICES**

- (a) CorVel shall provide Customer with access to its PPO Network provided it is the exclusive preferred provider organization utilized by Customer for workers' compensation, auto liability, and general liability claimants. CorVel may at any time and in its sole discretion add and/or terminate any provider to or from the PPO Network.
- (b) CorVel shall provide, upon Customer request, a listing of PPO Network providers and/or PPO Network providers may be found by visiting the CorVel website, [www.corvel.com](http://www.corvel.com). As CorVel continues to expand its PPO through the development of proprietary networks, Customer will be notified of their availability in the PPO listing described above and shall be provided access to them, replacing or supplementing the then-current PPO, if applicable,
- (c) Customer agrees that, during the Term of this Agreement, Customer will not contract directly or indirectly with Participating Providers made known to Customer under this Agreement.
- (d) Customer will make reasonable effort to channel all Covered Persons to the Participating Providers as are allowed under the laws of that service area or state.
- (e) Savings for the PPO Network shall be:
  - (i) for non fee schedule negotiated contracts: (A) the medical provider's original bill amount; less (B) the bill amount resulting from the contract rate.
  - (ii) for fee schedule negotiated contracts; (A) the fee schedule amount less (B) the bill amount resulting from the contract rate.

## **SCHEDULE 5**

### **Care<sup>IQ</sup> Services Terms and Conditions**

#### **I. PAYMENT FOR CAREIQ SERVICES**

- (a) Customer will pay CorVel for services provided hereunder at the rates set forth in Schedule 1 attached hereto. Rates reflect the amount payable to the CorVel network provider for providing Covered Services and the amount payable to CorVel for its services provided hereunder and represent a discounted total. Customer shall pay CorVel the full contract rate amount.
- (b) CorVel shall invoice and bill directly each fee directly to the specific claims file.
- (c) CorVel reserves the right to amend the rates set forth in the Fee Schedule as a result of mandatory rate increases imposed by state or other regulatory authorities by notifying Customer of such amendment in writing, and Customer shall, if such amendment is unacceptable, have thirty (30) days from the date said notice is received to reject such amendment by delivery of written notice of rejection to CorVel. If CorVel does not receive such notice of termination within such thirty (30) day period, the amendment to the rates shall be deemed accepted by Customer and this Agreement shall continue in full force and effect, as so amended.

#### **II. INDEPENDENT MEDICAL EXAMINATION SERVICES (IME)**

##### **(a) DESCRIPTION OF SERVICES.**

- (i) CorVel shall provide access, and deliver the services described in this Schedule 5 in connection with such access, to a panel of medical professionals who have been credentialed by CorVel as "Credentialed Providers" and who will perform Independent Medical Examinations (IMEs).

##### **(b) DELIVERY OF SERVICES.**

- (i) CorVel shall arrange for IMEs at the request of Customer.
- (ii) CorVel shall work only with Credentialed Providers under this Agreement. "Credentialed Providers" are medical professionals with respect to whom CorVel has performed, its standard credentialing process. CorVel shall also verify that the medical professionals who are Credentialed Providers meet all applicable statutory and/or legal requirements regarding who can conduct an IME.
- (iii) CorVel shall require medical professionals who are providing IMEs to comply with CorVel's reporting and communications requirements.
- (iv) CorVel shall ensure that IMEs are assigned to providers and performed by such providers in accordance with applicable law. CorVel will schedule the IME with the type of medical expert requested. For example, if an orthopedic surgeon is requested, an orthopedic surgeon must be scheduled, not a general practitioner who deals with soft tissue type injuries. If CorVel does not have an IME medical professional in the requested geographic area or in the requested specialty, CorVel will contact the Customer file handler for advice on how to proceed.
- (v) CorVel shall ensure that the IME appointment is scheduled within two (2) business days of receipt of request or in accordance with applicable State law. CorVel will send appropriate communication to the Customer file handler, claimant, and

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claimant's legal counsel (when necessary) regarding such scheduling. CorVel will place a reminder call to the claimant 1 – 2 business days prior to the IME appointment. CorVel claimant attended the scheduled IME appointment. CorVel will re-schedule any IME appointment no-shows by the claimant and notify the Customer file handler within two (2) business days. If a second IME appointment no-show should occur, CorVel shall contact Customer file handler unless locally CorVel is aware that no additional IME exam appointments should be scheduled.

(vi) CorVel shall deliver to Customer completed IME reports within seven (7) business days from the date of the exam. Prior to such delivery to Customer, CorVel shall complete its quality review of such report. All reports shall comply with applicable state law.

(vii) CorVel shall provide Customer quarterly activity reports within twenty (20) business days following the applicable quarter.

### **III. DURABLE MEDICAL EQUIPMENT (DME)**

#### **(a) DESCRIPTION OF SERVICES**

(i) CorVel agrees to make durable medical equipment services ("DME Services") available through CareMC to Customer's customers. The services will be available in every area where CorVel has a fully established network. CorVel will provide Customer with updated PPO Network directories through CareMC.

(ii) CorVel will provide training materials to Customer claims adjusters and case managers to inform those with referral responsibilities of the appropriate process for accessing CorVel reduced rates, at no cost to Customer.

(iii) CorVel will handle DME Services according to the following Customer Services Procedures:

(1) Referral Processing (faxed or called in, or received via CareMC)

A. Obtain all relevant information to process referral from party placing order (i.e. case manager, adjuster, physician's office).

B. Input data in CorVel Medical Manager System.

(2) Orders are fulfilled using local, preferred equipment distributors, and billing and reimbursement for each transaction is automatically processed.

#### **(b) DELIVERY OF SERVICES**

(i) CorVel will coordinate delivery of all services from the time of referral to delivery to patient through the CorVel Call Center. The CorVel Call Center coordinates services from 7:00AM to 9:00PM EST Monday through Friday except for public holidays.

(ii) Customer Responsibilities. Customer shall pay fees for DME Services within twenty (20) days of receipt of CorVel's invoice therefor.

### **IV. MEDICAL IMAGING SERVICES**

#### **(a) DESCRIPTION OF SERVICES – Preferred Provider Organization (PPO) Network**

(i) CorVel agrees to make Medical Imaging Services and scheduling services available through its Medical Imaging PPO Networks to Customer's customers for injured workers. The services will be available in every area where CorVel has a fully established network.

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- (ii) CorVel will customize the PPO Network to meet the needs of Customer's customers. CorVel will request opinions and preferences from Customer claims adjusters and case managers and will use every effort to recruit requested providers into the PPO Network at CorVel's preferred rates.
- (iii) CorVel will provide Customer with updated PPO Network directories on at least a quarterly basis to those Customer offices that request PPO directories, at no cost to Customer.
- (iv) CorVel will provide training materials to Customer claims adjusters and case managers to inform those with referral responsibilities of the appropriate process for accessing CorVel reduced rates, at no cost to Customer.
- (v) CorVel will handle Medical Imaging Services referrals according to the following Customer Services Procedures:
  - (1) Referral Processing (faxed or called in)
    - A. Obtain all relevant information to process referral from party placing order (i.e. case manager, adjuster, physician's office).
    - B. Input data in CorVel Medical Manager System.
  - (2) Assign appropriate center to the referral based on locality, procedure, client/physician preference and patient conditions.
  - (3) Perform pre-screening of patients as deemed appropriate.
  - (4) Schedule at facility appropriate to patient conditions/client requirements.
  - (5) Contact patient to advise of scheduled appointment date, time and location.
  - (6) Fax appointment confirmation to case manager, adjuster, and referring physician indicating date and time of procedure, type of procedure, and center name, address and phone number.
  - (7) Within twenty-four (24) to forty-eight (48) hours after completion of procedure, fax medical reports to appropriate parties.

**(b) DESCRIPTION OF SERVICES – Second Opinion Program**

- (i) CorVel will provide a second reading of any questioned MRI, CT or Bone Scan by a second board certified radiologist through its second opinion program. This second reading is available for diagnoses resulting from medical imaging examinations that were scheduled by CorVel at a CorVel Network Provider. This second opinion reading will be provided free of charge.
- (ii) In the event a Customer adjuster believes a second opinion is required for an MRI, CT or Bone Scan, the adjuster will call CorVel at 1-800-414-4MRI (4674) to request the second opinion. CorVel will ask the adjuster for the patient's name, the name and phone number of the center who conducted the examination, and the adjuster's name and phone number.
- (iii) CorVel will contact the center that performed the medical imaging examination and request that the films be sent to a CorVel board certified radiologist for review.
- (iv) In some cases, a release of responsibility may be requested by the MRI center that conducted the study. If so, CorVel will contact the Customer claims adjuster to

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arrange for a release to be sent via fax to the MRI center. Once release is obtained, CorVel will instruct the MRI center to send the films by two-day carrier.

- (v) CorVel's computerized scheduling program will diary each referral for second opinion and monitor the status of each request. CorVel will enter the data obtained into the CDL system and run quality assurance reports twice daily to monitor the status of each second opinion requested and assure that it is being handled in an expedient manner.
- (vi) CorVel will then inform the board certified radiologists that a review is requested. CorVel will request that the second opinion be completed within two business days from receipt of the films.
- (vii) CorVel will continue to monitor the status of the second opinion and will place calls to the radiologists to confirm that the films were received and that the second opinion will be completed on time.
- (viii) The second opinion report will be faxed to CorVel's attention, which in turn will fax the report to the Customer claims adjuster. This will allow CorVel to confirm that the second opinion was completed and is legible.
- (ix) CorVel will select and provide for Customer a panel of board certified radiologists who have met CorVel credentialing criteria and who will handle all volume of second opinions requested by Customer.

