

1 BILL REVIEW SERVICING AGREEMENT

2 **31055**

3 THIS AGREEMENT is made and entered, in duplicate, as of January 27,  
4 2009, pursuant to a minute order adopted by the City Council of the City of Long Beach  
5 at its meeting on January 6, 2009, by and between LIEN ON ME, INC., a California  
6 corporation ("LOM"), with principal offices at 465 North Halstead Street, #104, Pasadena,  
7 California 91107, and CITY OF LONG BEACH, a municipal corporation ("City"), with  
8 principal offices at 333 W. Ocean Boulevard, Long Beach, California 90802.

9 1. RECITALS.

10 This Agreement is made and entered with respect to the following facts,  
11 which are incorporated by reference into the Agreement:

12 A. LOM, for the purposes of this Agreement, is in the business of  
13 providing medical bill review services to workers' compensation third party  
14 administrators and self-insured employers; and

15 B. City is obligated, either on its own behalf or contractually on  
16 behalf of others, to (i) make workers' compensation benefit and coverage related  
17 decisions to select injured workers; and (ii) pay and adjust claims related to these  
18 workers as per applicable statutes; and

19 C. City desires to secure the services of LOM for bill review, and  
20 networks including pharmacy, and durable medical and diagnostic testing  
21 equipment.

22 D. LOM has no exceptions to any provision, clause or  
23 requirement outlined in the Integrated Managed Care Services Request for  
24 Proposal dated August 15, 2008, including its exhibits and attachments.

25 E. LOM has agreed that its services will conform to the California  
26 Labor Code and any rules and regulations issued pursuant to the Code, in  
27 existence at the time of execution of this Agreement or effective during the term of  
28 this Agreement.

1           In consideration of the covenants and agreements contained herein, the  
2 parties agree as follows:

3           2.     EFFECTIVE DATE AND TERM. This Agreement shall begin on  
4 February 1, 2009, and shall end on January 31, 2010 (both days inclusive), unless  
5 terminated earlier in accordance with Section 13. By mutual agreement and amendment  
6 of this Agreement, the parties may extend the initial term for three (3) separate,  
7 consecutive periods of one year each.

8           3.     RESPONSIBILITIES OF LOM.

9           A.     LOM shall provide to City medical bill review services in  
10 accordance with the standards set forth in Exhibit "A", attached to and made part  
11 of this Agreement by this reference.

12           B.     LOM shall provide to City, LOM's standard reports and any  
13 custom reports as may be required and previously agreed to. In the case of a  
14 special request, LOM will make every effort to provide the report the same day or  
15 the following business day, as long as no special programming is required by  
16 LOM. There will be no additional fees for standard reports. LOM's reports shall  
17 clearly break out savings and associated costs by bill review reduction and PPO  
18 reduction. LOM shall provide standard reports monthly, quarterly and annually.  
19 Standard reports are defined as:

- 20                   i.     Savings Summary;
- 21                   ii.    Medical Network and PPO Penetration;
- 22                   iii.   List of Non-Network High Volume Providers;
- 23                   iv.   Bill Review Savings Summary;
- 24                   v.    Pharmacy Savings Summary;
- 25                   vi.   Non-Network Provider Bill Review.

26           C.     LOM shall designate a service coordinator, who shall be an  
27 employee of LOM, to be available to City to service City's account with LOM.

28           D.     LOM shall comply with all applicable laws, rules and

1 regulations relating to its services under this Agreement and shall obtain, maintain  
2 and, upon request, provide to City proof of any and all necessary certifications,  
3 licenses and regulatory approvals.

4 E. LOM shall meet the guarantees described in Exhibit "C",  
5 attached to and made part of this Agreement by this reference.

6 4. RESPONSIBILITES OF CITY.

