

OFFICE OF THE CITY ATTORNEY
CHARLES PARKIN, City Attorney
411 West Ocean Boulevard, 9th Floor
Long Beach, CA 90802-4664

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UTILIZATION REVIEW SERVICING AGREEMENT

35378

THIS AGREEMENT is made and entered, in duplicate, as of October 1, 2019, 2019 for reference purposes only, pursuant to a minute order adopted by the City Council of the City of Long Beach at its meeting on September 17, 2019, by and between MEDEX MANAGED CARE, INC. a California corporation ("MEDEX"), with principal offices at 1201 Dove Street, Suite 300, Newport Beach, California 92660, and the CITY OF LONG BEACH, a municipal corporation ("City").

RECITALS

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

A. MEDEX, for the purposes of this Agreement, is in the business of providing managed care services, including utilization review, to workers' compensation insurance companies, self-insured employers, and municipalities; and

B. City is obligated, either on its own behalf or contractually on behalf of others, to (i) make workers' compensation benefit and coverage related decisions to select injured workers; (ii) pay and adjust claims related to these workers as per applicable statutes; and (iii) provide for managed care services as may be deemed necessary; and

C. City desires to secure the services of MEDEX for managed care services, specifically utilization review.

D. MEDEX has no exceptions to any provision, clause or requirement outlined in the Workers' Compensation Utilization Review Services Request for Proposal dated February 4, 2019 including its exhibits and attachments.

E. MEDEX 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

1 the time of execution of this Agreement or effective during the term of this
2 Agreement, and that MEDEX shall perform its services in accordance with the
3 leading practices and standards in the business of utilization review.

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

6 1. EFFECTIVE DATE AND TERM. This Agreement shall begin on
7 October 1, 2019 and shall end on September 30, 2021 (both days inclusive), unless
8 terminated earlier in accordance with Section 12. By mutual agreement and amendment
9 of this Agreement, the parties may extend the initial term for three (3) separate, consecutive
10 periods of one year each.

11 2. RESPONSIBILITIES OF MEDEX.

12 A. MEDEX shall medically manage each individual case
13 submitted to MEDEX by City in accordance with the criteria established in this
14 Agreement and Exhibit "A", attached to and made part of this Agreement by this
15 reference.

16 B. MEDEX shall perform the various systems implementations
17 and transfer and maintenance duties reasonably required by policies and
18 procedures established by City, including accessing City's electronic claims
19 management system to review relevant documents and inputting medical
20 management case notes. MEDEX shall make available individual case notes, to
21 the extent allowable under applicable state regulations, updating patients' progress
22 using transfer procedures implemented with the cooperation of City.

23 C. MEDEX shall provide to City, MEDEX's standard reports and
24 any custom reports as may be required and previously agreed to. In the case of a
25 special request, MEDEX will make every effort to provide the report within the
26 specific time frame as requested by the City. There will be no additional fees for
27 standard reports. MEDEX shall provide standard reports monthly, quarterly and
28 annually. Standard reports are defined as:

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- i. Cost Savings Summary;
- ii. UR Referrals and Cost Savings History, containing both
Detail and Summary information;

D. MEDEX shall designate a service coordinator, who shall be an employee of MEDEX to be available to City to service City's account with MEDEX.

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

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

3. RESPONSIBILITIES OF CITY.

A. City shall designate MEDEX as its exclusive provider of utilization review services.

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

C. City shall be responsible for the payment of all applicable audit fees and assessments levied against City by any governmental entity. Notwithstanding the immediately preceding sentence, any late or inconsistent payment penalties or fines assessed by any governmental entity shall be paid by the party, either City or MEDEX, responsible for causing the penalty or fine.

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Disputes regarding responsibility for the payment of any penalty or fine shall be resolved by good faith negotiations between the parties.