(c) **REPORTS**

- (i) CorVel will prepare region specific and aggregate management reports for Customer that show savings per claims adjuster, per case manager, and per branch office location. The reports will summarize the activity of all case managers and claims adjusters as they relate to referring claimants to CorVel, the amount that would be paid under workers' compensation, the amount paid under the CorVel program, and the percentage of savings realized. CorVel will furnish these reports to Customer quarterly, and annually.

(d) **RELEVANT DEFINITIONS FOR MEDICAL IMAGING SERVICES**

- (i) "Claimants" are those persons entitled to coverage pursuant to a workers' compensation insurance policy or program administered by a Customer.
- (ii) "Health Care Provider" means a duly licensed physician, imaging technician, hospital, clinic or other facility, or any other person or entity who furnishes Medical Imaging Services to a Claimant.
- (iii) "Medical Imaging Services" are those medical imaging services provided pursuant to a workers' compensation insurance policy or program administered by Customer.
- (iv) "Network Provider" means a Medical Imaging Service Provider who is part of a PPO Network of selected Medical Imaging Service Providers who contractually agree with CorVel to provide Medical Imaging Services to Claimants at negotiated discount rates.

**V. TRANSPORTATION AND TRANSLATION SERVICES**

(a) **DESCRIPTION OF SERVICES**

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- (i) CorVel agrees to make Transportation and Translation Services and scheduling services available through its Care<sup>IQ</sup> Networks to Customer's customers for injured workers. The services will be available in every area where CorVel has a fully established network.
- (ii) CorVel will customize the Care<sup>IQ</sup> Network to meet the needs of Customer's customers.
- (iii) CorVel will provide training materials to Customer claims adjusters and case managers to inform those with referral responsibilities of the appropriate process for accessing CorVel reduced rates, at no cost to Customer.
- (iv) CorVel will handle Transportation and Translation Services referrals according to the following Customer Services Procedures:
  - (1) Referral Processing (faxed or called in)
    - A. Obtain all relevant information to process referral from party placing order (i.e. case manager, adjuster, physician's office).
    - B. Input data in Medical Manager, CorVel CareMC or CorVel Web portals.
  - (2) Assign appropriate Transportation and /or translation provider to the referral based on locality.
  - (3) Schedule to patient conditions/client requirements.
  - (4) Contact patient to advise of scheduled appointment date, time and location.

**(b) DELIVERY OF SERVICES**

- (i) Transportation and Translation can usually be scheduled same day (dependent on location) of an appointment.
- (ii) Cancellation of Transportation and Translation must be called into CorVel a minimum of four (4 ½) hours prior to the appointment time or a cancellation fee will be charged.
- (iii) Transportation can be scheduled via a car, wheelchair lift vehicle, ambulance, airplane, bus or train. Airport pickups can be scheduled. Hospital pickups can be scheduled.
- (iv) Hotel accommodations can be made for overnight orders.
- (v) Transportation and Translation can be scheduled in all fifty (50) states including Alaska and Hawaii
- (vi) Wheelchairs and other medical equipment needed along with transportation are available at additional fees
- (vii) Price quotes available
- (viii) Pre-arranged weekend (Saturday, Sunday & Holidays) services available.
- (ix) Our translation companies can schedule on-site and telephonic interpretation for over 200 languages
- (x) Translation and transcription of documents is available; five (5) business days required)

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- (xi) Telephonic interpretation is available
- (xii) Desktop publishing is available
- (xiii) Sign language interpreters are available with a three (3) day notice
- (xiv) Payment Terms: CorVel will be paid for Covered Services, which CorVel provides to Covered Persons, the reimbursement rates are: one hundred percent (100%)
- (xv) CorVel shall invoice and bill directly each fee directly to the specific claims file.

## **VI. PHYSICAL AND OCCUPATIONAL THERAPY**

### **(A) DESCRIPTION OF SERVICE**

The CorVel Physical Therapy program focuses on rehabilitation while controlling utilization and managing medically necessary treatments. Through a comprehensive program of scheduling, reporting, clinical oversight by CorVel therapy clinical reviewers (licensed PT/OT professionals), and network management, CorVel provides an effective and efficient program for therapy treatment. CorVel Therapy Program offers one national toll free number for referrals and case inquiries from the customer file handler or the claimant. In addition, CorVel offers online referrals and claims management opportunities, such as reviewing therapy activity notes, reviewing milestones as they are met, therapy documentation, and submitting online referrals through CareMC and CorVel websites. The CorVel therapy provider network consists of credentialed physical and occupational therapy providers who are managed based on performance in regards to clinical outcome measures including: patient satisfaction, functional restoration, pain improvement, impact on utilization, savings and return to work. Our network providers perform skilled PT/OT therapy, including hand therapy, aquatic therapy, Functional Capacity Evaluations, and Work Hardening and Conditioning programs. Additionally, CorVel Therapy program schedules the patient in the facility within three (3) business days of receipt of authorization, as a means to facilitate healing and return to work.

### **(B) DELIVERY OF SERVICE**

- (i) CorVel shall arrange for PT/OT services at the request of Customer.
- (ii) CorVel shall work only with Credentialed Providers under this Agreement. "Credentialed Providers" are therapy professionals with respect to whom CorVel has performed, its standard credentialing process.
- (iii) CorVel shall require medical professionals who are providing standard therapy services, such as hand therapy, aquatic therapy, Functional Capacity Evaluations, and Work Hardening and Conditioning programs to comply with CorVel's reporting and communications requirements.
- (iv) CorVel will schedule the therapy service with the type of therapy professional requested. If CorVel does not have a therapy professional in the requested geographic area or in the requested specialty, CorVel will contact the Customer file handler for advice on how to proceed.
- (v) CorVel shall ensure that the therapy appointment is scheduled within three (3) business days of receipt of authorization of request. CorVel will send appropriate communication to the Customer file handler, claimant, and claimant's legal counsel

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(when necessary) regarding such scheduling and when CorVel claimant attended the scheduled therapy initial evaluation. CorVel will re-schedule any initial evaluation appointment no-shows by the claimant and notify the Customer file handler within two (2) business days.

- (vi) CorVel shall provide Customer quarterly activity reports within twenty (20) business days following the applicable quarter.
- (vii) CorVel shall invoice and bill directly each prescription fee directly to the specific claims file.

**SCHEDULE 6**  
**Pharmacy Benefit Program**  
**Terms and Conditions**

**I. DESCRIPTION OF SERVICES.**

- (a) CorVel shall be the exclusive provider of a Pharmacy Program inclusive of a PBM and a Provider Network representing Participating Pharmacy Providers that are obligated upon and after identification of a participant within CorVel's PBM to:
  - i. Accept a contracted rate, and
  - ii. Apply mandated processes and CorVel's Formulary and Concurrent Drug Utilization Review program at point-of-service before dispensing prescribed medications.
- (b) In addition, CorVel provides pharmacy audit, review and payment services.

**II. DEFINITIONS.**

- (a) "AWP" shall mean the Average Wholesale Price for a Brand or Generic Drug Product. CorVel bases Customer pricing off of the reported AWP value from Medi-Span and the date of service.
- (b) "AWP Discount" shall mean the PBM discounts CorVel applies, per Customer's negotiated rates, to Covered Brand and Generic Drug Products, Compound Drugs and Specialty Meds.
- (c) "Brand Drug" shall mean a Covered Drug defined as a brand name drug in PBM proprietary Generic Code Conversion ("GCC") logic. In the adjudication process, CorVel applies Customer's negotiated Brand Drug discount rate to the AWP value of Covered Brand Drugs.
- (d) "Compound Drugs" shall be systematically identified when processing through the PBM via the Formulary. In the adjudication process, Compound Drugs require Customer's approval, and are priced at the lessor of:
  - i. Customer's AWP Discount pricing by ingredient plus the dispensing fee, or
  - ii. CorVel's Acquisition Price plus a management and dispensing fee.
- (e) "Concurrent Drug Utilization Review" ("DUR") shall mean the algorithm systematically applied at a Participating Pharmacy before dispensing that considers the Presenting Drug's safety and efficacy in context with other drugs that have been dispensed. In addition, the algorithm includes applicable protocols and guidelines based on the Presenting Drug and specific claim history, such as the time period from the last fill of the same Drug.

