

1 MANAGED CARE SERVICING AGREEMENT

2 **35370**

3 THIS AGREEMENT is made and entered, in duplicate, as of  
4 October 1, 2019, for reference purposes only, pursuant to a minute order adopted  
5 by the City Council of the City of Long Beach at its meeting on September 10, 2019, by  
6 and between REHAB WEST, INC. a California corporation ("Rehab West"), with principal  
7 offices at 277 Rancheros Drive, Suite 370, San Marcos, California 92069, and the CITY  
8 OF LONG BEACH, a California municipal corporation ("City").

9 RECITALS

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

12 WHEREAS, Rehab West, for the purposes of this Agreement, is in the  
13 business of providing managed care services, including medical case management, to  
14 workers' compensation insurance companies, self-insured employers, and municipalities;  
15 and

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

21 WHEREAS, City desires to secure the services of Rehab West for managed  
22 care services, specifically medical case management; and

23 WHEREAS, Rehab West has no exceptions to any provision, clause or  
24 requirement outlined in the Workers' Compensation Medical Case Management Services  
25 Request for Proposal dated February 4, 2019 including its exhibits and attachments; and

26 WHEREAS, Rehab West has agreed that its services will conform to the  
27 Workers' Compensation Laws of California, the California Labor Code, and any rules and  
28 regulations issued pursuant to such laws and the Code, in existence at the time of

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

1 execution of this Agreement or effective during the term of this Agreement, and that Rehab  
2 West shall perform its services in accordance with the leading practices and standards in  
3 the business of medical case management;

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 13. 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. Rehab West shall furnish specialized services more particularly  
12 described in Exhibit "A", attached to this Agreement and incorporated by this reference,  
13 and City shall pay for these services in the manner described below, in an annual amount  
14 not to exceed One Hundred Twenty Thousand Nine Hundred Sixty Dollars (\$120,960).

15 3. RESPONSIBILITIES OF REHAB WEST.

16 A. Rehab West shall medically manage each individual case  
17 submitted to Rehab West by City in accordance with the criteria established in this  
18 Agreement and Exhibit "A", attached to and made part of this Agreement by this  
19 reference.

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

27 C. Rehab West shall provide to City, Rehab West's standard  
28 reports and any custom reports as may be required and previously agreed to. In

1 the case of a special request, Rehab West will make every effort to provide the  
2 report within the specific time frame as requested by the City. There will be no  
3 additional fees for standard reports. Rehab West shall provide standard reports  
4 monthly, quarterly and annually. Standard reports are defined as:

5 i. Cost Savings Summary;

6 ii. Medical Case Management Referrals and Cost Savings  
7 History, containing both Detail and Summary information;

8 D. Rehab West shall designate a service coordinator, who shall  
9 be an employee of Rehab West to be available to City to service City's account with  
10 Rehab West.

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

15 4. RESPONSIBILITIES OF CITY.

16 A. City shall designate Rehab West as its exclusive provider of  
17 medical case management services.

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

27 C. City shall be responsible for the payment of all applicable audit  
28 fees and assessments levied against City by any governmental entity.

1 Notwithstanding the immediately preceding sentence, any late or inconsistent  
2 payment penalties or fines assessed by any governmental entity shall be paid by  
3 the party, either City or Rehab West, responsible for causing the penalty or fine.  
4 Disputes regarding responsibility for the payment of any penalty or fine shall be  
5 resolved by good faith negotiations between the parties.

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

16 5. COMPENSATION.

17 A. In consideration for the services provided by Rehab West to  
18 City under this Agreement, City shall pay to Rehab West the fees set forth in Exhibit  
19 "B", attached to and made part of this Agreement by this reference.

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

23 i. Any modification or amendment to this Agreement,  
24 which affects any change in the services to be provided by Rehab West under  
25 this Agreement.

26 ii. Any modification of Rehab West's administrative  
27 procedures made at the request of City.

28 iii. Any such adjustment in the fees pursuant to either

1 subsection (i) or (ii) above shall become effective on the effective date of the  
2 change in services mutually agreed to in writing between the parties and shall  
3 be reflected in an amendment to this Agreement. City shall have the right to  
4 terminate this Agreement notwithstanding Section 2 above, if City does not  
5 accept the adjustment in fees.

6 C. Rehab West shall prepare and deliver to the City an invoice,  
7 itemized in time increments, within thirty (30) days after the interim or final report is  
8 issued. In the event City disputes any portion of the invoice, City shall timely pay  
9 the undisputed portion and work with Rehab West towards the timely resolution of  
10 the disputed amount.

