

**RENEWAL AND AMENDMENT No. 1
TO AGREEMENT BETWEEN
COUNTY OF MONTEREY AND
INTERCARE HOLDINGS INSURANCE SERVICES, INC.**

THIS RENEWAL and AMENDMENT is made to the AGREEMENT for the provision of Third Party Workers' Compensation Claims Administration by and between **INTERCARE HOLDINGS INSURANCE SERVICES, INC.** hereinafter "CONTRACTOR", and the County of Monterey, a political subdivision of the State of California, hereinafter referred to as "County".

WHEREAS, the County and CONTRACTOR previously entered into the original AGREEMENT on August 29, 2011; and

WHEREAS, the Agreement's term was from October 1, 2011 to September 30, 2014; and

WHEREAS, the County and CONTRACTOR wish to renew and amend the AGREEMENT'S term by one year through **September 30, 2015**, by way of Amendment No. 1.

NOW THEREFORE, the County and CONTRACTOR hereby agree to renew and amend the AGREEMENT in the following manner:

1. The Agreement is renewed effective October 1, 2014, and all of its provisions shall be deemed to have been in effect continuously since that time.
2. Section 4., "SCOPE OF SERVICES, STAFFING AND MANAGEMENT STRUCTURE" shall be amended to reflect the addition of staff and a total of 8.50 FTE as effective the earlier to occur of the placement of such personnel on the program or November 1, 2014, as provided in **Exhibit "A" - Staffing Structure Chart**.
3. Section 5., "TERM OF AGREEMENT" shall be amended as by extending the term of this agreement by one year through **September 30, 2015**, and may be extended for an additional one year term at the sole and absolute discretion of the County of Monterey, not to exceed 3% increase on the rates and terms set forth herein.
4. Section 6., "COMPENSATION AND PAYMENTS, *Subsection 6.6 – "Costs for Contractor Claims Administration Services"*" shall be amended on the Effective date as follows:

Annual Claims Fee Based on Staffing Matrix

Maximum Average Indemnity Caseload (a)	135 per Adjuster
Annual Claims Fee (10/1/14-9/30/15) (b)	\$998,094

- a) In determining the average claim caseload, 1.6 Future Medical Claims shall be equal 1.0 indemnity claim, and 2.0 medical only claims shall equal 1.0 indemnity claim.

- b) Temporary Adjuster is not included in the annual fee. \$75.00 per hour

The Temporary Adjuster will be added as of the effective date to complete a review of certain qualified closed claims and will endeavor to collect any payments, irrespective of the year, in excess of the Self Insurance Retention from the appropriate excess reinsurance carriers. The period of engagement shall not exceed twelve months in total but may be extended by County of Monterey depending on the response time from the excess carriers. Contractor shall request approval from the County of Monterey before extending the assignment.

Positions	#FTE	Annual Salary	Benefit Load	Overhead Load	Total
Claims Supervisor	.90	80,100	16,661	54,859	151,629
Claims Adjuster	4.75	346,750	72,124	237,524	656,398
Claims Assistant	1.75	77,525	16,125	53,105	146,755
Admin Clerk	1.00	22,880	4,759	15,673	43,312
Total	8.40	527,255	109,669	361,170	998,094

5. Subsection 6.7 – “Costs of Ancillary Services” billed to the claim file shall be amended in its entirety as of the effective date as follows:

The following agreed upon fees will remain in place for the duration of this Agreement, but are not included within the above stated Annual Claims Fee. The additional agreed fees are as follows:

Bill Review Services	\$ 16.00 per bill inclusive of PPO Access
Utilization Review	\$ 95.00 per Request for Authorization
Peer Review	\$205.00 per hour
Specialty Peer Review	\$250.00 per hour
Nurse Case Management	\$ 95.00 per hour
PBM Program through Helios/PMSI:	Pass through cost discounted rate
Retail: Brand Name Drugs	Dispensing Fee + AWP less 9%
Generic Drugs	Dispensing Fee + AWP less 25%
Mail Order: Brand Name Drugs	Dispensing Fee + AWP less 15%
Generic Drugs	Dispensing Fee + AWP less 40%
MMSEA Quarterly Reporting	\$500.00 annually
SIU Services	\$100.00 per claim file submitted to Department of Insurance
	\$250.00 additionally per claim prosecuted

6. Section 7.0 “INVOICES AND PURCHASE ORDERS” shall be amended to provide that the Annual Claims Fee shall be paid in twelve equal monthly installments, payable on or before the fifteenth (15th) day of the month following receipt of services rendered.
7. ADD Subsection 8.3 to Section 8.0 “STANDARD INDEMNIFICATION” as follows:

“CONTRACTOR shall not be responsible financially or otherwise for any statutorily imposed fine and penalty which may be imposed resulting from an action or inaction of the County of Monterey in the administration of State of California Labor Code Section 4850 benefits.”