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- (f) "Covered Drug" shall mean the Drug Product that is processed through CorVel's PBM.
- (g) "Emergency Fill" see Good Samaritan Fill, subsection (l) below.
- (h) "First Fill" shall mean a prescription filled by a Participating Pharmacy for a limited supply of Covered Drugs for a claim that is not, at the time, eligible. First Fill transactions follow CorVel's First Fill Formulary. Customer is responsible for payment of drug charges processed through its First Fill Program; CorVel assumes no liability.
- (i) "Formulary" shall mean drug/drug class and brand/generic specific triggers systematically applied at a Participating Pharmacy before dispensing a Presenting Drug that prompts the pharmacy through its adjudication system to either: dispense the Presenting Drug, convert from brand to generic, attain approval to dispense, or deny the Presenting Drug outright.
- (j) "Generic Drug" shall mean a Covered Drug, whether identified by its chemical, proprietary, or non-proprietary name, that (i) is accepted by the FDA as therapeutically equivalent and interchangeable with drugs having an identical amount of the same active ingredient; and (ii) defined as a generic drug in PBM proprietary Generic Code Conversion ("GCC") logic. In the adjudication process, CorVel applies Customer's negotiated Generic Drug discount rate to the AWP value of Covered Generic Drugs. Notwithstanding the foregoing, for Single Source Generic Drugs, Customer's Brand Drug AWP Discount may be applied.
- (k) "GCC" refers to PBM proprietary Generic Code Conversion logic. GCC logic converts Medi-Span codes to the brand and generic codes used for claims adjudication.
- (l) "Good Samaritan (Emergency) Fill" shall mean a limited supply of Covered Drugs that are outside of the Formulary and typically dispensed outside of normal business hours (overnight, weekends or holidays) by a Participating Pharmacy without Customer's or CorVel's approval in order to meet, in the pharmacist's professional judgment, an immediate or urgent need. Customer is responsible for payment of drug charges processed through Good Samaritan Fills; CorVel assumes no liability.
- (m) "Mail Order Program" or "Home Deliver Program" shall mean the managed program from which Covered Drugs are dispensed and billed through CorVel's PBM. A pharmacy's status as a mail order pharmacy does not indicate participation in the CorVel PBM Mail Order Program. Mail Order participation is limited to designated pharmacies operating within the strict parameters of CorVel's Mail Order Program.
- (n) "Multi Source Brand" shall mean a Covered Drug specified as a brand name drug available from more than one manufacturer as determined by CorVel primarily using a combination of data fields provided to CorVel by Medi-Span (or another nationally

available reporting source that may be selected by CorVel). Multi Source Brand Drugs are eligible for conversions to Generic Drugs at the Participating Pharmacy.

- (o) "Multi Source Generic" shall mean a Covered Drug specified as a multi source generic drug as determined by CorVel primarily using a combination of data fields provided to CorVel by Medi-Span (or another nationally available reporting source that may be selected by CorVel). Generic Drugs in their six month exclusivity period or limited supply drugs may be excluded from Multi Source Generic Drugs.
- (p) "PBM" shall mean Pharmacy Benefits Manager. CorVel performs as the PBM on behalf of its Customers.
- (q) "Presenting Drug" shall mean the drug ordered by the prescriber and presented on a signed prescription to a Participating Pharmacy and processed through CorVel's PBM.
- (r) "Rate application exceptions," per Billing and Payments of Pharmacy Program (below) sections (d) and (e), apply when either State Fee Schedule AWP Values or Customer's Negotiated PBM AWP Discount rates are lower than CorVel's Acquisition Price. CorVel's Acquisition Price reflects CorVel's cost of the Covered Drug plus a processing and management fee of 10%.
- (s) "Single Source Brand" shall mean a Covered Drug specified as a brand name drug available from only one manufacturer as determined by CorVel primarily using a combination of data fields provided to CorVel by Medi-Span (or another nationally available reporting source that may be selected by CorVel). Single Source Brand Drugs are not eligible for conversions to Generic Drugs.
- (t) "Single Source Generic" shall mean a Covered Drug as determined by CorVel that may not have been purchased by pharmacies at standard Multi Source Generic Drug rates because of limited manufacturers, limited supply or exclusivity rights. In the adjudication process, Customer's Brand Drug AWP Discount value may be applied to Single Source Generic Drugs.
- (u) "Specialty Medications" shall mean certain pharmaceuticals, biotech or biological drugs, that are Covered Drugs used in the management of chronic or genetic disease, including but not limited to, injectable, infused, or oral medications, or products that otherwise require special handling. In the adjudication process, Customer's approval is required, and Customer's Brand Drug AWP Discount value and dispensing fee is applied irrespective of the Presenting Drug's GCC (Generic Code Conversion) status.
- (v) "State Fee Schedule AWP Value" shall exclusively mean the value of a Covered Drug calculated under an applicable state's posted AWP fee schedule's Brand and Generic Drug multipliers (AWP value plus/minus the listed percentages) and the state's posted dispensing fee. For PBM pricing, CorVel does not honor any other values or indices that may apply under an applicable state's fee schedule.

### III. DELIVERY OF SERVICES.

- (a) CorVel shall provide its Pharmacy Program's PBM and Network for the benefit of Customer.
- (b) Eligibility, First Fill, Pharmacy Identification (ID) Cards, and Mail Order/Home Delivery.

Pharmacy ID cards contain the necessary data elements to enable a Participating Pharmacy provider to electronically process through and transmit claim data to CorVel's PBM. The electronic transmission that occurs at the point of sale is required for application of Formulary, Concurrent Drug Utilization Review and contractual pricing.

- i. Customer agrees to promptly provide CorVel all information needed to produce and distribute Pharmacy ID cards to Eligible Claimants. Eligible Claimant information may include, but is not limited to, claimant name, address, social security number, cell phone number, home phone number, and email address.
  - ii. Subject to applicable law, Customer shall require Eligible Claimants to use the Pharmacy ID cards at participating network providers in order to facilitate the Pharmacy Program. Also, Customer agrees to require the use of pharmacy network participating providers to Eligible Claimants as appropriate.
  - iii. Distribution of Pharmacy ID cards does not guarantee that Pharmacy ID cards will be appropriately utilized by Eligible Claimants or Participating Pharmacies; therefore, Customer understands that claims assigned by Pharmacies to third party billers or paper bills submitted by the Pharmacies are not adjudicated through the prospective PBM.
  - iv. CorVel, at its sole expense, agrees to produce and distribute Pharmacy ID cards to Eligible Claimants upon receipt of all necessary Eligible Claimant information from Customer. CorVel will also send an introduction letter to the Eligible Claimant along with the Pharmacy ID card.
  - v. At the initial stage of injury, a claimant may be issued a temporary Pharmacy ID (First Fill) card or processing data may be shared with the dispensing pharmacy for an initial, one (1) time purchase of a pharmaceutical product with a recommended course of no longer than fourteen (14) days, or such days limit as established by Customer.
  - vi. CorVel will provide access for Eligible Claimants to the PBM Mail Order Program. CorVel will work with Customer to establish the parameters of the Mail Order Program and the process which will be utilized to encourage Eligible Claimant use of the Mail Order Program.
- (c) CorVel's PBM will present and tailor a proprietary Formulary to Customer. Upon presentation of identification to a Participating Pharmacy, the Formulary will trigger the Participating Pharmacy's adjudication system to either:

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- i. Automatically dispense certain medications,
- ii. Attain Prior Authorization (PA) approval from CorVel to dispense, or
- iii. Deny the medications outright.

In addition to Customer's Formulary, Claimant Level Formularies can be built at the claim level upon Customer's request.

- (d) CorVel's PBM will implement a Concurrent Drug Utilization Review ("DUR") program on behalf of Customer, with permitted program edits as directed by Customer. Concurrent DUR includes a review of the drug history at the time the prescription is presented. Absent Customer's directions, DUR shall be performed in accordance with CorVel's PBM's standard service model.

#### **IV. BILLING AND PAYMENTS OF PHARMACY PROGRAM.**

- (a) Financial obligations of parties.
  - (a) Customer shall be financially responsible for all drug charges incurred by claimants for dispensed medications processed under CorVel's PBM. CorVel assumes no liability for drug charges with the exceptions noted below in subsection iii.
  - (b) If Customer determines, upon receipt of CorVel's PBM invoice, that specific formulary and non-formulary drugs should not have been dispensed, Customer should inform the PBM as soon as possible.
    - The PBM will request a reversal from the Participating Pharmacy. If granted, CorVel will reverse the drug charges, however, if the Pharmacy does not grant the PBM's request, Customer is responsible for payment of the drug charges; CorVel assumes no liability for drug charges with the exceptions noted below in subsection iii.
    - Upon Customer's request, CorVel's PBM will include the specific prohibition triggering the request for the reversal in the Claimant Level Formulary so that the Claimant Level Formulary will block subsequent re-fills from processing.
  - (c) Within five (5) days of receipt of an invoice, Customer may dispute charges for drugs that were dispensed in error, triggering CorVel's PBM to reverse the drug charges, by notifying CorVel for any of the following reasons:
    - CorVel's PBM and/or the Participating Pharmacy's violation of Formulary or Utilization Review Parameters set forth in Customer's DUR program, or in the Claimant Level Formulary; or

- Duplicate or inadvertent entries or other clerical mistakes on a PBM invoice.
- (b) Invoicing and Payment.
  - i. On a per Covered Drug basis and directly to the claim file, CorVel will invoice Customer daily for all drug charges and fees related to the PBM.
  - ii. CorVel shall invoice and bill directly each prescription fee directly to the specific claims file.
- (c) CorVel uses the Medi-Span AWP at pre-settlement levels. To maintain pricing neutrality CorVel applies the established multiplier to impacted Covered Drugs.
- (d) Relative to state pharmacy fee schedules, CorVel will apply the lesser of Customer's negotiated PBM AWP Discount rate or the applicable State Fee Schedule AWP Value with one exception: to the extent that the State Fee Schedule AWP Value in any state is less than CorVel's Acquisition Price, CorVel will apply its Acquisition Price.
- (e) Relative to Customer's negotiated PBM AWP Discount rates, CorVel will apply the negotiated rates unless the following exceptions apply:
  - i. CorVel applies CorVel's Acquisition Price on transactions for which Customer's negotiated PBM AWP Discount rate is lower than CorVel's Acquisition Price.
  - ii. Compound Drugs and Specialty Medications are priced per Definition subsections (d) and (u).
- (f) Both parties understand that pricing indices historically used (including under this Agreement) for determining the financial components of pharmacy billing rates are outside the control of CorVel and Customer. The parties also understand there are extra-market industry, legal, governmental and regulatory activities which may lead to changes relating to, or elimination of, these pricing indices that could alter the financial positions and expectations of both parties as intended under this Agreement.