11 6. REPRESENTATIONS AND WARRANTIES.

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

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

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7. BOOKS AND RECORDS.

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

B. Rehab West 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. Rehab West 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.

8. STATUS OF PARTIES. The parties agree that Rehab West, its affiliated corporations, and the agents and employees of Rehab West 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.

9. 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

1 indicators, case rates, provider payment structure information, underwriting  
2 methodology, proprietary rating plans, provider practice data, employee-outcomes  
3 data, audit reports, actuarial analyses and other proprietary information (collectively  
4 “Confidential Information”). For purposes of this Agreement, the party that has  
5 developed Confidential Information to which the other has access is referred to as  
6 the “Protected Party.” Except with the express written consent of the Protected  
7 Party, or as provided herein, other one party shall not disclose to others or take or  
8 use for its own purposes or the purpose of others at any time any Confidential  
9 Information of the Protected Party not otherwise in the public domain that may have  
10 been or may be obtained by the other party by reason of its relationship with the  
11 Protected Party. The parties further agree that this provision shall also be applied  
12 to all information that is designated as confidential or proprietary in writing by the  
13 Protected Party, whether by letter or by use of a stamp or legend before or at the  
14 time any such information is disclosed or delivered to the other party unless  
15 disclosure is required by subpoena, court order, the Public Records Act, or the  
16 confidential information becomes publicly available without breach of this  
17 Agreement by City. Notwithstanding the foregoing provisions, the parties recognize  
18 that a patient’s medical records are confidential and shall not be disclosed to third  
19 parties without the consent of the patient, unless otherwise permitted or required by  
20 applicable law.

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

28 10. DISPUTE RESOLUTION. In the event of any controversy or dispute

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

11 11. INDEMNITY AND INSURANCE.

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

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

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



1 occupational injury.

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

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

14 iv. Professional Liability Insurance or Errors and Omissions  
15 Liability Insurance with minimum limits of \$1,000,000 per claim and  
16 \$2,000,000 general aggregate. If this coverage is written on a "claims made"  
17 form, coverage shall be continuous by renewal or extended reporting period  
18 for not less than 24 months following completion of the Agreement and  
19 acceptance of the work by City. Coverage, including renewals, shall contain  
20 the same retroactive date as the original policy applicable to this Agreement.

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

26 D. Any self-insurance program, self-insured retention, or  
27 deductibles must be separately approved in writing by City's Risk Manager or  
28 designee and shall protect the City, its agencies, commissions, boards, officials,

1 employees and agents in the same manner and to the same extent, as they would  
2 have been protected had the policy or policies not contained retention or  
3 deductibles. Each policy shall be endorsed to state that coverage shall not be  
4 reduced, non-renewed, or canceled except after thirty (30) days prior written notice  
5 to the City, and shall be primary and not contributing to any other insurance or self-  
6 insurance maintained by City. Rehab West's insurance shall waive subrogation  
7 against City, its officials and employees for bodily injury (including death), property  
8 damage, and any other loss. Rehab West shall notify City in writing within five (5)  
9 business days after any insurance required in this Agreement has been voided by  
10 the insurer or canceled by Rehab West. Rehab West shall require that all  
11 subcontractors that it uses in the performance of this Agreement maintain insurance  
12 in compliance with this Agreement unless otherwise agreed in writing by City's Risk  
13 Manager or designee.

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

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

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

27 12. DEFAULT.

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

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

4 ii. The discovery by City of the falsity of any representation  
5 or warranty made to City by Rehab West pursuant to Article 6 hereof.

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

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

14 13. TERMINATION.

15 A. This Agreement may be terminated by City or Rehab West as  
16 follows:

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

22 B. Notwithstanding the termination of this Agreement, this  
23 Agreement shall continue to apply to the extent needed for all obligations and  
24 liabilities incurred by each party prior to such termination to be fully performed and  
25 discharged by such parties.

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

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14. HIRING AND ASSIGNMENT OF EMPLOYEES.

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

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

15. GENERAL PROVISIONS.

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

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. Rehab West 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

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

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

12 If to Rehab West:  
13 Rehab West, Inc.  
14 277 Rancheros Drive, Suite 370  
15 San Marcos, CA 92069  
16 Attention: Sharon Douglas

17  
18 If to City:  
19 City of Long Beach  
20 411 West Ocean Boulevard  
21 10th Floor

22 Long Beach, CA 90802  
23 Attention: City Manager

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

27 H. Rehab West shall not use the name of the City, its officials or  
28 employees in any advertising or solicitation for business, nor as a reference, without

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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. Rehab West, by executing this Agreement, certifies that, at the time it executes this Agreement and for its duration, Rehab West does not and will not 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 Rehab West.

