

Life of Partnership Claims Handling

Service	Per-Claimant Fee	Total Fee
Workers' Compensation Claims		
Annual Flat Fee		\$24,460
Administrative Fee		\$ 3,000
Systems and Data Processing		\$ 2,750
Total Workers' Compensation Cost		\$30,210
Liability Claims		
Commercial General Liability	\$495/claim	
Employee Benefits Liability	\$495/claim	
Auto Liability	\$495/claim	
Public Officials Liability	\$695/claim	
Employment Practices Liability	\$695/claim	
Law Enforcement Liability	\$695/claim	
Total Liability Claim Fees		\$ 8,594
Systems and Data Processing		\$ 2,750
Total Liability Cost		\$11,344
MMSEA-Annual Transmission Fees (includes query & submissions)		\$ 2,100
Total Annual Fee		\$43,654

"Client" agrees to pay "ASC" a flat fee of Forty Three Thousand, Six Hundred Fifty Four dollars (43,654) for the administration of Workers' Compensation and Liability claims that are reported to "ASC" for the period October 1, 2014 to September 30, 2015. Fees for two (2) annual renewals will be as follows:

October 1, 2015 to September 30, 2016.....\$44,963.66 Year 2 (3% increase)
 October 1, 2016 to September 30, 2017.....\$46,312.56 Year 3 (3% increase)

Claims will be handled for the life of the contract with no additional per-claim fees.

The account administration fee will be \$3,000 per year. The administration fee includes:

- Account Setup
- New Claim Setup
- Client Meetings
- Excess Reporting
- State Reporting
- Claim File Storage

Additional Services and Fees

Client Data Transmission	\$295 Per Release
Client Claims Release.....	\$2,500 Per Release
Carrier Data Transmission	\$400 Per Release
Reports Produced by Client	No Charge
Reports Produced by ASC	\$50 Per Copy
Systems Training	T&E (\$85 Per Hour)
Customized Programming.....	T&E (\$180/Hour)
Call Center.....	\$16 Per Claim
Document Import to Imaging System (one-time).....	\$4,000 Per Import
Large Deductible Carrier Interface (one-time; run-in only).....	\$4,500 Per Carrier
ACE Takeover Fee (one-time; run-in only).....	\$28,000 Per TPA

Invoicing and Payment Terms

Fees will be invoiced at an agreed-upon interval during the calendar year. Fees are payable upon receipt of the invoice. ASC reserves the right to charge 1½% per month or the maximum legal rate on unpaid balances after 30 days.

Managed Care Pricing

Service	Pricing
PPO Network and Bill Review(net of fee schedule)	28% of savings
Telephonic Case Management	Nurse: \$250 per month
Pre-Authorization/Pre-Certification	Nurse: \$150/review Physician: \$350/hour
Field Case Management	\$95 per hour plus mileage
Telephonic Nurse Triage	\$95 per call
Bill Review (fee schedule)	22% of Savings

Subrogation Pursuit and Recovery..... 15% of Recovery

Banking

Should the client wish for ASC to manage the claims payment account, a setup fee and annual support fee will apply.

Workers' Compensation Definitions (for billing purposes only on fee per claim contracts)

Medical Only Claims - Work-related claims that require medical **benefits** only, do not exceed \$2,500 in total payments, **and do not involve disability benefits**.

Indemnity Claims - Work-related claims that involve disability benefits or medical claims that require payment of medical and other expenses in excess of \$2,500 or require the pursuit of subrogation.

Allocated Loss Adjustment Expense List

As used herein, the term "Allocated Loss Adjustment Expenses" shall include but not be limited to the costs associated with the following:

- (a) Court costs and fees for service of process;
- (b) Attorneys and hearing representatives;
- (c) Independent medical exams and medical records/reports;
- (d) Medical case management services including, but not limited to, medical network providers, rehabilitation counselors, medical management providers, bill re-pricing activities and other related services;
- (e) All outside activities where personal contact, investigation or litigation involvement is necessary;
- (f) Investigation services including background activity checks, surveillance and other similar such services;
- (g) Fraud detection, investigation and related services ("SIU");
- (h) Outside experts and subcontractors;
- (i) Transcripts and public records;
- (j) Depositions, court reporters, video statements, private investigators;
- (k) Attendance at alternative dispute resolution forums including arbitrations, mediations, hearings or similar such activities or attendance at depositions;
- (l) Expenses chargeable to the defense of a specific claim;
- (m) Protection and pursuit of all third party/recovery rights including second injury recovery claims, indemnification and contribution claims, and subrogation actions;
- (n) Index system filing services;
- (o) Medical records;
- (p) Accident reconstruction;
- (q) Architects, contractors, engineers, chemists;
- (r) Police, fire, coroner, weather or other such reports;
- (s) Property damage appraisals;

- (t) Extraordinary costs for witness statements;
- (u) Pre and post judgment interest paid;
- (v) Other extraordinary expenses including, but not limited to, photocopying, statement transcriptions, photographs, travel, express mail, public records and similar expenses as may be incurred by CONTRACTOR in fulfilling its obligations; and
- (w) Any other similar cost, fee or expense reasonably chargeable to the investigation, negotiation, settlement of defense of a claim.
- (x) State mandated EDI

At contract conclusion, the following options are available for continued handling of open claims:

- Negotiated annual fee per claim
- Claims returned to client

ALTERNATIVE SERVICE CONCEPTS, LLC

WITNESS: _____

BY: _____

TITLE: _____

DATE: _____

WEBB COUNTY

WITNESS: _____

BY: *Danny Valdez*
DANNY VALDEZ

TITLE: WEBB COUNTY JUDGE

DATE: JULY 1st. 2014