D. City shall fully cooperate with and assist MEDEX in the performance of MEDEX's obligations under this Agreement including providing access to City's electronic claims management system to retrieve relevant medical records and input notes. MEDEX's performance under this Agreement shall be dependent upon City's timely performance of its obligations hereunder provided that MEDEX acts timely and promptly in its own regard. MEDEX shall be entitled to rely upon information, authorization, decisions or approvals provided by City to MEDEX. If access to claims management system is not available, then the parties will collaborate on the method of transmission and retrieval of documents necessary to perform utilization review services.

4. COMPENSATION.

A. In consideration for the services provided by MEDEX to City under this Agreement, City shall pay to MEDEX the fees set forth in Exhibit "B", attached to and made part of this Agreement by this reference in an annual amount not to exceed One Hundred Fifty-Eight Thousand Four Hundred Dollars (\$158,400).

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

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

ii. Any modification of MEDEX's administrative procedures made at the request of City.

Any such adjustment in the fees pursuant to either subsection (i) or (ii) above shall become effective on the effective date of the change in services mutually agreed to in writing between the parties and shall be reflected in an

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amendment to this Agreement. City shall have the right to terminate this Agreement notwithstanding Section 2 above, if City does not accept the adjustment in fees.

C. MEDEX shall prepare and deliver to the City a statement calculating the fees or other charges within fifteen (15) days after the end of the month for which MEDEX provided services. City shall pay the fees to MEDEX by the statement due date. In the event City disputes any portion of the statement, City shall timely pay the undisputed portion and work with MEDEX towards the timely resolution of the disputed amount.

D.

5. REPRESENTATIONS AND WARRANTIES.

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

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

6. BOOKS AND RECORDS.

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

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

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

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

8. CONFIDENTIALITY.

A. The parties acknowledge and agree that each has developed certain trade secrets, client lists, software, knowledge, data, tools, methodologies, processes, plans, procedures, techniques, manuals, treatment protocols, clinical indicators, case rates, provider payment structure information, underwriting methodology, proprietary rating plans, provider practice data, employee-outcomes

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data, audit reports, actuarial analyses and other proprietary information (collectively “Confidential Information”). For purposes of this Agreement, the party that has developed Confidential Information to which the other has access is referred to as the “Protected Party.” Except with the express written consent of the Protected Party, or as provided herein, other one party shall not disclose to others or take or use for its own purposes or the purpose of others at any time any Confidential Information of the Protected Party not otherwise in the public domain that may have been or may be obtained by the other party by reason of its relationship with the Protected Party. The parties further agree that this provision shall also be applied to all information that is designated as confidential or proprietary in writing by the Protected Party, whether by letter or by use of a stamp or legend before or at the time any such information is disclosed or delivered to the other party unless disclosure is required by subpoena, court order, the Public Records Act, or the confidential information becomes publicly available without breach of this Agreement by City. Notwithstanding the foregoing provisions, the parties recognize that a patient’s medical records are confidential and shall not be disclosed to third parties without the consent of the patient, unless otherwise permitted or required by applicable law.

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

9. DISPUTE RESOLUTION. In the event of any controversy or dispute arising out of or relating to this Agreement, the parties agree to exercise their best efforts to resolve the dispute as soon as possible. To invoke the dispute resolution process set

1 forth in this Section, the invoking party shall give to the other party written notice of its
2 decision to do so, including a description of the issues subject to the dispute and a
3 proposed resolution thereof. Within ten (10) days after receipt of notice, a face-to-face
4 meeting by MEDEX and City shall take place to attempt to resolve the issues. If the
5 designated representatives cannot resolve the dispute, the parties shall meet within thirty
6 (30) days after the initial meeting and describe the dispute and their respective proposals
7 for resolution. If the dispute cannot be resolved at the second meeting, then the parties
8 reserve the right to pursue all legal remedies available to them.

9 10. INDEMNITY AND INSURANCE.

10 A. MEDEX shall defend, indemnify, and hold harmless City, its
11 officers, agents and employees, from and against any and all liability, loss, damage
12 or expense, including punitive damages and attorney's fees, incurred in connection
13 with claims or demands for damages of any nature whatsoever, except to the extent
14 such claims or demands arise from or are caused by the sole negligence of City.