Both parties agree that, upon entering into this Agreement and thereafter, their mutual intent has been and is to maintain pricing neutrality as intended and not to benefit one party to the detriment of the other. Accordingly, to preserve this mutual intent, if pricing neutrality does change and CorVel undertakes any or all of the following:

- i. Changes the AWP source, or other source if AWP is not applicable, across its book of business (e.g., from Medi-Span to First Databank); or
- ii. Maintains AWP, or other source if AWP is not applicable, as the pricing index with an appropriate adjustment in the event the AWP, or other,

methodology and/or its calculation is changed, whether by the existing or alternative sources; or

- iii. Transitions the pricing index from AWP, our other source if AWP is not applicable, to another index or benchmark (e.g., to Wholesale Acquisition Cost);

Customer's negotiated PBM pricing will be modified as reasonably and equitably necessary to maintain the pricing intent under this Agreement as mutually agreed to, in writing, by both parties.

## **SCHEDULE 7**

### **Peer Review/Medical Records Review Program Terms and Conditions**

#### **I. DESCRIPTION OF SERVICES.**

- (a) CorVel shall provide access, and deliver the services described in this Schedule 7 in connection with such access, to a panel of medical professionals who have been credentialed by CorVel as “Credentialed Providers” and who will perform Peer Review (“Peer Reviews”) and Medical Record Reviews (“MRRs”).
- (b) Peer Review/Medical Records Review is defined as the process of reviewing and commenting on the work, decisions and/or recommendations by one’s equal (peer) to ensure that it meets specific criteria such as federal and state regulations, and nationally accepted standards of care in rendering medical services.

#### **II. DELIVERY OF SERVICES.**

- (a) CorVel shall work only with Credentialed Providers under this Agreement. “Credentialed Providers” are medical professionals with respect to whom CorVel has performed its standard credentialing process. CorVel shall also verify that the medical professionals who are Credentialed Providers meet all applicable statutory and/or legal requirements regarding who can conduct a Peer Review or MRR.
- (b) Customer shall have the right to nominate medical professionals as candidates for addition to the panel of Credentialed Providers provided by CorVel for access by Customer (“Credentialed Panel”), subject to such medical professionals being credentialed by CorVel as Credentialed Providers.
- (c) Customer shall have the right, with written notice to CorVel, to request that CorVel cease using a specific medical professional from the Credentialed Panel for Customer’s claimants. Upon receipt of such notice from Customer, Supplier shall promptly cease using the specified medical professional as requested by Customer in such notice.
- (d) Customer may submit a request for a Peer Review or a MRR via phone, fax, or electronically via CorVel’s CareMC website, if applicable.
- (e) CorVel shall ensure that the MRR is assigned to a provider within two (2) business days of receipt of request or in accordance with applicable State law.
- (f) CorVel will copy required medical records for the Peer Review or MRR as provided by the Customer’s file handler or legal office. CorVel will obtain additional medical records as requested.
- (g) CorVel shall deliver to Customer completed Peer Review and MRR reports within seven (7) business days of assignment to the Credentialed Provider. Prior to such delivery to Customer, CorVel shall complete its quality review of such report.
- (h) CorVel shall provide Customer quarterly activity reports within twenty (20) business days following the applicable quarter.

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## **SCHEDULE 8-A**

### **Medicare Set-Aside Services**

#### **Terms and Conditions**

##### **I. DESCRIPTION OF OTHER SERVICES**

a. Medicare Set-Asides: CorVel provides an extensive review of medical records and medical bills, producing a comprehensive report and cost projection outlining future Medicare eligible costs in anticipation of settling out future medical care on a Customer's employee or insured individual. Costs are determined through CorVel's proprietary Bill Review system as well as utilization of the online Red Book™ access for medication costs. Red Book™ is the accepted authority by CMS for pricing on all medications.

b. Life Care Plans/Future Cost Projections: Life Care Plans/Future Cost Projections are a plan for optimal utilization of health care dollars that document objective view of the future health needs, services and related costs. It provides for comprehensive reports summarizing medical treatment and care and outlining life time needs for a Customer's employee or injured individual when they are catastrophically injured. Life Care Plans/Future Cost Projections are also used both for litigious settlements as well as projecting reserves setting.

##### **II. DELIVERY OF SERVICES OF MEDICARE SET ASIDES**

a. Customer/Carrier shall provide the CorVel Medicare Set-Aside Hub office with a copy of the first report of injury, most recent two years of medical records and medical bills including indemnity payout, all operative reports, IMEs/AMEs as well as orders rendered by the workers' compensation judicial system. Appropriate releases for completion of request for service will be forwarded either to the Customer or, at the Customer's request, directly to counsel representing the injured worker to obtain the injured worker's signature.

b. Customer may submit a request for a Medicare Set-Aside via email, phone, fax, or electronically via CorVel's CareMC website, if applicable.

c. A certified Medicare Consultant ("Consultant") will review the medical records and bill summary, prepare a detailed summary of the records and a projection for future medical expense which are Medicare eligible. If requested, the Consultant will also provide a projection of those costs which are not Medicare eligible in order to provide the customer with their total medical exposure.

d. The Consultant will return the completed Medicare Set-Aside report to the Customer within fifteen (15) business days of receiving all relevant medical records and related information. If a rated age is warranted, the Consultant will acquire same. If the Medicare status of injured party is unknown or unclear, a request for Medicare status will be submitted to the Social Security Administration. Once the Medicare status is known, the Coordination of Benefits Contractor will be notified and conditional payments requested.

e. Upon Customer's request, CorVel Medicare Set-Aside Hub office will submit through the web-portal all required documents to enable CMS to review and approve the proposal. Items submitted include the Medicare Set-Aside report, the tentative settlement amount, along with

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other required documentation, to the Centers for Medicare & Medicaid Services (CMS). Upon receipt, CorVel Medicare Set-Aside Hub office will forward the CMS Determination letter to the Customer. Final executed settlement documents (reflecting CMS recommended Medicare Set-Aside amount) will be provided to CorVel Medicare Set-Aside Hub by the Customer/counsel and then forwarded by CorVel to CMS through the web-portal.

f. Upon request from Customer, CorVel shall provide Customer quarterly activity report within twenty (20) business days following the applicable quarter.

### **III. DELIVERY OF SERVICES OF LIFE CARE PLANS/FUTURE COST PROJECTIONS**

- i. Customer shall provide all available medical records and billing to CorVel Medicare Set-Aside Hub office as well as any other pertinent records for initial review.
- ii. For a Life Care Plan, a visit to the residence of the Customer's employee or injured individual with interview of claimant and family will be conducted after permission is acquired by the Customer. The interview will include evaluation of the home setting, extensive information gathering, and pictures of the various equipment and housing structures.
- iii. Letters will be sent to all treating physicians to obtain their opinions on future medical treatments including medications and therapies for the claimant. The physician's opinions will be included as recommendations within the Life Care Plan summaries.
- iv. Future cost projections are utilized to immediately set reserves for future medical needs regarding catastrophic or major injuries. Home visits are not conducted for a future cost projection.
- v. Customer may submit a request for a life care plan or future cost projection via email, phone, fax, or electronically via CorVel's CareMC website, if applicable.

## **SCHEDULE 8B**

### **Medicare Agent Services Terms and Conditions**

#### **I. DESCRIPTION OF OTHER SERVICES**

- (a) In order to assist Customer, as a Responsible Reporting Entity ("RRE"), in complying with the mandatory quarterly electronic reporting requirements issued by the Centers for Medicare/Medicaid Services ("CMS") under the Medicare/Medicaid and S-CHIP Extension Act of 2007, Section 111 (the "Act") regarding certain injured parties who are Medicare Beneficiaries, CorVel provides Medicare Agent services as described below subject to the provisions of the final regulations to be issued by CMS.

#### **II. DESCRIPTION OF MEDICARE AGENT SERVICES**

- (a) Upon designation as Customer's Medicare Agent, CorVel shall provide Customer assistance with Customer's registration as a Responsible Reporting Entity ("RRE") within the statutory timeframes required by CMS under the Act.
- (b) CorVel and Customer will establish an electronic data interface to facilitate the exchange of specific claims data (via a multi-line claim feed layout) required to be reported to CMS under the Act; thereafter, as Customer's designated Medicare Agent, CorVel will initiate a test file interface with CMS within the statutory timeframes required by CMS under the Act.
- (c) Upon successful completion of the test file interface, CorVel will commence an ongoing monthly query process on behalf of Customer where CorVel will transmit through the CMS Query Tool certain basic claims data elements (claimant name, social security number, date of birth and gender) on all of Customer's open medical claims for CMS to determine if such claim data elements match a valid CMS record indicating Medicare eligibility. CorVel will report the results of such query on CareMC for Customer to review. In the event the CMS Query Tool determines any such claim is invalid due to an error or missing information, then Customer shall be responsible for reviewing, researching and correcting such claims data directly on CareMC for resubmission by CorVel through the CMS Query Tool on the next monthly query process transmission; provided, however, if Customer so requests, CorVel will provide such research regarding Medicare eligibility at an additional hourly rate and such research shall include claimant's name, social security number, date of birth, gender and any other required data field.
- (d) Once it is determined through the CMS Query Tool that a claimant is Medicare eligible, CorVel will commence the transmission of mandatory quarterly electronic claims reporting of those claimants to the Coordination of Benefits Contractor ("COBC") on Customer's behalf within the specific 7-day reporting period assigned to Customer by CMS. A copy of the initial report shall also be posted by CorVel on CareMC for Customer to review. The COBC will confirm either acceptance of the Medicare eligible claims thus reported or return any files for which data is missing or incorrect. CorVel shall post on CareMC any error reports from the COBC showing such files containing missing or incorrect data for Customer to research and correct directly on CareMC. Once corrected, CorVel will resubmit such files to the COBC during the next quarterly reporting file.