7 A. City shall designate LOM as its exclusive provider of medical  
8 bill review services.

9 B. City understands and agrees that City shall retain the sole  
10 responsibility for, and the sole authority to make, all decisions with respect to  
11 benefit and coverage determinations for workers' compensation cases covered  
12 under this Agreement. Additionally, City will also be responsible for the payment  
13 of all related workers' compensation claims as may be required under applicable  
14 law. LOM will not be responsible for the provision of, or payment of, any medical,  
15 indemnity, permanent disability or death benefits, medical-legal expenses,  
16 vocational rehabilitation, or legal and other allocated expenses to which the City's  
17 injured workers' may be entitled.

18 C. City shall be responsible for the payment of all applicable  
19 audit fees and assessments levied against City by any governmental entity.  
20 Notwithstanding the immediately preceding sentence, any late or inconsistent  
21 payment penalties or fines assessed by any governmental entity shall be paid by  
22 the party, either City or LOM, responsible for causing the penalty or fine. Disputes  
23 regarding responsibility for the payment of any penalty or fine shall be resolved by  
24 good faith negotiations between the parties.

25 D. City shall fully cooperate with and assist LOM in the  
26 performance of LOM's obligations under this Agreement. LOM's performance  
27 under this Agreement shall be dependent upon City's timely performance of its  
28 obligations hereunder provided that LOM acts timely and promptly in its own

1 regard. LOM shall be entitled to rely upon information, authorization, decisions or  
2 approvals provided by City to LOM.

3 5. COMPENSATION.

4 A. In consideration for the services provided by LOM to City  
5 under this Agreement, City shall pay to LOM the fees set forth in Exhibit "B",  
6 attached to and made part of this Agreement by this reference.

7 B. LOM may, at LOM's sole discretion, adjust the fees to be  
8 charged to City under this Agreement upon the occurrence of any of the following  
9 events:

10 i. Any modification or amendment to this Agreement,  
11 which affects any change in the services to be provided by LOM under this  
12 Agreement.

13 ii. Any modification of LOM's administrative procedures  
14 made at the request of City.

15 Any such adjustment in the fees pursuant to either subsection (i) or  
16 (ii) above shall become effective on the effective date of the change in services  
17 mutually agreed to in writing between the parties and shall be reflected in an  
18 amendment to this Agreement. City shall have the right to terminate this  
19 Agreement notwithstanding Article II, if City does not accept the adjustment in  
20 fees.

21 C. City shall pay the fees to LOM by the statement due date. In  
22 the event City disputes any portion of any statement, City shall timely pay the  
23 undisputed portion and work with LOM towards the timely resolution of the  
24 disputed amount.

25 6. REPRESENTATIONS AND WARRANTIES.

26 A. City represents and warrants that this Agreement and the  
27 transactions and activities contemplated by it (i) are within the municipal powers of  
28 City; (ii) have been duly authorized by all necessary action of City; (iii) constitute

1 the legal, valid and binding obligations of City, enforceable against it in accordance  
2 with their terms; and (iv) do not and will not conflict with or result in a breach of any  
3 of the provisions of, or constitute a default under the provisions of any law,  
4 regulation, licensing requirement, charter provision, or other instrument applicable  
5 to City or its employees or to which City is a party or by which City may be bound.

6 B. LOM represents and warrants that this Agreement and the  
7 transactions and activities contemplated hereby (i) are within the corporate powers  
8 of LOM; (ii) have been duly authorized by all necessary corporate action of LOM;  
9 (iii) constitute legal, valid and binding obligations of LOM, enforceable against it in  
10 accordance with their terms; and (iv) do not and will not conflict with or result in a  
11 breach of any of the provisions of, or constitute a default under the provisions of  
12 any law, regulation licensing requirement, charter provision, bylaw or other  
13 instrument applicable to LOM or its employees or to which LOM is a party or by  
14 which LOM may be bound.

15 7. BOOKS AND RECORDS.

16 A. LOM shall establish and maintain case data, in a mutually  
17 agreed upon manner and format, on each case referred to LOM for City.

18 B. LOM and City shall maintain such books and records,  
19 including but not limited to, payment records, notices, accounting and  
20 administrative records, as shall reasonably be required to accurately account for  
21 all services provided pursuant to this Agreement and any matters necessary for  
22 the proper administration of this Agreement. Such books and records shall be  
23 maintained in accordance with the generally accepted accounting principles and  
24 shall be maintained for at least seven (7) years, and such obligation shall not  
25 terminate upon termination of this Agreement.