15 B. Prior to commencement of work under this Agreement, MEDEX
16 shall furnish to City one or more original Certificates of Insurance and Endorsements
17 completed and executed by an agent authorized to bind the insurer. Subject to
18 MEDEX's right to reasonable deductibles in such amounts as approved by City,
19 MEDEX shall obtain and maintain for the duration of this Agreement, at MEDEX's
20 sole expense, insurance written by companies authorized and admitted to do
21 business in the State of California or rated A:VIII or better by A.M. Best Company in
22 the following types and amounts:

23 i. Workers' Compensation Insurance with the statutory
24 limits required by the laws of the State of California and Employers' Liability
25 with minimum limits of \$1,000,000 per accident and \$1,000,000 per
26 occupational injury.

27 ii. Commercial General Liability Insurance equivalent in
28 scope to ISO CG 00 01 11 85 including but not limited to premises and

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operations, personal and advertising injury, products and completed operations, independent contractors and contractual liability, with minimum limits of \$1,000,000 per occurrence, \$1,000,000 products and completed operations sublimit, and \$2,000,000 general aggregate. This insurance shall include "The City of Long Beach, its agencies, commissions, boards, officials, employees, and agents" as additional insured on an endorsement equivalent in coverage scope to an ISO CG 20 26 11 85 endorsement.

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

iv. Professional Liability Insurance or Errors and 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. MEDEX 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. MEDEX, 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

1 reduced, non-renewed, or canceled except after thirty (30) days prior written notice
2 to the City, and shall be primary and not contributing to any other insurance or self-
3 insurance maintained by City. MEDEX's insurance shall waive subrogation against
4 City, its officials and employees for bodily injury (including death), property damage,
5 and any other loss. MEDEX shall notify City in writing within five (5) business days
6 after any insurance required in this Agreement has been voided by the insurer or
7 canceled by MEDEX. MEDEX shall require that all subcontractors that it uses in the
8 performance of this Agreement maintain insurance in compliance with this
9 Agreement unless otherwise agreed in writing by City's Risk Manager or designee.

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

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

18 G. In the event MEDEX is unable, after using its best efforts, to
19 obtain any of the above-mentioned coverages, it shall immediately notify City. City
20 shall then have the opportunity to immediately terminate this Agreement or to
21 purchase insurance on MEDEX's behalf and to deduct the cost of such insurance
22 from the next payment due to MEDEX.

23 11. DEFAULT.

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

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

28 ii. The discovery by City of the falsity of any representation

1 or warranty made to City by MEDEX pursuant to Article 6 hereof.

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

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

10 12. TERMINATION.

11 A. This Agreement may be terminated by City or MEDEX as
12 follows:

- 13 i. Upon thirty (30) days prior notice for any reason.
14 ii. Upon ten (10) days prior notice in the event of a default.
15 iii. Immediately upon notice in the event of fraud,
16 abandonment, gross or willful misconduct, insolvency, or lack of legal
17 capacity to act by the other party.

18 B. Notwithstanding the termination of this Agreement, this
19 Agreement shall continue to apply to the extent needed for all obligations and
20 liabilities incurred by each party prior to such termination to be fully performed and
21 discharged by such parties.

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

25 13. HIRING AND ASSIGNMENT OF EMPLOYEES.

26 A. City agrees that during the term of and for a period of two (2)
27 years after the termination of this Agreement, it will not, without prior written consent
28 of MEDEX, hire any employee of MEDEX or its affiliate who was assigned to, or

1 performed, any service for City in connection with this Agreement.

2 B. Each party reserves the right to change its designated
3 representative or staff assigned to the services performed under this Agreement.
4 The City requires thirty (30) day notice for changes in the designated representative
5 and fourteen (14) day notice in changes in staff.

6 14. GENERAL PROVISIONS.

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

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

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

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

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

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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.