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

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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.

REHAB WEST, INC. a California corporation

Sept. 11, 2019

By [Signature]  
Name Sharon Douglas  
Title CEO

Sept. 11, 2019

By [Signature]  
Name Lisa Pinsky  
Title Director of Operations

"Consultant"

CITY OF LONG BEACH, a municipal corporation

Sept 29, 2019

By [Signature]  
City Manager

"City"

This Agreement is approved as to form on 9/19/19, 2019.

CHARLES PARKIN, City Attorney

By [Signature]  
Deputy

EXHIBIT "A"

1  
2  
3 1. MEDICAL CASE MANAGEMENT. Rehab West shall provide Medical Case  
4 Management services as listed below:

5 1.1 Telephonic Case Management. Rehab West shall provide telephonic case  
6 management services on claims referred by the City. For all Claims referred to Telephonic  
7 Case Management arising from injuries or illnesses occurring on or after the effective date  
8 of this Agreement, Rehab West shall assist in the coordination of services between City  
9 and the medical provider to support the injured worker's return to work and improved  
10 medical outcomes, as follows:

11 A. 3-point (adjuster, provider and patient, unless the patient is  
12 represented by legal counsel) contact within three (3) business days or less after City  
13 referral including Initial Telephonic Case Management Assessment Report which shall  
14 include: date of last appointment, date of next appointment, work status, treatment plan,  
15 projected disability, claimant contact, nurse analysis/comment, and plan of action within  
16 five (5) business days by telephone, e-mail, or fax.

17 B. Follow-up within one (1) to two (2) business days after identified  
18 appointment to determine outcome and to identify modified and full duty return to work  
19 opportunities.

20 C. Where possible, coordinating treatment plans and return to work dates  
21 with the treating physician for full and/or modified duty, negotiating provider reimbursement  
22 amounts, and/or arranging for patient transfers to medical providers for injured workers  
23 receiving care from non-network medical providers; provided that Rehab West shall not be  
24 responsible for any patient transportation costs associated with the transfer of an injured  
25 worker from one medical provider to another.

26 D. Proactively coordinate return to modified duty with injured worker,  
27 employer and City.

28 E. If an injured worker seeks or receives care from a non-network



1 medical provider and is referred by City to Rehab West, City shall provide to Rehab West  
2 all medical and other information necessary for Rehab West to provide case management  
3 services. Rehab West shall use its best efforts to provide appropriate services for injured  
4 workers receiving treatment from a non-network medical provider. Further, Rehab West  
5 shall consult with City prior to providing any such services, including patient transfer  
6 arrangements, on behalf of an injured worker receiving care form a non-network medical  
7 provider.

8 1.2 Telephonic Case Management Quality Metrics and Performance Measures.

9 A. Rehab West shall provide case management savings quantified in  
10 summary and case detail format. Rehab West shall calculate savings and list the savings  
11 by line item. Rehab West shall work collaboratively with City to develop data elements and  
12 report format.

13 B. Rehab West shall perform in accordance with its Quality Assurance  
14 Checklist which shall include:

15 (i) 3-point (adjuster, provider and patient, unless the patient is  
16 represented by legal counsel) contact within one (1) business day;

17 (ii) Initial assessment report within five (5) business days;

18 (iii) Follow-up on appointments within two (2) business days after  
19 appointment, updates of plan of action, treatment plan and return to work;

20 (iv) Progress updates no less than every thirty (30) days provided  
21 through City's case management system (commonly known as IVOS), or as agreed  
22 between Rehab West and City;

23 (v) Promoting network at every possible opportunity (specialists,  
24 MRI, PT, DME, RX, etc.);

25 (vi) Maintain contact with City as significant events occur including  
26 alerts to initial evaluation and on "request to proceed";

27 (vii) Detailed progress and final reports to be developed  
28 collaboratively with the City, and special reports provided upon request of the City.

1           1.3    Task and Field Case Management. Rehab West shall provide task or field  
2 case management services on claims referred by the City. For all Claims referred to Task  
3 or Field Case Management arising from injuries or illnesses occurring on or after the  
4 effective date of this Agreement, Rehab West shall assist in the coordination of services  
5 between City and the medical provider to support the injured worker's recovery, return to  
6 work and improved medical outcomes.