8. Except as provided herein, all remaining terms, conditions and provisions of the AGREEMENT are unchanged and unaffected by this RENEWAL and AMENDMENT and shall continue in full force and effect as set forth in the AGREEMENT.
9. A copy of this RENEWAL and AMENDMENT shall be attached to the original AGREEMENT executed by the County on August 29, 2011.

IN WITNESS WHEREOF, the parties have executed the AMENDMENT on the day and year written below.

MONTEREY COUNTY

Contracts/Purchasing Officer

Dated: 1-28-15

Approved as to Fiscal Provisions:

Deputy Auditor/Controller

Dated: 1-7-15

Approved as to Liability Provisions:
 COUNTY OF MONTEREY
 APPROVED AS TO INDEMNITY/
 INSURANCE LANGUAGE

Risk Management

Dated: 1/7/15

Approved as to Form:

Deputy County Counsel

Dated: 1-21-15

CONTRACTOR

By: Agnes Hoerberling

Signature of Chair, President, or Vice-President

Agnes Hoerberling, Chief Operating Officer
 Printed Name and Title

Dated: December 16, 2014

By: Misha Ayler

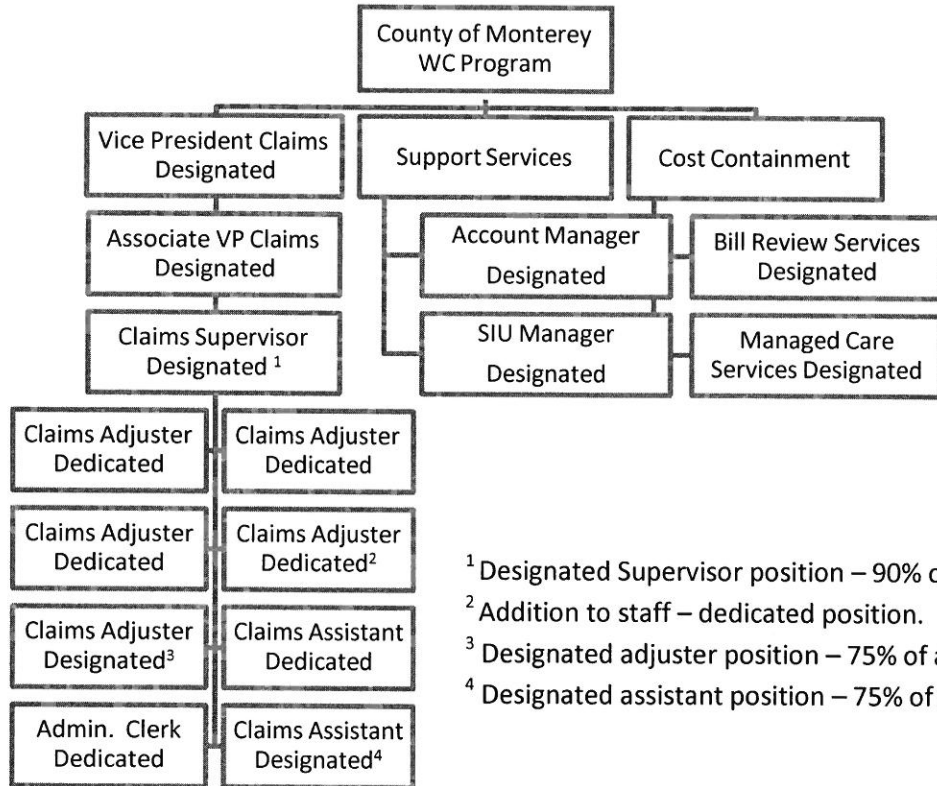
(Signature of Secretary, Asst. Secretary, CFO, Treasurer or Asst. Treasurer)*

Misha Ayler, Corporate Controller
 Printed Name and Title

Dated: December 16, 2014

*INSTRUCTIONS: If CONTRACTOR is a corporation, including limited liability and non-profit corporations, the full legal name of the corporation shall be set forth above together with the signatures of two specified officers. If CONTRACTOR is a partnership, the name of the partnership shall be set forth above together with the signature of a partner who has authority to execute this Agreement on behalf of the partnership. If CONTRACTOR is contracting in an individual capacity, the individual shall set forth the name of the business, if any, and shall personally sign the Agreement.

EXHIBIT A STAFFING STRUCTURE CHART



¹ Designated Supervisor position – 90% of an FTE.

² Addition to staff – dedicated position.

³ Designated adjuster position – 75% of an FTE

⁴ Designated assistant position – 75% of an FTE