If to MEDEX: MEDEX Managed Care, Inc.
1201 Dove Street, Suite 300
Newport Beach, CA 92660
Attention: David Kim

If to City: City of Long Beach
411 West Ocean Boulevard, 10th 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. MEDEX 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. MEDEX, by executing this Agreement, certifies that, at the time it executes this Agreement and for its duration, MEDEX does not and will not

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CHARLES PARKIN, City Attorney
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perform services for any other client which would create a conflict, whether monetary or otherwise, as between the interests of the City and the interests of any other client of MEDEX.

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 MEDEX 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 document to be duly executed with all formalities required by law as of the date first stated above.

MEDEX MANAGED CARE, INC., a California corporation

Sept 24, 2019

By [Signature]
Name David Kim
Title COO

_____, 2019

By _____
Name _____
Title _____

"MEDEX"

CITY OF LONG BEACH, a municipal corporation

Oct 1, 2019

By [Signature]
City Manager

"City"

This Agreement is approved as to form on September 30, 2019.

CHARLES PARKIN, City Attorney

By [Signature]
Deputy

EXHIBIT "A"

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3 1. UTILIZATION REVIEW. MEDEX shall provide Utilization Review services as listed
4 below:

5 1.1 Utilization Review Criteria. MEDEX shall provide Utilization Review services
6 based on referrals by City. MEDEX's utilization review standards shall meet or exceed all
7 Workers' Compensation Laws of California, rules and regulations. MEDEX shall adhere to
8 the following policies in administering utilization review services:

9 (a) No person other than a licensed physician who is competent to
10 evaluate the specific clinical issues involved in the medical treatment services, and where
11 these services are within the scope of the physician's practice, requested by the physician
12 may modify, delay, or non-certify requests for authorization of medical treatment for
13 reasons of medical necessity to cure or relieve.

14 (b) The criteria or guidelines used in the utilization review process will be
15 disclosed to the physician and employee and if the injured worker is represented by
16 counsel, the injured worker's attorney.

17 (c) Prospective and concurrent decisions shall be made in a timely
18 fashion that is appropriate for the nature of the injured worker's condition, not to exceed
19 five (5) working days from the date of receipt of the written request for authorization. If
20 appropriate information, which is necessary to render a decision, is not provided with the
21 original request for authorization, such information may be requested by a reviewer within
22 five (5) business days of receipt of the written request for authorization in order to make
23 the proper determination. In no event will the determination be made more than fourteen
24 (14) days from the date of the date of the original request by the healthcare provider.

25 (d) Decisions to approve a physician's request for authorization prior to,
26 or concurrent with, the provision of medical services to the injured worker shall be
27 communicated to the requesting physician within 24 hours of the decision. Any decision
28 to approve a request shall be communicated to the requesting physician initially by

1 telephone and/or facsimile. The communication by telephone shall be followed by written
2 notice with proof of service to the requesting physician within 24 hours of the decision for
3 concurrent review and within two (2) business days for prospective review.

4 (e) Decisions to modify, delay or deny a physician's request for
5 authorization prior to, or concurrent with the provision of medical services to the injured
6 worker shall be communicated to the requesting physician initially by telephone and/or
7 facsimile. The communication by telephone shall be followed by written notice with proof
8 of service to the requesting physician, the injured worker, and if the injured worker is
9 represented by counsel, the injured worker's attorney within 24 hours of the decision for
10 concurrent review and within two business days of the decision for prospective review.
11 Letters that modify deny or delay will contain the name, specialty and phone number of the
12 reviewer. The written decision will also state that if the treating/requesting physician wishes
13 to discuss the utilization review decision with the reviewer, expert reviewer, or the medical
14 director, in accordance with regulation 9792.9(k) the physician can call the toll-free number
15 from 12:00 p.m. to 4:00 p.m. PST, Monday through Friday. Additionally, all adverse
16 (modification, delay or denial) decision letters will contain all items stated in UR regulation
17 sections 9792.9 (j) (1-9) & (k) and/or may be found in the physician decision report.

18 (f) In addition, the non-physician provider of goods or services identified
19 in the request for authorization, and for who contact information has been included, shall
20 be notified in writing of the decision modifying, delaying, or denying a request for
21 authorization that shall not include the rationale, criteria or guidelines used for the decision.