26 C. LOM and City each shall have the mutual right, during the  
27 term of this Agreement and any extension of the initial term, to inspect, audit and  
28 copy, on no less than thirty (30) days prior notice to the other party, and during

1 normal business hours or at such other times as may be agreed upon, said  
2 relevant books and records as they pertain to this Agreement. Such information  
3 shall be provided to each party pursuant to procedures designed to protect the  
4 confidentiality of patient health care records in accordance with applicable legal  
5 requirements and recognized standards of professional practice.

6 8. STATUS OF PARTIES. The parties agree that LOM, its affiliated  
7 corporations, and the agents and employees of LOM and its affiliated corporations, in the  
8 performance of this Agreement, shall act in an independent capacity as independent  
9 contractors and not as officers or employees of City.

10 9. CONFIDENTIALITY.

11 A. The parties acknowledge and agree that each has developed  
12 certain trade secrets, client lists, software, knowledge, data, tools, methodologies,  
13 processes, plans, procedures, techniques, manuals, treatment protocols, clinical  
14 indicators, case rates, provider payment structure information, underwriting  
15 methodology, proprietary rating plans, provider practice data, employee-outcomes  
16 data, audit reports, actuarial analyses and other proprietary information  
17 (collectively "Confidential Information"). For purposes of this Agreement, the party  
18 that has developed Confidential Information to which the other has access is  
19 referred to as the "Protected Party." Except with the express written consent of  
20 the Protected Party, or as provided herein, other one party shall not disclose to  
21 others or take or use for its own purposes or the purpose of others at any time any  
22 Confidential Information of the Protected Party not otherwise in the public domain  
23 that may have been or may be obtained by the other party by reason of its  
24 relationship with the Protected Party. The parties further agree that this provision  
25 shall also be applied to all information that is designated as confidential or  
26 proprietary in writing by the Protected Party, whether by letter or by use of a stamp  
27 or legend before or at the time any such information is disclosed or delivered to  
28 the other party unless disclosure is required by subpoena, court order, the Public

1 Records Act, or the confidential information becomes publicly available without  
2 breach of this Agreement by City. Notwithstanding the foregoing provisions, the  
3 parties recognize that a patient's medical records are confidential and shall not be  
4 disclosed to third parties without the consent of the patient, unless otherwise  
5 permitted or required by applicable law.

6 B. This Agreement shall not be construed to grant either party  
7 any license or similar rights to Confidential Information disclosed or delivered to it  
8 by the other party. The parties agree that any breach by a receiving party of its  
9 obligation under this Agreement may result in irreparable injury to the Protected  
10 Party. Accordingly, in seeking enforcement of any of these obligations, the  
11 Protected Party shall be entitled, in addition to all other remedies, to seek  
12 injunctive and other equitable relief to prevent or restrain the breach of this  
13 Agreement.

14 10. DISPUTE RESOLUTION. In the event of any controversy or dispute  
15 arising out of or relating to this Agreement, the parties agree to exercise their best efforts  
16 to resolve the dispute as soon as possible. To invoke the dispute resolution process set  
17 forth in this Section, the invoking party shall give to the other party written notice of its  
18 decision to do so, including a description of the issues subject to the dispute and a  
19 proposed resolution thereof. Within ten (10) days after receipt of notice, a face-to-face  
20 meeting by LOM and City shall take place to attempt to resolve the issues. If the  
21 designated representatives cannot resolve the dispute, the parties shall meet within thirty  
22 (30) days after the initial meeting and describe the dispute and their respective proposals  
23 for resolution. If the dispute cannot be resolved at the second meeting, then the parties  
24 reserve the right to pursue all legal remedies available to them.

25 11. INDEMNITY AND INSURANCE.