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- (e) CorVel, as Customer's designated Medicare Agent, will continue to electronically transmit to the COBC on a quarterly basis all new and updated claims identified through the CMS Query Tool as Customer's Medicare eligible claims.
- (f) CorVel, as Customer's designated Medicare Agent, will also electronically transmit to the COBC any monetary settlement data received from Customer on Customer's Medicare eligible claims.
- (g) CorVel shall provide Customer quarterly activity reports within twenty (20) business days following the applicable quarter.

### **III. LIMITATION OF LIABILITY REGARDING MEDICARE AGENT SERVICES**

In order to assist Customer, as a Responsible Reporting Entity ("RRE"), in complying with the mandatory quarterly electronic reporting requirements issued by the Centers for Medicare/Medicaid Services ("CMS") under the Medicare/Medicaid and S-CHIP Extension Act of 2007, Section 111 (the "Act") regarding certain injured parties who are Medicare Beneficiaries, CorVel agrees to provide Medicare Agent services as described in Schedule 2 attached hereto subject to the provisions of the final regulations to be issued by CMS, including information relating to such claimant, and the establishment and maintenance of an electronic data interface with CMS's computer system to the extent required by law and within the time period required by CMS so as to avoid the incurrence of penalties and fines ("RRE Reporting Obligations").

- (a) In order for Customer to meet its RRE Reporting Obligations, Customer shall promptly review the results of the CMS Query Tool, research any errors or missing data and resubmit such corrected or missing data promptly to CorVel within the applicable timeframes so that CorVel can timely report such corrected or missing data to CMS.
- (b) In the event that information supplied by Customer to CorVel is incorrect, incomplete or untimely delivered and prevents CorVel from completing a timely transmission to CMS as required under the Act, or leads to errors in transmissions to CMS, Customer shall be solely responsible for promptly resubmitting corrected data to CorVel, and CorVel will not be liable for any damages, fines, penalties or other amounts to the extent arising from such incorrect, incomplete or untimely delivered information. CorVel shall promptly notify Customer via a posting on CareMC if CorVel receives notice from CMS that a transmission submitted by CorVel on behalf of Customer as an RRE contains incorrect, incomplete or untimely delivered information. If CorVel fails to provide such posted notice on CareMC and Customer incurs damages, fines or other penalties that would not have been incurred but for such failure of CorVel to provide such posted notice on CareMC, CorVel shall remain liable for such damages, fines or penalties. Customer shall release CorVel from any and all penalties or other fines imposed by CMS and its related governmental agencies, in the event information supplied by Customer to CorVel is incorrect, incomplete or untimely delivered and prevents CorVel from submitting a report to CMS or leads to errors in submissions to CMS. Subject to the foregoing, CorVel shall be liable for penalties and other fines resulting solely from CorVel's failure to properly and timely transmit complete and accurate Medicare Beneficiary information on behalf of Customer in accordance with its RRE Reporting Obligations as described above.

## **SCHEDULE 11**

### **Advocacy 24/7 Nurse Triage Services**

#### **Terms and Conditions**

CorVel shall provide to Customer the following Services related to Nursing Coordination of Care Services:

- Answer calls received twenty-four (24) hours a day / seven (7) days per week on CorVel maintained Customer triage telephone line.
- Instruct the caller / injured employee on first aid and or initial injury treatment.
- Facilitate assessment at a designated outpatient clinic or emergency room as needed.
- Follow up with the injured employee within twenty-four (24) hours of initial report to evaluate current condition.
- Document all calls and communicate to appropriate parties.

Pricing shall be \$ "included" per "incident". An incident shall encompass

- The nurse receipt of the initial call,
- The gathering of necessary information and distribution of said information to the appropriate parties, and
- One clinical follow-up to the injured employee in the first twenty-four (24) hours following the initial call.

## Schedule 12

### Connected Care Services

#### Terms and Conditions

#### **I. DESCRIPTION OF SERVICES.**

- (a) CorVel acknowledges there is a subset of patients in the system that do not improve despite extensive diagnostic testing and numerous treatments. CorVel knows these relatively fewer cases drive a disproportionate amount of costs. Interestingly, these “creeping catastrophic” claims often present as a simple strain or sprain injury or diffuse spinal pain. There is ample data to suggest that bio-psychosocial factors can amplify, sustain or mitigate a patient’s perception of disability in these cases. CorVel shall use clinical modeling to identify those patients at risk for delayed recovery and apply an interdisciplinary bio-psychosocial approach to their care.
- (b) CorVel offers a variety of interventions that are recommended depending on the severity and chronicity of the claim. They can be utilized separately or integrated in a more comprehensive management plan again depending on claim severity and patient characteristics.

#### **II. DELIVERY OF SERVICES.**

##### **Medication Review:**

- CorVel’s contracted physician will evaluate the medical necessity of each currently used or prescribed medication.
- CorVel’s contracted physician will recommend elimination of duplicative medications.
- CorVel’s contracted physician will determine and recommend medications that may replace and be equally or more effective than one or a group of currently used/prescribed medications.
- CorVel’s contracted physician will recommend medications that are pharmacologically similar to currently used or prescribed medications when available at a lower cost (same or similar class, less cost, generic when available).
- CorVel’s contracted physician will attempt Peer to Peer contact by calling the PTP.
- CorVel’s contracted physician will provide the customer a written agreement from the prescribing physician (if agreement is reached) for alternate treatment plan.
- On cases where agreement is not met between CorVel and the PTP a written report will be generated and sent to the customer that includes a written summary of all activity that will include recommendations, rationales and potential savings identification made by CorVel’s contracted physician.
- Allowances will be made for the attending physician to bill for their time spent on the teleconference at the applicable fee schedule.

##### **Wellness Program:**

Cases can be initially referred to a network of cognitive behavioral therapists who function to help the patient/claimant improve their pain coping skills, change their perception of disability and decrease fear-avoidance behaviors that are often a significant barrier for RTW. This can be an isolated intervention,

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although it is typically utilized in combination with CareIQ or as one facet of the Physician Case Management program.

**Physician Case Management:**

This program includes Medication Management and is the most comprehensive as it often includes Wellness and CareIQ. Our Physician Case Management Reviewers were all selected individually. They all share a common interest in the promotion of evidence-based medication and the prevention of medically unnecessary disability. Our physicians will review the patient records, generate opinions on factors contributing to the delay in recovery and come up with recommendations for care. The initial recommendations are discussed at a team conference (Wellness, CareIQ, case coordinators, claims examiners, etc.). Each team member, particularly specialty providers are expected to contribute during this round table discussion. The scope of the Physician Case Management Program is somewhat broader and focuses on the big picture of functional recovery. The goal is improved overall medical/ disability management via appropriate bio-psychosocial care using an interdisciplinary model.

## EXHIBIT B

### Fees

- (1) During Initial Term. Fees during the Initial Term of this Agreement shall be as follows:

#### Worker's Compensation Claims Administration

Description	Pricing
Data Conversion	Included
Claim Intake/First Report of Injury	\$ 30.00 per claim
24/7 Nurse Triage	Included if implemented at time of program implementation.
Initial Nurse Triage	Included
Life of Contract Claims Handling Fee	
Medical-Only	\$175.00 per claim
Indemnity	\$1,300.00 per claim
Indemnity Tail Claims*	\$550.00 per claim
Medical-Only Tail Claims*	\$95.00 per claim
*Tail Claim can be spread over 2 years	
Annual Administration Fee	
Includes all state filing requirements, etc.	\$15,000.00
Implementation Fee (one-time fee)	\$10,000.00
CareMC User IDs	
Up to 5 Users at no charge, then \$1,000 per user/ per year	5 Users Included
Annual Banking Fees (per account)	One CorVel Wells Fargo account included
TPA Oversight	Fees imposed by the carrier are the responsibility of the client
Tail Claim Transfer	Fees imposed by the carrier are the responsibility of the client
Subrogation	25% of Recoveries
Legal Bill Auditing	2.5% of gross legal charges reviewed. Note: fees will never exceed the savings generated
Indexing and OFAC Compliance	\$15.00 per index

#### Auto and Liability Claims Administration

Description	Pricing
Dedicated Senior Liability Adjuster On Site at the City**	\$154,000.00/Annually
**Tail Claims Waived/Can be broken into monthly payments	

*The above pricing per claim is based on handling of all claims that occur and are reported during the agreement period. They will be handled until closed or until the end of the agreement period, whichever comes first. Rates on claims that occur outside of the United States are subject to alternative pricing to be discussed prior to start of the contract. Pricing is valid for first two years of the contract. At the end of the second year and for the third year of the Initial Term, all fees outlined on the claims and managed care pricing sheet will be subject to an automatic increase of the greater CPI or three percent (3.0%).*