22 (g) In retrospective cases, the decision will be communicated within 30
23 days of receipt of information that is reasonably necessary to make the determination.
24 Decisions will be communicated within 24 hours via phone and by written explanation both
25 faxed and /or mailed.

26 (h) With all utilization decisions, a clear statement advising the injured
27 employee that any dispute shall be resolved in accordance with the independent medical
28 review provisions of Labor Code section 4610.5 and 4610.6, and that an objection to the

1 utilization review decision must be communicated by the injured worker, the injured
2 worker's representative, or the injured worker's attorney on behalf of the injured worker on
3 the Application for Independent Medical Review, DWC Form IMR, within 30 calendar days
4 after service of the decision. The Application for Independent Medical Review, DWC Form
5 IMR will be provided to the injured worker along with the utilization review decision. All
6 fields of the form, except for the signature of the employee, must be completed by the
7 claim's administrator. The written decision provided to the injured worker, shall include an
8 addressed envelope, which may be postage-paid for mailing to the Administrative Director
9 or his or her designee.

10 (i) Following receipt of the Application for Independent Medical Review,
11 DWC Form IMR, pursuant to section 9792.10.1(b), the Administrative Director shall
12 determine, within 15 days following receipt of the application and all appropriate information
13 to make a determination, whether the disputed medical treatment identified in the
14 application is eligible for independent medical review. If the application is deemed eligible
15 for independent medical review, a process shall be in place to expedite delivery of the
16 request to the Independent Review Organization. Delivery of a complete set of medical
17 records to support the disputed request for treatment accompanied by the application for
18 independent medical review, DWC, form IMR (Independent Medical Review) must be sent
19 within required timeframes and in the order required by the Administrative Director, section
20 9792.10.5. A process must be in place to immediately deliver the final determination
21 related to disputed medical treatment to all parties so that authorized treatment may be
22 expedited and or the decision appealed within timeframes outlined by the Administrative
23 Director, section 9792.10.7.

24 (j) Criteria utilized will be consistent with CCR, Title 8, Sec. 9792.8; will
25 be reviewed, researched and updated on a regular basis; and shall include but not be
26 limited to:

27 1. MTUS-Medical Treatment Utilization Schedule or those
28 additions subsequently adopted under CA Labor Code Sec. 5307.27

1 (n) The personnel involved in decision-making and plan implementation
2 are the Medical Director, UR Director, Intake Coordinator, Non-Physician Reviewer,
3 Review/Expert Review Physician, and UR Assistant.

4 1.2 Utilization Review Quality Metrics and Performance Standards. MEDEX
5 shall adhere to the following procedures in administering utilization review services:

6 (a) Upon receipt of a written request for authorization as defined in CCR,
7 Title 8, Section 9792.6 (o) for all prospective and concurrent medical treatment or services,
8 MEDEX shall issue a written authorization to the requesting physician within five (5)
9 working days and within 24 hours of having reached a determination unless information
10 reasonably necessary to make the determination is lacking. If the necessary information is
11 lacking, the reviewer (or non-physician) requests the necessary information within the first
12 five days of receipt of the request for authorization (RFA). Modification, non-certification,
13 or delay decision notifications to the health care provider shall be transmitted no later than
14 five (5) working days after MEDEX's receipt of the request or necessary medical
15 information and shall include the name, phone number and hours of availability of the
16 physician reviewer. MEDEX maintains an open means of communication via toll-free
17 phone message line and 24-hour facsimile operation to receive after hours requests.

18 (b) A notice of delay/denial due to lack of information shall state what
19 additional information was requested within the first five business days of receipt of the
20 RFA, and which is required to make a decision; that the request will be reconsidered once
21 the necessary information is received, and when a decision regarding the request is
22 expected to be made.

23 (c) A non-physician reviewer will initially apply medically based criteria to
24 requests for authorization. Non-physician reviewers will not non-certify, delay or modify any
25 requests. Non-physician reviewers will approve authorization requests when applicable.