26 A. LOM shall defend, indemnify, and hold harmless City, its  
27 officers, agents and employees, from and against any and all liability, loss,  
28 damage or expense, including punitive damages and attorney's fees, incurred in

1 connection with claims or demands for damages of any nature whatsoever, except  
2 to the extent such claims or demands arise from or are caused by the sole  
3 negligence or wrongful acts of City.

4 B. Prior to commencement of work under this Agreement, LOM  
5 shall furnish to City one or more original Certificates of Insurance and  
6 Endorsements completed and executed by an agent authorized to bind the  
7 insurer. Subject to LOM's right to reasonable deductibles in such amounts as  
8 approved by City, LOM shall obtain and maintain for the duration of this  
9 Agreement, at LOM's sole expense, insurance written by companies authorized  
10 and admitted to do business in the State of California or rated A:VIII or better by  
11 A.M. Best Company in the following types and amounts:

12 i. Workers' Compensation Insurance with the statutory  
13 limits required by the laws of the State of California and Employers' Liability  
14 with minimum limits of \$1,000,000 per accident and \$1,000,000 per  
15 occupational injury.

16 ii. Commercial General Liability Insurance equivalent in  
17 scope to ISO CG 00 01 11 85, including but not limited to premises and  
18 operations, personal and advertising injury, products and completed  
19 operations, independent contractors and contractual liability, with minimum  
20 limits of \$1,000,000 per occurrence, \$1,000,000 products and completed  
21 operations sublimit, and \$2,000,000 general aggregate. This insurance  
22 shall include "The City of Long Beach, its agencies, commissions, boards,  
23 officials, employees, and agents" as additional insured on an endorsement  
24 equivalent in coverage scope to an ISO CG 20 26 11 85 endorsement.

25 iii. Commercial Automobile Liability Insurance equivalent  
26 in scope to ISO CA 00 01 06 92 covering Symbol 1 ("Any Auto") with a  
27 minimum combined single limit of \$1,000,000.

28 iv. Professional Liability Insurance or Errors and



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Omissions Liability Insurance with minimum limits of \$1,000,000 per claim and \$2,000,000 general aggregate. If this coverage is written on a "claims made" form, coverage shall be continuous by renewal or extended reporting period for not less than 24 months following completion of the Agreement and acceptance of the work by City. Coverage, including renewals, shall contain the same retroactive date as the original policy applicable to this Agreement.

C. LOM shall make available to City, during normal business hours, all books, records, and other information relating to the insurance required by this Agreement and City shall have the right to inspect each of the policies and endorsements. LOM, upon City's request, shall cause its insurers to provide to City, at no cost, copies of all policies and endorsements.

D. Any self-insurance program, self-insured retention, or deductibles must be separately approved in writing by City's Risk Manager or designee and shall protect the City, its agencies, commissions, boards, officials, employees and agents in the same manner and to the same extent as they would have been protected had the policy or policies not contained retention or deductibles. Each policy shall be endorsed to state that coverage shall not be reduced, non-renewed, or canceled except after thirty (30) days prior written notice to the City, and shall be primary and not contributing to any other insurance or self-insurance maintained by City. LOM's insurance shall waive subrogation against City, its officials and employees for bodily injury (including death), property damage, and any other loss. LOM shall notify City in writing within five (5) business days after any insurance required in this Agreement has been voided by the insurer or canceled by LOM. LOM shall require that all subcontractors that it uses in the performance of this Agreement maintain insurance in compliance with this Agreement unless otherwise agreed in writing by City's Risk Manager or designee.

1           Within thirty (30) days prior to expiration of the insurance required by this  
2 Agreement, LOM shall furnish to City certificates of insurance and endorsements  
3 evidencing renewal of the coverage.

4           Any modification or waiver of these insurance requirements shall only be  
5 made with the written approval of City's Risk Manager or designee. The procuring or  
6 existence of insurance shall not be construed or deemed as a limitation on liability  
7 relating to LOM's performance of this Agreement or as performance of or compliance  
8 with the indemnification provisions of this Agreement.