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Patient Management	Pricing
24/7 Nurse Triage	No Charge is initiated at time of inception; Otherwise \$150.00 per call
Telephonic Case Management	1 <sup>st</sup> 30 days \$300.00 2 <sup>nd</sup> 30 days \$210.00 3 <sup>rd</sup> 30 days \$160.00 Hourly thereafter \$ 94.00
Field Case Management	\$94.00 per hour/ IRS Mileage
Utilization Review	\$135.00 per review
Peer Review / Physician Advisor	\$250.00 per review plus physician fee
Scheduling an IME	\$250.00
Precertification, Concurrent Review, Discharge Planning	\$125.00
Outpatient Precertification( RN)	\$125.00
Outpatient Precertification ( MD)	\$225.00
Retrospective Bill Review	25% of gross savings
Catastrophic and Life Care Planning	\$175.00 per hour
Vocational Rehabilitation	\$ 98.00 per hour
Medicare Reporting	No Charge if CorVel does MSAs
Medicare Set Asides	\$175.00 per hour
CareIQ Services	Per state fee schedule

#### Medical Bill Review

Description	Pricing
Hospital Bill Review	20% Gross Savings
PPO/Enhanced Bill Review Percentage Savings	20% of Incremental saving
Bill Review – all other bills	\$5.99 per bill
Duplicate Bill Processing	Included
State EDI	Included
Scanning/OCR	Included

#### Pharmacy Services

Description	Pricing
Retail Pharmacies	
Brand	AWP - 7% + \$-3.50 dispensing fee
Generic	AWP - 12% + \$-3.50 dispensing fee
Mail Order	
Brand	AWP - 12% + \$3.00 dispensing fee
Generic	AWP - 20% + \$3.00 dispensing fee
Medication Review	\$200.00 per hour
Clinical Modeling	No charge
Medication Review Services	\$200.00 per hour

#### Additional Services

Description	Pricing
Designated Account Manager	Included

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EDI in CorVel Standard Formats	Included
Training – Onsite and Online	Included
Technical Support	Included
State EDI Files	Included
Unlimited Access to System Website	Included
Monthly Reporting	Included
Ad Hoc Report Programming	\$200.00 per hour

*Above pricing includes the use of CorVel's Managed Care services. At the end of the second year and each year thereafter, all fees outlined on the claims and managed care pricing sheet will be subject to an automatic increase of the greater CPI or three percent (3.0%).*

## **Outgoing Transition Fees as pursuant to Section 8E**

### **Description**

#### **Fee:**

Tail Claim Transfer                      \$20,000.00 (this is a one-time fee to transfer the tail claims, if and when they are transferred)

Annual Administration Fee              \$15,000.00 annually

CareMC Access for Tail Claims    \$5,000.00 per user annually

- (2) **Fees for Additional Professional Services:** If Customer requires any additional professional services from CorVel relating to the Services or the CareMC Application, including but not limited to integration of the CareMC Application with EDI or other Customer systems, Customer shall submit a written request to CorVel for such services. CorVel shall, in good faith, consider providing such services at its then-current professional services fee rate and standard terms and conditions.
- (3) **Fees Adjustments for Regulatory Changes:** If, at any time during the Term of this Agreement, regulatory or legislative changes impact CorVel's business operations and add to CorVel's costs of providing the Services, CorVel may (a) increase its fees for one or more Services upon written notice to Customer, or (b) terminate this Agreement upon ninety (90) days written notice to Customer.
- (4) **Billing and Payments for Case Management.** CorVel will invoice Customer monthly for all fees related to the Case Management Services. Billing for Case Management is based on allocated time per activity. Activity is based on six (6) minute intervals and billed at the next tenth (.10) of an hour. Invoices for the Case Management Services shall be paid through the claims file to CorVel. Invoices will reasonably detail the computation of the fees owed.

## **EXHIBIT C**

### **CareMC License Agreement**

This CAREMC LICENSE AGREEMENT (the "CareMC License Agreement") is incorporated by reference into the Services Agreement (the "Master Agreement") to which it is attached. The parties acknowledge and agree that the terms and conditions under which the Services are provided by CorVel and received by Customer shall be governed by the Master Agreement (including without limitation all additional Exhibits and applicable Schedules attached thereto), while the terms and conditions under which Customer may access and use the Online Services shall be governed by the terms and conditions of this CareMC License Agreement. All defined terms used herein and not otherwise defined shall have the meaning ascribed to such terms in the Master Agreement.

#### **1. ACCESS TO THE CAREMC APPLICATION**

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A. Registration Information. Prior to accessing the CareMC Application, Customer shall provide CorVel with certain registration information requested therein ("Registration Information"). Customer covenants that the Registration Information Customer provides will be true, accurate, current and complete and will be updated as necessary.

B. Passwords and Levels of Access. As soon as practicable after the execution of this Agreement, CorVel shall create a unique username and password for each individual Authorized User identified by Customer as requiring access to the Online Services. Customer shall then designate two groups of Authorized Users. The first group of Authorized Users ("Restricted Users") shall have access to only the data available on the CareMC Site that relates to claims specific to that Authorized User and such other data that Customer specifically requests in writing be accessible to such Authorized User. The second group of Authorized Users ("Non-Restricted Users") shall have access to all data available on the CareMC Site that relates to claims specific to Customer. Access by Individual Users and Non-Restricted Users to data available on the CareMC Site shall be subject in all cases to any limitations imposed by applicable law.

C. PHI Data. Authorized Users shall have access to all data available through the CareMC Application, including data that constitutes or contains "protected health information" ("PHI Data") as such term is defined in 45 CFR Section 164.501 of the regulations promulgated by the U.S. Department of Health and Human Services under the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 ("HIPAA") and the Health Information Technology for Economic and Clinical Health Act, which is at Section 13400, *et. seq.* of the American Recovery and Reinvestment Act of 2009 ("ARRA"), and guidance promulgated thereunder ("HITECH"), but shall only have access to PHI Data to the extent necessary for Customer to render payment on a claim, and then only to those portions or amounts of PHI Data that are determined by CorVel, in its sole discretion, to be the minimum necessary for Customer to render payment on such claim.

D. Security of Passwords. Customer acknowledges and agrees that it shall be solely responsible for (i) selecting Authorized Users, (ii) assigning the various levels of authority and access each Authorized User may have to the CareMC Application, Online Services and Customer Data, including by determining which Authorized Users shall be Non-Restricted Users, (iii) ensuring that only Authorized Users have access to the passwords provided by CorVel or changed by Authorized Users, (iv) implementing a system to control, track and account for all passwords, (v) strictly maintaining the confidentiality and integrity of all passwords and levels of authority among Authorized Users, and (vi) ensuring that Authorized Users shall at all times comply with the terms and conditions of this Agreement. Customer further agrees that it shall notify CorVel immediately in writing if the security or integrity of a password has been compromised. CorVel will provide reasonable cooperation to Customer in the event of a security breach. Such support will include but not be limited to suspending service for passwords whose security or integrity has been violated. Passwords may be changed at any time by Authorized Users, and must be changed at least once every ninety (90) days.

E. Customer Data. Responsibility for ensuring that the content and data provided by or for Customer ("Customer Data") to be entered into the CareMC Application by CorVel is accurate and reflects Customer's requirements lies solely with Customer. All data generated by and through Customer's use of the CareMC Application and Online Services shall reside on CorVel's server. CorVel reserves the right to temporarily suspend access to any Customer Data that it determines, in its sole discretion, violates the terms and conditions of this CareMC License Agreement or any applicable laws.

F. Customer Representations. Customer represents that (i) it has the legal authority to provide the Customer Data to CorVel hereunder, and (ii) it is fully aware and knowledgeable of and shall comply with its duties and responsibilities with respect to the privacy and confidentiality of medical records and protected health information under applicable federal and state laws, including but not limited to those imposed by HIPAA. Upon written notice to Customer, CorVel may modify or temporarily suspend Customer's access to and use of the CareMC Application, Online Services and/or CareMC Site as necessary to comply with any law or regulation.

## 2. LICENSE AND RESTRICTIONS

A. Limited License. Subject to the terms and conditions of this CareMC License Agreement, CorVel grants to Customer during the License Term (as defined in Section 5A below) a limited, non-exclusive, non-transferable, non-sublicensable license to access and use, and allow Authorized Users to access and use, the CareMC Application via the CareMC Site solely for Customer's own internal business use and operations. Customer shall access and use the CareMC Application in accordance with the user's guides and online instruction provided to Customer by CorVel ("Documentation") and all applicable laws, statutes, rules and regulations.

B. Restrictions. Customer shall not, and shall not allow Authorized Users or any third party to (i) rent, lease, re-license or otherwise provide access to the CareMC Application or Online Services to any third party, (ii) alter, modify or create derivative works of the CareMC Application, (iii) use any reverse compilation, decompilation or disassembly techniques or similar methods to determine any design structure, concepts and construction method of the CareMC Application or replicate the functionality of the CareMC Application for any purpose, or (iv) copy the CareMC Application or any content, materials, information and other data provided by CorVel on the CareMC Site or used in providing the Online Services ("CorVel Content") and/or Documentation without CorVel's prior written consent.