26 (d) A physician with an unrestricted state license by his/her licensing
27 board who has education, training, expertise, and experience that is pertinent for evaluating
28 the specific clinical issues or services under review shall review authorization requests that

1 do not meet medically-based criteria.

2 (e) A written decision approving a request for treatment authorization
3 under section 9792.9 (i) will specify the specific medical treatment service approved.

4 (f) If MEDEX modifies, delays, or denies a request for authorization on
5 the basis that the services were not reasonably necessary to cure or relieve the effects of
6 the injury, a written explanation of the basis of the non-certification or modification will be
7 submitted to the requesting healthcare provider, the injured worker, and if the injured
8 worker is represented by counsel, the injured worker's attorney, including all items noted
9 in section 9792.9 (j) (1-9). The written notification shall include a clear statement advising
10 the injured employee that any dispute shall be resolved in accordance with the independent
11 medical review provisions of Labor Code section 4610.5 and 4610.6, and that an objection
12 to the utilization review decision must be communicated by the injured worker, the injured
13 worker's representative, or the injured worker's attorney on behalf of the injured worker on
14 the Application for Independent Medical Review, DWC Form IMR, within 30 calendar days
15 after service of the decision. The Application for Independent Medical Review, DWC Form
16 IMR will be provided to the injured worker along with the utilization review decision. All
17 fields of the form, except for the signature of the employee, must be completed by the
18 claim's administrator. The written decision provided to the injured worker, shall include an
19 addressed envelope, which may be postage-paid for mailing to the Administrative Director
20 or his or her designee.

21 Following receipt of the Application for Independent Medical Review,
22 DWC Form IMR, pursuant to section 9792.10.1 (b), the Administrative Director shall
23 determine, within 15 days following receipt of the application and all appropriate information
24 to make a determination, whether the disputed medical treatment identified in the
25 application is eligible for independent medical review. If the application is deemed eligible
26 for independent medical review, a process shall be in place to expedite delivery of the
27 request to the Independent Review Organization. Delivery of a complete set of medical
28 records to support the disputed request for treatment accompanied by the application for

1 independent medical review, DWC, form IMR (Independent Medical Review) must be sent
2 within required timeframes and in the order required by the Administrative Director, section
3 9792.10.5.

4 A process must be in place to immediately deliver the final
5 determination related to disputed medical treatment to all parties so that authorized
6 treatment may be expedited and or the decision appealed within timeframes outlined by
7 the Administrative Director, section 9792.10.7.

8 If a requesting physician agrees to withdraw or revise his/her request
9 and submit a request that meets the medical criteria, then a non-physician reviewer can
10 approve the request, as the request now meets the medical guidelines.

11 All UR decisions will include the following information:

- 12 1. The date on which the decision is made,
- 13 2. A description of the specific course of proposed medical
14 treatment, for which authorization was requested,
- 15 3. A specific description of the medical treatment services
16 approved, if any,
- 17 4. A clear and concise explanation of the reasons for the claims
18 administrator's decision,
- 19 5. A description of the medical criteria or guidelines used pursuant
20 to section 9792.8,
- 21 6. A clear statement that any dispute will be resolved via
22 provisions of LC. Sec. 4062 and will include mandatory language as outlined in section
23 9792.9 (j).
- 24 7. The name and specialty of the reviewer and their telephone
25 number,
- 26 8. The hours of availability of the reviewer or the medical director.

27 (g) Authorization may not be non-certified on the basis of lack of
28 information without documentation of a bona fide attempt to obtain the necessary

1 information.

2 (h) Determinations are made in a timely manner, and the urgency of the
3 situation is taken into consideration.