7           1.4    Task and Field Quality Metrics and Performance Measures. Rehab West  
8 shall meet the following performance measures on its Quality Assurance Checklist:

- 9           A.    Case assigned to case manager within one (1) business day;
- 10          B.    File reviewed by case manager within one (1) business day;
- 11          C.    Contact made with employee, provider and employer within two (2)  
12 business days;
- 13          D.    Initial report made to City within fourteen (14) days (Final report if Task  
14 Assignment);
- 15          E.    Progress reports given to City every thirty (30) days or as requested.

16           1.5    Claim File Closure. Rehab West shall determine the appropriate time for  
17 closure and notify the City within one (1) business day. Rehab West shall use the following  
18 criteria:

- 19          A.    Discontinuation of treatment because medical necessity was not  
20 found;
- 21          B.    Return-to-work after termination of an active treatment plan;
- 22          C.    Medical treatment completed or permanent and stationary status  
23 reached;
- 24          D.    No further value-added services can be performed;
- 25          E.    Request that the case be closed (may be for reasons of  
26 Compensability); or
- 27          F.    Medical Case Closure form with instructions for reopening the case.

28

1 II. MEDICAL DISPUTE RESOLUTION. In the event City disagrees with Rehab West's  
2 case management recommendations regarding the provision of services to an injured  
3 employee, the parties agree to initiate a conference call or face to face meeting within five  
4 (5) business days for the purpose of addressing the disputed issues and working out an  
5 agreed resolution.

6 2.1 Level I Medical Disputes. For medical disputes involving a pre-  
7 recommended treatment plan with an estimated case value below One Thousand Dollars  
8 (\$1,000.00), as determined by the case manager, the dispute shall be addressed between  
9 the claims examiner and Rehab West case manager, along with the City's claims  
10 supervisor and Rehab West's case management technical lead, respectively, for  
11 resolution.

12 2.2 Level II Medical Disputes. For medical disputes involving a pre-  
13 recommended treatment plan with an estimated case value greater than One Thousand  
14 Dollars (\$1,000.00), as determined by the case manager, the dispute shall be addressed  
15 between the claims examiner and Rehab West case manager, the City's claims supervisor,  
16 Rehab West's case management technical lead, and if specifically requested, the City's  
17 claims manager and Rehab West's account manager, respectively, for resolution.

18 2.3 The parties agree to use their best efforts to resolve all medical disputes  
19 within three (3) business days after City's receipt of the necessary summary information  
20 from Rehab West. In those instances where the parties cannot reach an agreement as to  
21 the appropriate treatment to be provided to an injured worker and City's proposed  
22 alternative course of treatment varies materially, as determined by the Physician Advisor  
23 in his or her sole discretion, from the treatment plan recommended by Rehab West and its  
24 medical providers, Rehab West shall have the right to cease providing case management  
25 services relating to the injured worker's care.

26 2.4 Notwithstanding the medical dispute resolution process described above and  
27 Rehab West's obligations to perform case management services on behalf of City under  
28 this Agreement, City retains the sole responsibility and authority to accept or deny workers'

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

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compensation claims and to make workers' compensation benefit and coverage-related decisions.

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EXHIBIT "B"

<b>Medical Case Management Pricing Matrix</b>	
Hourly Telephonic Case Management (TCM) Rate (billed in 1/10 of an hour increment – 6-minute increments)	\$ 105.00
Hourly Field Case Management (FCM) Rate (billed in 1/10 of an hour increment – 6-minute increments)	\$ 105.00
- Medical Doctor (MD) Visit (billed in 1/10 of an hour increment – 6-minute increments)	\$ 105.00
- MD Visit & Home Visit (billed in 1/10 of an hour increment – 6-minute increments)	\$ 105.00
FCM Travel/Wait Rate (billed in 1/10 of an hour increment – 6-minute increments)	\$ 105.00
FCM Half Time – Travel/Wait Rate (billed in 1/10 of an hour increment – 6-minute increments)	\$ N/A
Mileage for Field (IRS Rate)	\$ IRS Rate
<b>In-House Telephonic Case Manager</b>	
Hourly Rate	\$ 95.00
Flat Rate based on full time/40 hour Week - TCM	\$ 3,800.00
Any applicable report fees	\$ No Charge
Any additional charges or pricing (one-time data, information requests, or other services not listed)	\$ No Charge