

BILL REVIEW SERVICING AGREEMENT

**34570**

THIS AGREEMENT is made and entered, in duplicate, as of March 8, 2017, for reference purposes only, pursuant to a minute order adopted by the City Council of the City of Long Beach at its meeting on March 7, 2017, by and between MEDATA, INC., a California corporation ("MEDATA"), with principal offices at 5 Peters Canyon Road, #250, Irvine, California 926061, and the CITY OF LONG BEACH, a California municipal corporation ("City").

RECITALS.

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

MEDATA, for the purposes of this Agreement, is in the business of providing medical billing review services and information utilizing proprietary software and expertise to evaluate allowable charges pertaining to medical provider billings; and

City desires to secure the services of MEDATA for medical billing review services, including their proprietary software and expertise; and

MEDATA has no exceptions to any provision, clause or requirement outlined in the Medical Bill Review Request for Proposal dated March 22, 2016, including its exhibits and attachment; and

MEDATA has agreed that its services will conform to the Workers' Compensation Laws of California, the California Labor Code, and any rules and regulations issued pursuant to such laws and the Code, in existence at the time of execution of this Agreement or effective during the term of this Agreement, and that MEDATA shall perform its services in accordance with commercially reasonable practices and standards in the business of medical bill review;

NOW, THEREFORE, in consideration of the mutual terms, covenants, and conditions in this Agreement, the parties agree as follows:

1. EFFECTIVE DATE AND TERM. This Agreement shall begin on May

1, 2017, and shall end on April 30, 2019 (both days inclusive), unless terminated earlier in accordance with Section 12. By mutual agreement and amendment of this Agreement, the parties may extend the initial term for three (3) separate, consecutive periods of one (1) year each.

2. RESPONSIBILITIES OF MEDATA.

A. MEDATA shall perform medical billing review services for each individual billing submitted to MEDATA by City in accordance with the criteria established in this Agreement and Exhibit "A", attached to, and made part of this Agreement by this reference.

B. MEDATA shall perform the various systems implementations and transfer and maintenance duties reasonably required by policies and procedures established by City.

C. MEDATA shall provide to City, MEDATA's standard reports and any custom reports as may be required and previously agreed to. In the case of a special request, MEDATA will make every effort to provide the report the same day or the following business day, as long as no special programming is required by MEDATA. There will be no additional fees for standard reports. MEDATA shall provide standard reports monthly, quarterly and annually. Standard reports are defined as:

- i. Bill Review Savings Reports;
- ii. Bill Review Productivity Reports;
- iii. Bill Review Statistical Reports; and
- iv. Bill Review Inventory Reports.

D. MEDATA shall designate a service coordinator, who shall be an employee of MEDATA, to be available to City to service City's account with MEDATA. In addition, MEDATA shall designate a certified in-house bill review expert to be available for City staff to contact for questions, problems, negotiations with providers, and assist with lien conferences and trials as necessary.

1 E. MEDATA shall comply with all applicable laws, rules and  
2 regulations relating to its services under this Agreement and shall obtain, maintain  
3 and, upon request, provide to City proof of any and all necessary certifications,  
4 licenses, and regulatory approvals.

5 F. MEDATA shall meet the guarantees described in Exhibit "C",  
6 attached to, and made part of this Agreement by this reference.

7 3. RESPONSIBILITIES OF CITY.

8 A. City shall designate MEDATA as its exclusive provider of  
9 healthcare billing review services and healthcare billing review software  
10 applications.

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

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

27 D. City shall fully cooperate with and assist MEDATA in the  
28 performance of MEDATA's obligations under this Agreement. MEDATA's

1 performance under this Agreement shall be dependent upon City's timely  
2 performance of its obligations hereunder provided that MEDATA acts timely and  
3 promptly in its own regard. MEDATA shall be entitled to rely upon information,  
4 authorization, decisions or approvals provided by City to MEDATA.

5 4. COMPENSATION.

6 A. In consideration for the services provided by MEDATA to City  
7 under this Agreement, City shall pay to MEDATA the fees set forth in Exhibit "B",  
8 in an amount not to exceed Six Hundred Ninety Thousand Dollars (\$690,000),  
9 attached to and made part of this Agreement by this reference.

10 B. MEDATA may, at MEDATA's sole discretion, adjust the fees  
11 to be charged to City under this Agreement upon the occurrence of any of the  
12 following events:

13 i. Any modification or amendment to this Agreement,  
14 which affects any change in the services to be provided by MEDATA under  
15 this Agreement.