4 (i) No prior authorization is required for screening and stabilizing injured
5 employees in emergency situations. An emergency is defined as an incident in which a
6 prudent layperson, a person who is without medical training and who draws on his or her
7 practical experience, acting reasonably, would have believed that an emergency medical
8 condition exists. Emergency health care services may be subjected to retrospective
9 review. Documentation for emergency health care services will be requested from the
10 provider and should be made available to the claims administrator/MEDEX upon request.
11 "Emergency health care services" means health care services for a medical condition
12 manifesting itself by acute symptoms of sufficient severity such that the absence of
13 immediate medical attention could reasonably be expected to place the patient's health in
14 serious jeopardy.

15 (j) Prospective or concurrent decisions related to an expedited review
16 shall be made in a timely fashion appropriate to the injured worker's condition, not to
17 exceed 72 hours after the receipt of the written information reasonably necessary to make
18 the determination. The requesting physician must indicate the need for an expedited review
19 upon submission of the request. Decisions related to expedited review refer to the following
20 situations:

21 1. When the injured worker's condition is such that the injured
22 worker faces an imminent and serious threat to his or her health, including, but not limited
23 to, the potential loss of life, limb, or other major bodily function, or

24 2. The normal timeframe for the decision-making process, as
25 described in LC 9792.9 subdivision (b), would be detrimental to the injured worker's life or
26 health or could jeopardize the injured worker's permanent ability to regain maximum
27 function.

28 (k) During a concurrent review, the medical treatment will continue until

1 the treating physician is notified of the decision to deny, until a care plan has been agreed
2 upon by the treating physician, and the care plan is appropriate for the medical needs of
3 the injured worker. [LC Sec. 4610 (g) (3) (B); 8CCR 9792.10 (b) (1), 9792.12 (a) (11)]

4 (l) Retrospective review decisions are made within thirty days of the
5 receipt of all necessary information.

6 (m) MEDEX shall provide standard reports to the City on a monthly,
7 quarterly, and annual basis, which shall include Detail and Summary information, including
8 UR referrals and Savings History.

9 (n) The UR Contractor must be prepared for routine investigations,
10 conducted every five years, as defined by section 9792.6. It is expected the chosen UR
11 Contractor will pass all investigations. Furthermore, it is expected no penalties or repeat
12 investigations will be associated with the City of Long Beach UR program.

13
14 II. MEDICAL DISPUTE RESOLUTION

15 2.1 MEDEX shall adhere to the following reconsideration process in the event of
16 a disagreement with the healthcare provider:

17 (a) If the healthcare provider disagrees with a determination and/or has
18 additional information that was not available at the time of the review and desires to initiate
19 a re-consideration, they may contact MEDEX Utilization Review within 5 business days of
20 receipt of the Explanation of Review letter to request reconsideration or within 20 days to
21 initiate an appeal. Any and all additional information will be reviewed and sent to a
22 Physician Reviewer/Expert Reviewer reconsideration and/or appeal. If the Reviewer who
23 made the initial determination is not available, another Reviewer will be assigned. NOTE:
24 MEDEX will only accept a reconsideration or appeal request from the requesting treating
25 physician/healthcare provider. If the treating physician/health care provider wishes to
26 discuss the utilization review decision with the reviewer, expert reviewer, or the medical
27 director, in accordance with regulation 9792.9 (k) the physician can call the toll-free number
28 provided from 12:00 p.m. to 4:00 p.m. PST, Monday through Friday. Should the reviewing

1 physician be unable to speak with the physician, another reviewer who is competent to
2 evaluate the specific clinical issues involved in the medical treatment services will be made
3 available from 9:00 am to 5:30, pm Monday through Friday.

4 (b) In the event the reconsideration or appeal process does not resolve
5 the dispute, the parties will be instructed to complete the Application for Independent
6 Medical Review, DWC Form IMR, within 30 calendar days after service of the decision.
7 The Application for Independent Medical Review, DWC Form IMR will be provided to the
8 injured worker along with the utilization review decision. All fields of the form, except for
9 the signature of the employee, must be completed by the claim administrator. The written
10 decision provided to the injured worker, shall include an addressed envelope, which may
11 be postage-paid for mailing to the Administrative Director or his or her designee.

