

**AMENDMENT NO. 1
TO THE AGREEMENT FOR SERVICES
BETWEEN THE
CITY OF SANTA CLARA, CALIFORNIA,
AND
SEDGWICK CLAIMS MANAGEMENT SERVICES, INC.**

PREAMBLE

This agreement ("Amendment No. 1") is entered into between the City of Santa Clara, California, a chartered California municipal corporation (City) and Sedgwick Claims Management Services, Inc., an Illinois corporation (Contractor). City and Contractor may be referred to individually as a "Party" or collectively as the "Parties" or the "Parties to this Agreement."

RECITALS

- A. The Parties previously entered into an agreement entitled "Agreement for the Performance of Services By and Between the City of Santa Clara, California, and Sedgwick Claims Management Services, Inc.", dated July 1, 2014 (the "Original Agreement"); and
- B. The Parties entered into the Original Agreement for the purpose of having Contractor provide claims management services for City workers' compensation claims, and the Parties now wish to amend the Original Agreement to extend the term of the Original Agreement for one year.

The Parties agree as follows:

AGREEMENT TERMS AND CONDITIONS

1. AMENDMENT TERMS AND CONDITIONS

- A. That Section 2 of the Original Agreement, entitled "Term of Agreement" is hereby amended to read as follows:

Unless otherwise set forth in this Agreement or unless this paragraph is subsequently modified by a written amendment to this Agreement, the term of this Agreement shall begin on the Effective Date of this Agreement and terminate on June 30, 2020.

- B. That Section 10 of the Original Agreement, entitled "Termination of the Agreement" is hereby amended to read as follows:

Either Party may terminate this Agreement without cause by giving the other Party written notice ("Notice of Termination") which clearly expresses that Party's intent to terminate the Agreement. Notice of Termination shall become effective no less than one hundred and eighty days (180) calendar days after a Party received such notice. After either Party terminates the Agreement, Contractor shall discontinue further services as of the effective date of termination, and City shall pay Contractor for all Services satisfactorily performed up to such date. If either party terminates the Agreement, Contractor shall work with City to facilitate a smooth transfer of all data and functions to an alternate service provider selected by the City during the 180-day wind down period. This shall be done in a manner that is customary in the industry. During such 90 day wind down period City shall continue to pay Contractor in accordance with the terms of the Original Agreement.

- C. Section D of Exhibit B to the Original Agreement is hereby modified and amended to delete that section in its entirety and substitute the attached Exhibit B-1 therefore.

2. TERMS

All other terms of the Original Agreement which are not in conflict with the provisions of this Amendment No. 1 shall remain unchanged in full force and effect. In case of a conflict in the terms of the Original Agreement and this Amendment No. 1, the provisions of this Amendment No. 1 shall control.

3. COUNTERPARTS

This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but both of which shall constitute one and the same instrument.

The Parties acknowledge and accept the terms and conditions of this Amendment No. 1 as evidenced by the following signatures of their duly authorized representatives.

CITY OF SANTA CLARA, CALIFORNIA
a chartered California municipal corporation

APPROVED AS TO FORM:

Approved as to Form:

Dated: _____

BRIAN DOYLE
City Attorney

DEANNA J. SANTANA
City Manager
1500 Warburton Avenue
Santa Clara, CA 95050
Telephone: (408) 615-2210
Fax: (408) 241-6771

"CITY"

SEDGWICK CLAIMS MANAGEMENT SERVICES, INC.

an Illinois corporation

Dated: April 5, 2018

By (Signature): 

Name: J. Edward Peel

Title: Vice President

Principal Place of Business Address: 8125 Sedgwick Way
Memphis, TN 38125

Email Address: _____

Telephone: (901) 415-7400

Fax: (901) 415-7409

"CONTRACTOR"

EXHIBIT B-1

D. Care Management Fee Schedule:

[See Following Pages]

**Sedgwick managed care**

All claim administration fees and services contemplate the deployment of Sedgwick's managed care services for all bill review and case management services. Managed care fees are detailed below. Fees may change from time to time upon 60 days written notice.