16 ii. Any modification of MEDATA's administrative  
17 procedures made at the request of City.

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

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

27 5. REPRESENTATIONS AND WARRANTIES.

28 A. City represents and warrants that this Agreement and the

1 transactions and activities contemplated by it (i) are within the municipal powers of  
2 City; (ii) have been duly authorized by all necessary action of City; (iii) constitute  
3 the legal, valid and binding obligations of City, enforceable against it in accordance  
4 with their terms; and (iv) do not and will not conflict with or result in a breach of any  
5 of the provisions of, or constitute a default under the provisions of any law,  
6 regulation, licensing requirement, charter provision, or other instrument applicable  
7 to City or its employees or to which City is a party or by which City may be bound.

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

17 6. BOOKS AND RECORDS.

18 A. MEDATA shall establish and maintain case data, in a mutually  
19 agreed upon manner and format, on each case referred to MEDATA for City.

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

28 C. MEDATA and City each shall have the mutual right, during the

1 term of this Agreement and any extension of the initial term, to inspect, audit and  
2 copy, on no less than thirty (30) days prior notice to the other party, and during  
3 normal business hours or at such other times as may be agreed upon, said  
4 relevant books and records as they pertain to this Agreement. Such information  
5 shall be provided to each party pursuant to procedures designed to protect the  
6 confidentiality of patient health care records in accordance with applicable legal  
7 requirements and recognized standards of professional practice.

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

12 8. CONFIDENTIALITY.

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

1 or legend before or at the time any such information is disclosed or delivered to  
2 the other party unless disclosure is required by subpoena, court order, the Public  
3 Records Act, or the confidential information becomes publicly available without  
4 breach of this Agreement by City. Notwithstanding the foregoing provisions, the  
5 parties recognize that a patient's medical records are confidential and shall not be  
6 disclosed to third parties without the consent of the patient, unless otherwise  
7 permitted or required by applicable law.

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

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

28 10. INDEMNITY AND INSURANCE.

1           A.     MEDATA shall defend, indemnify, and hold harmless City, its  
2 officers, agents and employees, from and against any and all liability, loss,  
3 damage or expense, including punitive damages and attorney's fees, incurred in  
4 connection with claims or demands for damages of any nature whatsoever, except  
5 to the extent such claims or demands arise from or are caused by the sole  
6 negligence of City.

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

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

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

28               iii.   Commercial Automobile Liability Insurance equivalent

1 in scope to ISO CA 00 01 06 92 covering Symbol 1 ("Any Auto") with a  
2 minimum combined single limit of \$1,000,000.

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

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

16 D. Any self-insurance program, self-insured retention, or  
17 deductibles must be separately approved in writing by City's Risk Manager or  
18 designee and shall protect the City, its agencies, commissions, boards, officials,  
19 employees, and agents in the same manner and to the same extent, as they would  
20 have been protected had the policy or policies not contained retention or  
21 deductibles. Each policy shall be endorsed to state that coverage shall not be  
22 reduced, non-renewed, or canceled except after thirty (30) days prior written notice  
23 to the City, and shall be primary and not contributing to any other insurance or  
24 self-insurance maintained by City. MEDATA's insurance shall waive subrogation  
25 against City, its officials and employees for bodily injury (including death), property  
26 damage, and any other loss. MEDATA shall notify City in writing within five (5)  
27 business days after any insurance required in this Agreement has been voided by  
28 the insurer or canceled by MEDATA. MEDATA 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.

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

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

11. DEFAULT.

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

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

ii. The discovery by City of the falsity of any representation or warranty made to City by MEDATA pursuant to Section 5 hereof.

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

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

1 declare a default upon the occurrence of any subsequent event.

2 12. TERMINATION.

3 A. This Agreement may be terminated by City or MEDATA as  
4 follows:

5 i. Upon ninety (90) days prior notice for any reason.

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

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

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

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

18 13. ASSIGNMENT OF EMPLOYEES. Each party reserves the right to  
19 change its designated representative or staff assigned to the services performed under  
20 this Agreement. The City requires thirty (30) days' notice for changes in the designated  
21 representative and fourteen (14) days' notice in changes in staff.

22 14. GENERAL PROVISIONS.

23 A. The subject headings of the Sections of this Agreement are  
24 included for purposes of convenience only and shall not affect the construction of  
25 interpretation of any of its provisions.