12 2.2 In the event City disagrees with MEDEX's utilization review
13 recommendations regarding the provision of services to an injured employee, the parties
14 agree to adhere to the following medical dispute resolution process:

15 (a) Level I Medical Disputes. For medical disputes between the City's
16 claims adjustor and UR involving a pre-recommended treatment plan with an estimated
17 claims level below One Thousand Dollars (\$1,000.00), as determined by UR, the claims
18 adjustor and UR shall promptly provide the necessary summary information to City's claims
19 supervisor and MEDEX's UR Director, respectively, for resolution.

20 (b) Level II Medical Disputes. For medical disputes between the City's
21 claims adjustor and UR involving a pre-recommended treatment plan with an estimated
22 claims level greater than One Thousand Dollars (\$1,000.00), as determined by UR, the
23 claims adjustor and UR shall promptly provide the necessary summary information to City's
24 branch or claims manager and MEDEX's account manager, respectively, for resolution.

25 2.3 The parties agree to use their best efforts to resolve all medical disputes
26 within seventy-two (72) hours after City's receipt of the necessary summary information
27 from MEDEX. In those instances where the parties cannot reach an agreement as to the
28 appropriate treatment to be provided to an injured worker and City's proposed alternative

1 course of treatment varies materially, as determined by the UR Medical Director in his or
2 her sole discretion, from the treatment plan recommended by MEDEX and its medical
3 providers, MEDEX shall have the right to cease providing UR services relating to the
4 injured worker's care.

5 2.4 In the event City repeatedly fails to approve MEDEX's recommendations for
6 utilization review, MEDEX may terminate this Agreement upon thirty (30) days prior notice
7 to City.

8 2.5 Notwithstanding the medical dispute resolution process described above and
9 MEDEX's obligations to perform UR services on behalf of City under this Agreement, City
10 retains the sole responsibility and authority to accept or deny workers' compensation
11 claims and to make workers' compensation benefit and coverage-related decisions.

12
13 III. PHYSICIAN REVIEW

14 3.1 When necessary and appropriate, MEDEX shall provide to City Medical
15 Director and physician review services to support identified utilization management issues
16 that may escalate and result in the Independent Medical Review (IMR) process. The
17 Medical Director shall oversee the provision of physician review for all cases where clinical
18 determination is needed for an admission, procedure or services Criteria identified for
19 Physician Review services include, but are not limited to:

- 20 (a) Requests that cannot be authorized by the non-physician reviewer;
21 (b) Retrospective review of emergency health care requests;
22 (c) Prospective, concurrent or expedited review requests;
23 (d) Medical requests for claims that may be denied based on evaluation
24 of circumstances completed by the City.

25
26 IV. EXPERT TESTIMONY

27 4.1 MEDEX is expected to defend the UR process and UR decisions rendered
28 and provide Expert Testimony if requested and/or required on a case by case basis.

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CHARLES PARKIN, City Attorney
411 West Ocean Boulevard, 9th Floor
Lona Beach, CA 90802-4664

1 MEDEX shall not charge for their appearance within a one hundred (100) mile radius of
2 MEDEX's office location. If MEDEX is required to appear on a second day with respect to
3 the same UR decision or it is outside the above stated area, City shall negotiate payment
4 for a second appearance and agree upon rates in a written Letter of Agreement. Following
5 termination of this Agreement, MEDEX shall continue to provide expert witness testimony
6 concerning any work performed pursuant to this Agreement at MEDEX's then current rates
7 and on its then current terms and conditions.
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EXHIBIT "B"
COMPENSATION

MEDEX Managed Care Utilization Review	
Flat Rate – Log Only	\$ 25.00 * ¹
Flat Rate – Non-physician Review	\$ 80.00 * ¹
Flat Rate – Physician Review	\$ 200.00 * ¹
Flat Rate – Physician Review by Specialty if applicable	\$ 215.00 * ¹
Flat Rate – Expert Review/Medical Director if rates vary from Physician Review	\$ 225.00 * ¹
* Charges based on level of determination ¹ Includes 3 medical requests in a single review	