Service	Rate
Medical bill review	
State fee scheduling/usual, customary and reasonable; state reporting of all medical bills	\$8.00 per bill
Provider networks	
Preferred provider organization (PPO) networks/out of network services	27% savings
California outcomes-based statewide medical provider network (MPN) (all California bills)	\$18.25 flat rate per bill
Texas healthcare network (HCN) (all Texas bills)	\$26.00 flat rate per bill One-time implementation fee — \$2,500
Clinical services	
Clinical consultation	\$80 per call Implementation fee (one-time) — \$1,550 Fees to be determined for changes to standard workflows/script.
Clinical consultation with intake (FROI)	\$105 per call Implementation fee (one-time) — \$1,550 Fees to be determined for changes to standard workflows/script.
Catastrophic oversight	\$260 per claim



Service	Rate
Telephonic case management	<p>Evaluation and recommendation \$150 one time; if claim is subsequently referred to telephonic case management (TCM), fee applied to the first month of TCM.</p> <ul style="list-style-type: none"> 1–30 days: \$395 Every 30 days thereafter: \$295 <p>Surgery nurse service charged at same TCM rates as outlined above.</p> <p>Surgery nurse app - \$75 per case</p>
Nurse advocate	\$95 per hour
Behavioral health specialist	\$95 per hour
Utilization review	\$109 per review
Physician advisor/peer review	\$250 per review
Complex pharmacy management	<p>Pharmacy nurse management/pain coaching: \$115 per hour</p> <p>Option #1</p> <ul style="list-style-type: none"> First medication \$375 2 to 4 meds \$650 5 to 7 meds \$975 8 to 12 meds \$1,400 More than 12 meds \$1,400 + \$100 per each additional med (script) with cap of \$2,200 <p>Option #2 - Physician and PharmD management (as needed): \$250 per hour</p>
Work placement solutions	



Service	Rate
Transitional work placement (at Not-for-Profit)	\$900 for placement \$450 No-show
Vocational expert	\$95 per hour Custom return to work program design, development or consultation
Field case management: Full field	\$95 per hour, plus direct expenses Exceptions to standard rate: ⁽¹⁾⁽²⁾ Catastrophic case management: \$140 per hour
Field case management: Clinical assessment	\$660: One visit \$795: Two visits
Field case management: Vocational screening/testing	\$695
Field case management: Vocational assessment	\$870
Field case management: Job analysis	\$640
Field case management: Ergonomic evaluation	\$710
Field case management: Labor market survey	\$580
Field case management: Automated transferable skill analysis	\$325
Field case management: Life care plan	\$145 per hour
Field case management: Expert witness/expert testimony	\$150 per hour
Field case management: Customized RTW services	\$145 per hour



Service	Rate
Field case management: Medical cost projection	\$95 per hour ⁽¹⁾
Field case management: Limited assignment	\$95 per hour ⁽¹⁾
Field case management: MSA	\$145 per hour
Field case management: IME facilitation/attendance	\$95 per hour ⁽¹⁾
<p>(1) Alaska and Hawaii @ \$124 per hour, California @ \$118 per hour, and New York City @ \$113 per hour.</p> <p>(2) Minnesota QRC Med/Voc @ \$99.47 per hour. Travel @ \$74.60 per hour. Wait @ \$49.74 per hour. QRC MR/VR @ \$89.47 per hour. Travel @ \$74.60 per hour. Wait \$49.74 per hour.</p>	
Sedgwick managed care administrative services	
Sedgwick standard medical card	No charge; customization starts at \$3,500
Standard provider panel postings	Included in Sedgwick Bill Review program fees
California Lien Resolution	28% of the below fee schedule savings subject to minimum fee of \$125 and cap of \$7,500 per lien. Expert witness testimony or hearing representation charged at \$125 per hour plus direct expenses