26 B. This Agreement sets forth the entire understanding of the  
27 parties and supersedes any prior agreement or understanding, oral or written,  
28 relating to the subject matter hereof. No supplement, modification or amendment

1 of this Agreement shall be binding unless executed in writing by all the parties. No  
2 waiver of any of the provisions of this Agreement shall be deemed, or shall  
3 constitute, a waiver of any other provision, whether or not similar, nor shall any  
4 waiver constitute a continuing waiver. No waiver shall be binding unless executed  
5 in writing by the party making the waiver.

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

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

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

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

24  
25 If to MEDATA:

26 Medata, Inc.  
27 5 Peters Canyon Road, #250  
28 Irvine, CA 92606  
Attention: President

If to City:

City of Long Beach  
333 West Ocean Boulevard  
13th Floor  
Long Beach, CA 90802  
Attention: City Manager

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

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

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

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

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

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 MEDATA 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.

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

9  
10 MEDATA, INC., a California corporation  
11 3/9/, 2017 By [Signature]  
12 Name LEE C. KING  
13 Title CEO  
14 3/9/, 2017 By [Signature]  
15 Name DANA M. JENNISON  
16 Title CFO

17 "MEDATA"

18 CITY OF LONG BEACH, a municipal  
19 corporation

20 3/23/17, 2017 By [Signature] EXECUTED PURSUANT  
21 City Manager TO SECTION 301 OF  
22 "City" Assistant City Manager THE CITY CHARTER.

23 This Agreement is approved as to form on 3/17  
24 2017.

25 CHARLES PARKIN, City Attorney

26 By [Signature]  
27 Deputy  
28

EXHIBIT "A"  
MEDICAL BILL REVIEW SERVICES

MEDATA shall provide medical bill review services as listed below:

1.1 Billing Review of Covered Services. MEDATA's Service Bureau shall evaluate workers' compensation healthcare provider billings incurred for services for injuries, illnesses, or conditions, if any, which City believes it may be obligated to provide for City's insured ("Covered Services"). Specific requirements and exact scope of work including ancillary or specialized services (collectively the "Services and Fees" are listed on Exhibit "B", attached to and incorporated into the Agreement).

1.2 Review Process. City shall send bills for Covered Services directly to MEDATA. Upon receipt, MEDATA shall evaluate allowable charges and review such bills pursuant to standard industry practices for each type of provider to the applicable government-mandated fee schedule and/or usual and customary database contained within the proprietary software, subject to any special review parameters in City's written instruction designated to MEDATA by and as modified from time to time by written notification from City to MEDATA. MEDATA shall review for double billing, duplicative charges, and inappropriate unbundling of fees. MEDATA shall provide written recommendation to City regarding payment amounts for each bill. The review process will incorporate:

- (a) State administrative rules;
- (b) Applicable government-mandated fee schedules for workers' compensation;
- (c) Usual, customary, and reasonable pricing databases, including data in third-party licensed databases which City hereby acknowledges is provided "AS IS";
- (d) Preferred provider network information (if applicable); and
- (e) Average wholesale pricing databases for pharmaceuticals.

1 City shall designate the address (e-mail, street address, or other agreed-  
2 upon repository) or addresses to which MEDATA is to return bills, reviews, and reports.  
3 City shall also designate a person or persons, including telephone, fax, and e-mail  
4 address, as MEDATA's contact at City.

5 1.3 Processable Bills. City shall submit bills for review only for Covered  
6 Services, which are complete, and contain sufficient information to allow MEDATA to  
7 perform the required services (a "Processable Bill"). If a bill does not contain sufficient  
8 information, MEDATA will notify City of the information necessary for the bill to become a  
9 Processable Bill. MEDATA shall audit each Processable Bill against the appropriate  
10 review methodology and shall make appropriate recommendations for any adjustments  
11 on the bill.

12 1.3.1. Limitation on Submitted Claims. City shall only submit to  
13 MEDATA workers' compensation bills and no other classification of claim, including but  
14 not limited to group health bills or individual health bills.