9           In the event LOM is unable, after using its best efforts, to obtain any of the  
10 above-mentioned coverages, it shall immediately notify City. City shall then have the  
11 opportunity to immediately terminate this Agreement or to purchase insurance on LOM's  
12 behalf and to deduct the cost of such insurance from the next payment due to LOM.

13           12.    DEFAULT.

14           A.    The following are events of default under this Agreement:

15                   i.    Any breach of this Agreement which is not cured by  
16 breaching party within ten (10) days after receipt of notice of such breach  
17 by the other party.

18                   ii.   The discovery by City of the falsity of any  
19 representation or warranty made to City by LOM pursuant to Article 6  
20 hereof.

21                   iii.   The levying of any attachment, execution of any  
22 process against LOM which is not promptly removed or the filing of any  
23 petition under any bankruptcy statute against LOM or the appointment of  
24 any receiver or trustee to take possession of LOM's properties which is not  
25 set aside or terminated within ten (10) days from the occurrence thereof.

26           B.    The failure of either party to declare a default upon the  
27 occurrence of an event constituting a default shall not waive that party's right to  
28 declare a default upon the occurrence of any subsequent event.

1           13.    TERMINATION.

2           A.    This Agreement may be terminated by City or LOM as follows:

3           i.    Upon thirty (30) days prior notice for any reason.

4           ii.   Upon ten (10) days prior notice in the event of a  
5           default.

6           iii.   Immediately upon notice in the event of fraud,  
7           abandonment, gross or willful misconduct, insolvency, or lack of legal  
8           capacity to act by the other party.

9           B.    Notwithstanding the termination of this Agreement, this  
10          Agreement shall continue to apply to the extent needed for all obligations and  
11          liabilities incurred by each party prior to such termination to be fully performed and  
12          discharged by such parties.

13          C.    City shall have the right, in the event of a termination of this  
14          Agreement, to immediate possession of all electronic records not previously  
15          provided, and this right may be exercised at any time after termination.

16          14.    HIRING AND ASSIGNMENT OF EMPLOYEES.

17          A.    City agrees that during the term of and for a period of two (2)  
18          years after the termination of this Agreement, it will not, without prior written  
19          consent of LOM, hire any employee of LOM or its affiliate who was assigned to, or  
20          performed, any service for City in connection with this Agreement.

21          B.    Each party reserves the right to change its designated  
22          representative or staff assigned to the services performed under this Agreement.  
23          The City requires thirty (30) days notice for changes in the designated  
24          representative and fourteen (14) days notice in changes in staff.

25          15.    GENERAL PROVISIONS.

26          A.    The subject headings of the Articles of this Agreement are  
27          included for purposes of convenience only and shall not affect the construction of  
28          interpretation of any of its provisions.

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B. This Agreement sets forth the entire understanding of the parties and supersedes any prior agreement or understanding, oral or written, relating to the subject matter hereof. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by all the parties. No waiver of any of the provisions of this Agreement shall be deemed, or shall constitute, a waiver of any other provision, whether or not similar, nor shall any waiver constitute a continuing waiver. No waiver shall be binding unless executed in writing by the party making the waiver.

C. LOM may not assign, sell, transfer or otherwise convey, pledge or encumber any of its rights, obligations or interests under this Agreement without the prior written consent of the City.

D. Except as otherwise provided herein, the provisions hereof shall inure to the benefit of, and be binding upon, the successors, assigns, heirs, executors and administrators of the parties hereto.

E. This Agreement shall be governed by and construed in accordance with the laws of the State of California. In the event that any provision of this Agreement is held by a court of competent jurisdiction to be unenforceable or void in any jurisdiction, the other provisions of this Agreement shall remain in full force and applicable law shall be construed in order to effectuate the purpose and intent of this Agreement.

F. Each notice referred to in this Agreement shall be in writing and shall be given when delivered by hand, or is deposited in the U.S. Postal Service registered and return receipt, addressed to each party at the address set forth below or at such other address as such party, by notice to the other party, may designate from time to time. Notice shall be deemed given on the date personal hand delivery is made or on the date shown on the return receipt.