C. Third Parties. Customer shall not allow any third party to have access to the CareMC Application or Online Services without prior written consent of CorVel and ensuring that (i) such third party enters into a legally enforceable written agreement with CorVel, or (ii) CorVel and Customer enter into an agreement whereby Customer assumes all responsibility and liability for access by such third party.

This document contains confidential and proprietary information of the Parties and may not be disclosed or duplicated without the prior written consent of the Parties.

D. Ownership and Changes. CorVel owns and shall retain all right, title and interest in and to the CareMC Application, Documentation, CareMC Site, Online Services, CorVel Content and any intellectual property rights inherent therein or arising therefrom. In addition to CorVel's rights in the individual elements of the CorVel Content, CorVel owns a copyright in the selection, coordination, arrangement and enhancement of the CorVel Content. Neither Customer nor any Authorized User shall obtain any ownership rights, express or implied, or any other rights other than those expressly set forth herein in the CareMC Application, Documentation or CorVel Content. CorVel reserves the right, at any time in its sole discretion and without liability to Customer, to delete or change features of the CareMC Application, CareMC Site or Online Services provided such changes do not materially alter the functionality of the CareMC Application.

E. Compliance Monitoring and Audits. CorVel may monitor and perform remote audits of Customer's use of the CareMC Application and CareMC Site for the purpose of verifying that Customer and Authorized Users are using the CareMC Application in compliance with the terms of this CareMC License Agreement. CorVel reserves the right to temporarily suspend Customer's or any Authorized User's access to the CareMC Application in the event Customer or such Authorized User engages in, or CorVel in good faith suspects is engaged in, any unauthorized conduct. To the extent CorVel requires access to Customer's facilities to conduct an audit hereunder, Customer agrees to provide such access upon reasonable advanced notice and during Customer's regular business hours.

### 3. INFRASTRUCTURE, MAINTENANCE AND SUPPORT

A. CorVel Infrastructure Obligations. Subject to Customer's compliance with the terms and conditions of this CareMC License Agreement, CorVel shall be responsible for providing and maintaining the hardware, software and other equipment required to host the CareMC Application for Customer ("CareMC Infrastructure"). The CareMC Infrastructure is subject to modification by CorVel from time to time for purposes such as adding new functionality, maximizing operating efficiency and upgrading hardware, provided such modifications shall not in the aggregate degrade the performance of the Online Services utilized by Customer. Customer acknowledges and agrees that such modifications may require changes to Customer's Internet access and/or telecommunications infrastructure to maintain Customer's desired level of performance. CorVel shall give Customer reasonable prior written notice of any required modifications.

B. Customer Infrastructure Obligations. Except for the CareMC Infrastructure, which will be provided by CorVel, Customer shall be responsible for obtaining and maintaining all hardware, software, equipment, Internet access and/or telecommunications services and other items or services furnished by third party vendors or providers ("Third Party Providers") required to enable Customer to access and use the CareMC Application and CareMC Site as contemplated hereunder.

C. Support. CorVel will provide general support regarding questions on the CareMC Application via email and by telephone from Monday through Friday between the hours of 5:00 a.m. and 6:00 p.m. Pacific Standard Time, excluding holidays.

D. Scheduled Maintenance. CorVel will use reasonable efforts to (i) perform any scheduled downtime outside of Customer's normal business hours, (ii) notify Customer of all scheduled downtimes at least seventy-two (72) hours in advance, and (iii) perform software updates to the CareMC Application with minimal disruption to Customer's use of the Online Services.

E. System Monitoring. CorVel will use reasonable efforts to continuously monitor its web servers and database servers to ensure that they are functioning properly.

F. Security. CorVel will implement and use reasonable efforts to maintain secure systems through the use of firewalls, virtual private networks (VPN) and other security technologies. Any security violations that affect the data of Customer will be promptly reported to Customer.

G. Disaster Recovery and Backup. CorVel will use reasonable efforts to perform nightly backups of essential data on its web servers and database servers. CorVel has implemented third party backup and restoration technology to enable high speed recovery of data. CorVel utilizes redundant load balanced industry standard servers for 24x7, 365 day access, except for regularly scheduled system maintenance and upgrade processes. SQL Server databases are hosted on clustered servers offering fail-over capability, redundant communication links, and load balanced application servers. Backup tapes are restored into a test environment not less than quarterly to confirm validity of backups. The CareMC Site has redundant inbound Internet and Intranet connectivity.

### 4. APPLICATION SPECIFIC DISCLAIMERS

A. Disclaimers. TO THE EXTENT ALLOWED BY APPLICABLE LAW, EXCEPT FOR THE LIMITED WARRANTIES DESCRIBED IN THE MASTER AGREEMENT, CORVEL MAKES NO OTHER WARRANTIES, EXPRESS, IMPLIED OR STATUTORY, AND EXPRESSLY DISCLAIMS ANY IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, GOOD TITLE, SATISFACTORY QUALITY AND NONINFRINGEMENT.

B. Internet Usage. Customer acknowledges that the Internet is essentially an unregulated, insecure and unreliable environment, and that the ability of Customer to access and use the CareMC Application is dependent on the Internet and hardware, software and services provided by various Third Party Providers. CORVEL SHALL NOT BE RESPONSIBLE FOR CUSTOMER'S INABILITY TO ACCESS OR USE THE CAREMC APPLICATION TO THE EXTENT CAUSED BY FAILURES OR INTERRUPTIONS OF ANY HARDWARE, SOFTWARE OR SERVICES PROVIDED BY CUSTOMER OR THIRD PARTY PROVIDERS.

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C. CareMC Application. CUSTOMER ACKNOWLEDGES AND AGREES THAT CORVEL DOES NOT WARRANT THAT THE CAREMC APPLICATION OR ONLINE SERVICES ARE ERROR FREE, THAT CUSTOMER WILL BE ABLE TO ACCESS OR USE THE CAREMC APPLICATION OR ONLINE SERVICES WITHOUT PROBLEMS OR INTERRUPTIONS, OR THAT THE CAREMC SITE AND CAREMC APPLICATION ARE NOT SUSCEPTIBLE TO INTRUSION, ATTACK OR COMPUTER VIRUS INFECTION.

D. Network Intrusions. CUSTOMER AGREES THAT CORVEL WILL NOT BE LIABLE FOR DAMAGES ARISING FROM ANY BREACH, UNAUTHORIZED ACCESS TO, MISUSE OF, OR INTRUSION INTO, CUSTOMER DATA RESIDING ON CORVEL'S SERVER(S) OR ANY NETWORK USED BY CUSTOMER TO THE EXTENT SUCH DAMAGES WERE BEYOND CORVEL'S REASONABLE CONTROL.

## 5. LICENSE TERM AND TERMINATION

A. License Term. This CareMC License Agreement shall be effective as of the Effective Date and, unless terminated earlier as provided below, shall automatically terminate upon expiration or termination of the Master Agreement (the term of this CareMC License Agreement, the "License Term").

B. Termination for Convenience. Either party shall have the right to terminate this CareMC License Agreement for any reason or for no reason, upon ninety (90) days written notice to the other party.

C. Termination for Cause. This CareMC License Agreement may be terminated by either party for cause as follows: (i) upon thirty (30) days written notice if the other party breaches or defaults under any material provision of this Agreement and does not cures such breach prior to the end of such thirty (30) day period, (ii) effective immediately and without notice if the other party ceases to do business, or otherwise terminates its business operations, except as a result of an assignment, as permitted under the terms and conditions of this CareMC License Agreement, or (iii) effective immediately and without notice if the other party becomes insolvent or seeks protection under any bankruptcy, receivership, trust deed, creditors arrangement, composition or comparable proceeding, or if any such proceeding is instituted against the other (and not dismissed within ninety (90) days).

D. Effect of Termination. Expiration or termination of this CareMC License Agreement shall have the following effects: (i) CorVel shall provide Customer with any proprietary data belonging to Customer, in the current format in which it is stored at CorVel at the termination of this CareMC License Agreement, (ii) all licenses granted under this CareMC License Agreement shall terminate immediately, (iii) all rights to use the CareMC Application and Online Services shall cease immediately, and (iv) each party shall promptly return all information, documents, manuals and other materials belonging to the other party related to this CareMC License Agreement, whether in printed or electronic form, including without limitation all confidential information of the other party then currently in its possession, provided each party may retain one (1) copy of such materials for archival purposes.

E. Survival. Except to the extent expressly provided to the contrary herein or in the Master Agreement, any right of action for breach of the CareMC License Agreement prior to termination, and the following provisions shall survive the termination of this CareMC License Agreement: Sections 1B-F, 2B, 2D, 4 and 5E.

**Attachment A**  
**End User License Agreement**  
*Terms are non-negotiable*

Such access shall provide Customer's claimants an opportunity to (i) review the current status of their individual claim, (ii) share pain level data with their healthcare provider by taking a Pain Level Survey, (iii) receive Electronic Funds Transfer ("EFT") direct deposit transactions with respect to claims, and (iv) utilize other functions designed to assist users in interactions with their health plan and healthcare providers (the "App Services"). For access by Customer claimant, such Customer claimant will be required to have a smartphone including but not limited to an Apple iOS 7.0+ smartphone or Android 4.0+ smartphone or other smartphone device with such access capabilities. Customer acknowledges the terms of Attachment A hereunder which shall be a part of the My Care App and which the End User ("Claimant") shall be responsible for. The My Care App is at no costs to Customer for these Services.