15 1.4 Turnaround Time. MEDATA shall use commercially reasonable  
16 efforts to review and return all Processable Bills to City within three (3) to five (5)  
17 business days after the receipt by MEDATA of Processable Bills. Additional time may be  
18 required for any negotiated, appealed or reconsideration bills. Any Processable Bill  
19 subject to a specific provider's contract rate through a Preferred Provider Organization  
20 ("PPO"), may require additional processing time. MEDATA shall promptly notify the City  
21 if it is unable to process any bills within fourteen (14) days after receipt. The failure to  
22 process complex bills within the time periods stated herein shall not constitute a breach  
23 of MEDATA's obligations under the Agreement. MEDATA shall promptly notify City if it is  
24 unable to process any bills within fourteen (14) days after receipt. MEDATA shall return  
25 any non-bill miscellaneous documents to City within five (5) business days after receipt.

26 For all electronically submitted bills, MEDATA shall use commercially  
27 reasonable efforts to review and return all Processable Bills to City within one (1) to two  
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(2) business days after the electronic receipt by MEDATA of Processable Bills. Additional time may be required for any negotiated, appealed or reconsideration bills. Any Processable Bill subject to a specific provider's contract rate through a Preferred Provider Organization ("PPO"), may require additional processing time. MEDATA shall promptly notify the City if it is unable to process any electronically received bills within seven (7) days after receipt.

MEDATA shall comply with all time frames as noted in the Workers' Compensation Laws of California with regard to Medical Bill Review, Electronic Bill Payments, Independent Bill Review, Second Review procedures and processes.

1.5 Reports. MEDATA shall provide City with an account level monthly standard reports at no charge, defined as:

- (a) Bill Review Savings Reports;
- (b) Bill Review Productivity Reports;
- (c) Bill Review Statistical Reports; and
- (d) Bill Review Inventory Reports.

MEDATA may issue other special reports as City may request from time to time, and if special reports require programming or other time and effort on the part of MEDATA, additional charges may be incurred by City.

1.6 Exclusivity. City will exclusively utilize MEDATA for its healthcare billing review activities and City agrees that it will not utilize any other healthcare billing review service or healthcare billing review software application of any kind or in any manner in the operation of its business until the expiration or other termination of the Agreement.

1.7 Limitation Regarding Recommendations. MEDATA is not a provider of medical services. MEDATA utilizes industry standard billing review software for review and processing of healthcare provider bills submitted by City. Parameters setting variables for implementation of the specific billing review activities contemplated by the

1 Agreement shall be selected by City and implemented, pursuant to City's instructions  
2 during implementation and MEDATA shall complete its review process according to the  
3 schedule described in Exhibit B and MEDATA's industry standard billing review software.  
4 Each reviewed bill will be returned to City with an "Explanation of Review" ("EOR"). The  
5 EOR clearly explains the pricing format and bill review adjustments, with clear  
6 documentation of the net amount to pay to the provider. MEDATA shall also transmit to  
7 the City the EOR's and data necessary to permit issuance, by the City, of payments to  
8 providers. MEDATA is not responsible for determining whether the diagnosis on any bill  
9 submitted by City for review represents a compensable injury under the applicable  
10 workers' compensation act. City, not MEDATA, is responsible for determining whether or  
11 not a provider bill is paid and the amount of any provider payment(s) or reimbursements.

12 1.8 Disputed Recommendations and Expert Witness Services. If any  
13 dispute arises with respect to any provider bill reviewed by MEDATA, during the term of  
14 the Agreement and upon City's request, MEDATA will explain the procedure utilized and  
15 the results obtained through the billing review process will provide legal and or expert  
16 witness testimony at any legal proceeding that concerns a provider bill reviewed by  
17 MEDATA at no cost to the City. Further, MEDATA shall send a witness to the hearing  
18 before the WCAB to testify and defend its recommendations at no cost to the City.  
19 MEDATA shall defend all of its recommendations as required at the WCAB. MEDATA  
20 shall provide a hearing representative or expert witness whose purpose is to defend  
21 recommendations, when requested by the City. Following termination of the Agreement,  
22 MEDATA shall continue to provide expert witness testimony concerning any work  
23 performed pursuant to the Agreement at MEDATA's then current rates and on its then  
24 current terms and conditions.

25 If any provider bill proceeds through the Independent Bill Review Process  
26 and an additional amount is found due and payable, MEDATA will pay or reimburse the  
27 City for all associated filing fees and costs. The City will pay all additional recommended  
28

1 amounts due to the provider.

2  
3 1.9 On-Line Tools/Access. Any access City obtains to MEDATA's web  
4 based claims management program known as "ToolBox" or any other on-line access to  
5 MEDATA's software and/or web based services, shall be subject to the requirements of  
6 MEDATA's standard Access and Use Requirements Addendum, incorporated by  
7 reference into the Agreement, and any required third-party database end user agreement  
8 as amended from time to time.