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1 If to LOM:  
2 Lien on Me, Inc.  
3 465 North Halstead Street, #104  
4 Pasadena Beach, CA 91107  
5 Attention: President

6  
7 If to City:  
8 City of Long Beach  
9 333 West Ocean Boulevard  
10 13th Floor  
11 Long Beach, CA 90802  
12 Attention: City Manager

13  
14 G. This Agreement is not intended or designed to or entered for  
15 the purpose of creating any benefit or right for any person or entity or any kind that  
16 is not a party to this Agreement.

17 H. LOM shall not use the name of the City, its officials or  
18 employees in any advertising or solicitation for business, nor as a reference,  
19 without the prior approval of City's Manager or his designee.

20 I. Termination or expiration of this Agreement shall not affect  
21 rights or liabilities of the parties which accrued prior to termination or expiration of  
22 this Agreement.

23 J. In the event of any conflict or ambiguity between the  
24 Agreement and any Exhibit, the terms of the Agreement shall govern.

25 K. LOM, by executing this Agreement, certifies that, at the time it  
26 executes this Agreement and for its duration, LOM does not and will not perform  
27 services for any other client which would create a conflict, whether monetary or  
28 otherwise, as between the interests of the City and the interests of any other client

OFFICE OF THE CITY ATTORNEY  
ROBERT E. SHANNON, City Attorney  
333 West Ocean Boulevard, 11th Floor  
Long Beach, CA 90802-4664

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of LOM.

L. This Agreement shall be deemed the creation of both parties and it shall not be construed or interpreted against either party as the drafter.

M. The Proposal submitted to City by LOM is incorporated by reference to the extent that it does not contradict this Agreement. If there is any inconsistency between the Proposal and this Agreement, then this Agreement shall govern.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed in duplicate by their authorized representatives as of the date first stated above.

LIEN ON ME, INC., a California corporation

Jan 29, 2009

By Teresa Foley  
President  
Teresa Foley  
(Type or Print Name)

March 3, 2009

By Goldie Galstjan  
Secretary  
Goldie Galstjan  
(Type or Print Name)

"LOM"

CITY OF LONG BEACH, a municipal corporation

2.17.09, 2009

By [Signature]  
Assistant City Manager  
City Manager  
"City"

**EXECUTED PURSUANT TO SECTION 301 OF THE CITY CHARTER.**

This Agreement is approved as to form on February 2, 2009.

ROBERT E. SHANNON, City Attorney  
By [Signature]  
Deputy

EXHIBIT "A"

I. BILL REVIEW

A. LOM shall provide medical bill review services consisting of analyzing provider billings for coding errors, duplication and fraud and repricing billed charges to the lesser of (i) charges pursuant to the applicable state mandated Fee Schedule; (ii) in non-Fee Schedule states, usual and customary charges, as determined by LOM; (iii) charges taking into account negotiated discounts achieved through either BillChek, case management, or utilization management negotiations; or (iv) any contract charges.

B. LOM shall process routine bills within three (3) business days after receipt and complex bills within five (5) business days after receipt. LOM shall return bills to City within seven (7) business days after receipt of complete information from the provider. The parties acknowledge and agree that certain complex bills, e.g. surgical review, high level consultant review, and medical legal review, may take longer to process and LOM shall promptly notify City if it is unable to process any bills within fourteen (14) days after receipt. The failure by LOM to process complex bills within the time periods stated herein shall not constitute a breach of LOM's obligations under the Agreement. LOM shall submit to City medical reports on all unidentified and complex procedures for review for additional savings. LOM shall process bills with 99.5% accuracy.

The following performance measures will be used in measuring accuracy:

- (i) Processing of routine bills within three (3) business days after receipt;
- (ii) Processing of complex bills (i.e., multiple surgeries) within five (5) business days after receipt;
- (iii) Response to telephone inquiries within one (1) business day after receipt of call;
- (iv) Response to written inquiries within five (5) business days after receipt of inquiry;

1 (v) Accuracy—99.5%.