PLEASE READ THIS LICENSE AGREEMENT BEFORE USING THE APP. USE OF THE APP INDICATES END USER'S ACCEPTANCE OF THIS END USER LICENSE AGREEMENT. IF END USER DOES NOT AGREE WITH THE TERMS, END USER SHOULD NOT USE THE APP.

**1. License Grant; License Restrictions.** Either of CorVel Enterprise Comp, Inc. or CorVel Healthcare Corporation, as applicable, ("CorVel") provides the mobile software application program and user manual(s) or help files contained therein, and any modifications, updates, revisions, or enhancements thereto received by End User from CorVel (collectively, the "App"), and licenses its use solely pursuant to the terms stated below:

- a. End User is granted a nontransferable license to use the App under the terms stated in this Agreement for personal use. End User may not use the App for commercial purposes. Title and ownership of the App and of the copyright in the App remains with CorVel;
- b. The App may be used by End User on a single mobile device, which End User owns or uses and for which the App is designed to operate;
- c. End User may not make copies, translations, or modifications of or to the App. End User may not alter, obscure, or remove the copyright notice on any copy of the App;
- d. End User may not assign, sell, distribute, lease, rent, sublicense, or transfer the App or this license or disclose the App to any other person. End User may not reverse-engineer, disassemble, or decompile the App or otherwise attempt to discover the source code or structural framework of the App; and
- e. CorVel may terminate this Agreement and the license granted hereunder at any time. This Agreement and the license granted hereunder automatically terminates if End User fails to comply with any provision of this Agreement. End User agrees upon termination to: (i) cease using the App and providing or accessing any data or information by or through the App, and (ii) destroy the App, together with all copies, modifications, and merged portions in any form, including any copy on End User's mobile device or on any computer.

**2. Limited Warranty.** The App is provided "AS IS" and with all faults. NO WARRANTIES ARE EXPRESSED AND NONE SHALL BE IMPLIED. CORVEL SPECIFICALLY EXCLUDES ANY

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IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, AND NONINFRINGEMENT. CORVEL DOES NOT WARRANT THAT USE OF THE APP WILL BE UNINTERRUPTED OR ERROR-FREE.

**3. Maintenance & Support.** The App is maintained by CorVel or its subcontractors. From time to time, CorVel may provide modifications, updates, revisions, or enhancements, all of which are offered pursuant to the terms and conditions of this Agreement. CorVel does not provide support to End Users. All support requests should be directed at End User's employer or other person responsible to manage End User's claims and not at CorVel.

**4. Consent to use Data.** All data or information submitted by End User through the App shall be used by CorVel in accordance with CorVel's Privacy Policy posted at:  
<http://www.corvel.com/privacy-policy/>

**5. Limitations of Liability (End User).** IN NO EVENT WILL CORVEL'S LIABILITY FOR ACTUAL DIRECT DAMAGES ARISING OUT OF THIS AGREEMENT OR THE USE OR PERFORMANCE OF THE APP EXCEED \$100. IN NO EVENT WILL CORVEL BE LIABLE FOR ANY LOST PROFITS, SALES, BUSINESS, DATA, COSTS OF PROCUREMENT OF SUBSTITUTE GOODS OR SERVICES OR ANY INDIRECT, SPECIAL, INCIDENTAL, OR CONSEQUENTIAL DAMAGES RESULTING FROM THE USE OF THE APP OR OTHERWISE ARISING FROM THIS AGREEMENT, AND NOTWITHSTANDING ANY FAILURE OF ESSENTIAL PURPOSE OF ANY LIMITED REMEDY. The parties agree that the above limits represent a reasonable allocation of risk.

**6. Governing Law; Exclusive Jurisdiction.** This Agreement is governed by the laws of California. End User agrees that the federal or state courts sitting in State of California, shall be the exclusive courts of jurisdiction and venue for any litigation, special proceeding or other proceeding as between the parties that may be brought, or arise out of, or in connection with, or by reason of this Agreement. The United Nations Convention on Contracts for the International Sale of Goods is expressly disclaimed.

**7. Indemnification (End User).** End User shall defend, indemnify and hold harmless CorVel from and against damages, liabilities and reasonable costs and expenses, including reasonable legal fees arising out of or relating to: (i) End User's use of the App in violation of the terms of this Agreement, (ii) data or content included in or omitted from content and data input into the App by End User or any other third party using End User's mobile device, and (iii) any claim by an employee of End User or End User's insureds brought against CorVel due to the recommendations made by CorVel through the App.

**8. Disclaimer.** CorVel shall not be responsible or liable for any third party claims arising from the negligent acts, errors, omissions, willful misconduct or fraud caused by End User in connection with its use of the App or otherwise attributable this Agreement.

**9. Assignment.** End User may not assign any of End User's rights or delegate any of End User's obligations under this Agreement without the prior written consent of CorVel. Subject to the foregoing, this Agreement will bind and inure to the benefit of the parties, their respective successors and permitted assigns.

**10. Notice.** All notices required to be sent hereunder shall be in writing and shall be deemed to have been given when mailed by first class mail to the address listed below.

**11. Severability.** If any provision of this Agreement is held to be invalid or unenforceable, the remaining provisions of this Agreement will remain in full force.

**12. Waiver.** The waiver by either party of a breach of any provision of this Agreement or the failure by either party to exercise any right hereunder shall not operate or be construed as a waiver of any subsequent breach of that right or as a waiver of any other right.

**13. Export Administration.** End User agrees to comply fully with all relevant export laws and regulations of the United States ("Export Laws") to assure that neither the App nor any direct product thereof is (1) exported, directly or indirectly, in violation of Export Laws; or (2) are used for any purposes prohibited by the Export Laws, including, without limitation, nuclear, chemical, or biological weapons proliferation.

**14. Entire Agreement.** This Agreement shall constitute the complete agreement between the parties and supersede all prior or contemporaneous agreements or representations, written or oral, concerning the subject matter of this Agreement. This Agreement may not be modified or amended except in writing signed by a duly authorized representative of each party; no other act, document, usage or custom shall be deemed to amend or modify this Agreement.

**15. Survival.** The provisions of Sections 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13 and 14 shall survive the termination of this Agreement.

## **Copyrights**

Copyright © 2014 CorVel. All rights reserved.

This documentation and the corresponding App are the property of CorVel and are licensed to the user under the terms of this End User License Agreement. Unauthorized use or copying of the App, documentation, or any other associated materials is a violation of state and federal laws. These materials must be returned to CorVel if so demanded.

**EXHIBIT D**  
**CorVel Certificate of Insurance**

*(provided separately – to be attached)*

## EXHIBIT E

Appendix 1  
City of Lakeland  
Consultant Expense Reimbursement Policy  
Revised 1/6/2014

### General

This policy governs all eligible reimbursement expenses paid to consultants hired by City Departments under professional service contracts. All reimbursable expenses must adhere to the following provisions and be verified and approved by the appropriate department head, or their designated representative administering the professional contract. An exhibit to each contract or agreement must be accepted by each professional services consultant prior to the agreement being considered fully executed. All proposed reimbursable consultant expenses must be submitted to the managing designee with matching receipts and specific documentation outlining the nature of the business conducted in association with the expenditure prior to approval by the City.

### Consultant Contract Provisions

1. Reasonable expenses will be reimbursed for customary business activities deemed integral to the completion of the consulting assignment (i.e. phone calls, copies, printing, facsimile services, etc.)
2. Reasonable travel expenses will be reimbursed at a rate not-to-exceed the following:
  - Car Rental – Limited to mid-size vehicles or smaller.
  - Airline Travel – Limited to tourist or coach class fare, all efforts will be made to identify the most economical flight options available at time of scheduling.
  - Use of private automobile for administration of project related requirements may be reimbursed at 56 cents per mile (or current IRS mileage reimbursement rate).
  - Local hotel accommodations will be reimbursed at a not-to-exceed rate of \$110.00 per night plus sales tax. All incidentals related to the hotel stay will not be reimbursed.
  - No entertainment expenses will be reimbursed, including, but not limited to, alcoholic beverages, in-room entertainment, registrations, tickets to sporting events or entertainment events, banquet and or client entertainment.
  - No reimbursement will be provided for personal expenses of any nature.
  - Meal expenses will be reimbursed at \$46.00 per day, a maximum of a 15% gratuity will be allowed.
  - When representing the interest of the City outside of the Lakeland area, reimbursement of reasonable hotel accommodation costs will be provided as determined by the responsible Department Head.

### Collection of Back-up Documentation

All consultant expenditures submitted for reimbursement shall be properly documented and approved by the appropriate department head or designated representative managing the agreement. Original receipts must be provided for payment, along with documentation on purpose. The department head or designated representative will be responsible for the collection of this documentation and for communicating with the consultant on issues related to reimbursable costs or back-up documentation. It will be the responsibility of the department head or designated representative to obtain the necessary approvals from the City Manager's Office for variances to the policy.

Prior to payment of invoices, the following will be required:

1. Verification that invoice references the correct professional service contract.
2. Verification that the specific contract deliverables have been met and scope of work has been satisfactorily completed.
3. Verification that all consultant reimbursable expenses were incurred in conjunction with specified services rendered and billed at cost.
4. All reimbursable expenses must be submitted with receipts documenting expenses.
5. Verify all expense calculations are correct.

### Variance Approval

All variances or modifications to the provisions in this policy must be approved by the City Manager or authorized designee.