9 1.10 Data Conversion. MEDATA agrees to furnish programming during  
10 the implementation phase to convert City's historical bill review data at no cost to City.  
11 City will furnish all file and record layouts and all other information or data deemed  
12 necessary and/or required by MEDATA to accomplish the history data conversion. All  
13 programming work required of MEDATA pursuant to the Agreement shall be performed  
14 pursuant to a written and fully executed implementation schedule delivered by MEDATA  
15 to City. The implementation schedule will contain a description of the obligations,  
16 responsibilities and tasks to be performed by MEDATA and City, with anticipated delivery  
17 dates.

18 1.11 Remittance of Medical Claims and Billing Information. During the  
19 term of the Agreement, MEDATA shall serve as the repository for scanned images of bills  
20 that City submits for bill review services. After the expiration or sooner termination of the  
21 Agreement, City understands that MEDATA will not be a repository for scanned images  
22 of bills that City submits for bill review services; however, MEDATA shall promptly  
23 provide to City the latest digital format containing the scanned images of bills that City  
24 has submitted for bill review services during the term of the Agreement.

25 1.12 Inquiries from Participating Providers. MEDATA shall assist City in  
26 resolving inquiries from medical providers during and after MEDATA's review and shall  
27 answer any questions regarding the revised bill amounts during the term of the  
28

1 Agreement.

2 1.13 MEDATA shall provide to City, upon request, retrospective bill audits  
3 designed to identify and document; (i) overcharges and undercharges; (ii) items unrelated  
4 to covered diagnoses; (iii) the medical necessity of billed services; and (iv) services billed  
5 but not delivered.

## EXHIBIT "B"

### COMPENSATION

Pricing Matrix	
Medical Bill Review	
<p><b>Flat Fee Per Bill – Paperless</b></p> <p>This flat rate includes fee schedule review, scanning/imaging, reconsiderations, duplicate checking, state reporting, WCAB appearance, EDI to iVOS and all other managed care vendors, ad-hoc and standard report suite and access to Toolbox. Bills requiring high level specialist review are routed for Complex Bill Review (CBR) including:</p> <ul style="list-style-type: none"> <li>o IP and OP hospital bills (agreed upon criteria)</li> <li>o Surgical bills</li> <li>o High complexity bills (agreed upon criteria)</li> <li>o Other bill type determined during the implementation</li> </ul> <p>Includes all the services outlined above plus Mailroom services (paperless) include receipt of bills and related documents, sorting, batching, indexing, imaging/scanning, storage, and destruction of paper.</p>	<p><b>\$9.25 + CBR rate at 4% of savings</b></p>
<p><b>Review Only Charge</b></p> <p>Flat Fee Per Bill – Paperless</p>	<p><b>\$8.25</b></p>
<p><b>Direct Negotiation Fee (out of network)</b></p> <p>percentage of savings with proposed cap on total fee to be reimbursed for catastrophic or extraordinary events.</p>	<p><b>15% of savings with a not to exceed \$12,500 per review</b></p>
<p><b>PPO - percentage of savings – PRIME Only</b></p>	<p><b>18% of Savings</b></p>
<p><b>State Reporting and any applicable report fees</b></p>	<p><b>No Charge</b></p>
<p><b>Provide any applicable charges for computer time, licensing, system utilization, and interface.</b></p>	<p><b>No Charge</b></p>

1 Describe the cycle for bill generation - daily, weekly, or monthly. Explain how disputed bills are handled.*	This process can be daily, weekly or monthly established during the implementation phase. Disputes are managed through our Program Manager and Accounting department.
2	
3 *Assumption - As this question is placed in the pricing section, Metadata assumes that it relates to invoicing and has answered it to the best of our understanding; however, will need further clarification.	
4	
5	
6 Include any other charges or pricing (one-time data/information requests or for other services not listed).	Not Applicable
7	
8	
9	

EXHIBIT "C"  
PERFORMANCE GUARANTEES

For services rendered pursuant to this Agreement, MEDATA guarantees the following performance levels for medical billing review will be addressed in accordance with the Turnaround time frames explained in Section 1.4.

A. All medical bills will be processed at an accuracy rate of 97.0%, which includes correctly adjudicated and re-priced bills and all mandatory data elements;

B. Telephone inquiries from providers will be returned within one (1) business day;

C. Written inquiries from providers will be responded to within five (5) business days.