2 C. LOM shall provide an explanation of benefits (“EOB”) which shall explain  
3 the pricing format and adjustments and clearly set forth the net amount to pay to provider.  
4 LOM shall transmit to City EOBs and data necessary to permit issuance, by City, of  
5 payments to providers.

6 D. LOM shall perform bill review services on all City bills submitted to LOM  
7 during the term of this Agreement.

8 E. LOM shall provide reports on bill review services which will include but not  
9 be limited to accuracy and a cost savings summary that includes gross and net savings.

10

11 II. REMITTANCE OF MEDICAL CLAIMS AND BILLING INFORMATION

12 A. City shall provide to LOM all medical claims and bill information received by  
13 City.

14 B. During the term of this Agreement, LOM shall serve as the repository for  
15 scanned images of bills that City submits for bill review services. After the expiration or  
16 sooner termination of this Agreement, City understands that LOM will not be a repository  
17 for scanned images of bills that City submits for bill review services; however, LOM shall  
18 promptly provide to City the latest digital format containing the scanned images of bills  
19 that City has submitted for bill review services during the term of the Agreement.

20

21 III. INQUIRIES FROM PARTICIPATING PROVIDERS

22 LOM shall assist City in resolving inquiries from medical providers during and after  
23 LOM's review and shall answer any questions regarding the revised bill amounts during  
24 the term of this Agreement.

25

26 IV. DRGChek

27 LOM shall provide to City, upon request, retrospective bill audits designed to  
28 identify and document; (i) overcharges and undercharges; (ii) items unrelated to covered



1 diagnoses; (iii) the medical necessity of billed services; and (iv) services billed but not  
2 delivered.

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4 V. EXPERT TESTIMONY

5 If the medical care providers appeal to the Workers' Compensation Appeals Board  
6 (WCAB) or its equivalent in any state any of LOM's recommendations for payment, LOM  
7 shall send a witness to the hearing before the WCAB to testify and defend its  
8 recommendations at no cost to the City. LOM shall defend all of its recommendations or  
9 at the WCAB. LOM shall provide a Hearing Representative whose purpose is to serve as  
10 an expert witness in bill review to defend recommendations, when requested by the City.  
11 Following termination of this Agreement, LOM shall continue to provide expert witness  
12 testimony concerning any work performed pursuant to this Agreement at LOM's then  
13 current rates and on its then current terms and conditions.

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OFFICE OF THE CITY ATTORNEY  
ROBERT E. SHANNON, City Attorney  
333 West Ocean Boulevard, 11th Floor  
Long Beach, CA 90802-4664

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EXHIBIT "B"  
COMPENSATION  
(see attached)



# Proposed Program Costs (City of Long Beach) January 1, 2009

**Pricing**

\$0.90 per line, 3 line minimum & 18 line maximum

**Medical Bill Review**

\$3.00 per bill for full pays (not to exceed 5 lines a bill)

5% of savings for inpatient hospital bills

5% of savings for outpatient hospital bills

10% of savings for PPA (Out of Network/Negotiated Bills)

18% PPO (except Blue Cross 26%)

23% MPN (First Health)

\$95 per hour for RN line by line audit of bills

Duplicates – no charge

Reconsiderations – On LOM bills reviewed - no charge

Implementation Fee – no charge

WCAB appearances (expert witness) for LOM bills reviewed at no charge

WCIS state reporting – no charge

\*Any reconsiderations that result from another bill review vendor and need to be re-reviewed will be reviewed at the above pricing

**Scanning/Storing For Bill Review**

\$1,500 Start up fee

\$0.60 bill for scanning

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EXHIBIT "C"

PERFORMANCE GUARANTEES

For services rendered pursuant to this Agreement, LOM guarantees the following performance levels for bill review:

- A. All routine medical bills will be processed within three (3) business days after receipt;
- B. All complex medical bills will be processed within five (5) business days after receipt;
- C. All medical bills will be processed at an accuracy rate of 99.5%, which includes correctly adjudicated and re-priced bills and all mandatory data elements;
- D. Telephone inquiries from providers will be returned within one (1) business day;
- E. Written inquiries from providers will be responded to within five (5) business days.