

ATTACHMENT E
PRICING AND COMMENTS

1) COST OF SERVICES

BEAUFORT COUNTY SCHOOL DISTRICT requests a detailed outline of all costs associated with the administration of its claims, including any ancillary services.

A. Pricing/Quotation – Claim Handling

1. Provide a detailed price quotation showing flat rate pricing on a per claim basis for the following claim handling periods:

a) Life of Claim (if offered by your company);

b) Life of Contract/Partnership;

Include secondary fee structure for services continuing beyond contract termination.

Quotation should be based on an estimated annual claim frequency, as follows:

Workers Compensation - Anticipated New Claims Per Year

Lost Time	26 (14 lost time, 12 complicated med only)
Medical Only	140
Report Only	57

Incident Reports	223
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Life of Claim	Per Claim	Est. Annual Claim Number	Est. Total	Services Included/Not included
Lost Time	\$1,580	14	\$22,120	See Details Below
Comp Med Only	\$180	12	\$2,160	
Medical Only	\$180	140	\$25,200	
Incident Reports	\$0	57	\$0	
			\$48,480	
Life of Contract	Per Claim	Est. Annual Claim Number	Total	Services Included/Not included
Lost Time	\$780	14	\$10,920	See Details Below
Comp Med Only	\$135	12	\$1,620	
Medical Only	\$135	140	\$18,900	
Incident Reports	\$0	57	\$0	
			\$31,440	

Note: The above is based on estimated annual claim numbers for both Lost Time and Medical Only claims. A final audit will be completed at year end and could generate additional claim numbers which would affect the Total Per Claim Fees.

Services Included in Per Claim Pricing:

- ✓ Acknowledge receipt of all claims;
- ✓ Receive, review, investigate, adjust, process worker's compensation claims; (Life of Claim) to conclusion of file/ (Life of Contract) to conclusion of contract.
- ✓ Establish claims reserves for each claim and provide continuous review of those reserves;
- ✓ Acknowledge all claims that have been closed to contain the date the claim was closed and the amount paid;
- ✓ Acknowledge the receipt of all lawsuits;
- ✓ Provide a narrative report on claims where the total incurred claim exceeds client's specified threshold;
- ✓ Prepare and maintain a claim file for each claim;
- ✓ Prepare, maintain and file all records and reports that may be required by state regulatory agencies;
- ✓ Recommend panel physicians, as required or permitted by law;
- ✓ Provide standard reports as requested
- ✓ Provide training and establish online access to SIMS
- ✓ Issuance of 1099's
- ✓ Medicare Section 111 Reporting
- ✓ Excess Reporting

Services included in flat rate pricing must be clearly identified. Services that are not included in flat rate pricing must be clearly identified, with applicable fees associated with such services. Any services that are subject to time and expense billing must be clearly identified.

Brentwood will provide all services listed above for an annual flat fee of \$32,000 (life of contract). This includes all services performed by Brentwood employees but excludes normal allocated loss adjustment expenses which are paid on the respective claims file.

Should BCSD elect to transfer legacy claims and data to Brentwood on 7/1/18 or some later date, this can be accomplished for a one time-data transfer fee of \$2,500 plus \$200 per open indemnity claim. A flat charge of \$7,400 is also available.

The following are considered allocated loss adjustment expenses, are excluded from service charges and are typically paid on each respective claim file:

- 1. attorneys' fees;**
- 2. court reporter's fees;**
- 3. court costs, court fees, and court expenses;**
- 4. pre-and post-judgment interest paid as a result of litigation;**
- 5. costs of depositions, including but not limited to transcript fees;**
- 6. costs of obtaining copies of public records;**
- 7. costs of obtaining copies of medical records;**
- 8. fees for service of process;**
- 9. witness fees and witness travel expenses;**
- 10. expert fees and related expenses;**
- 11. costs of independent medical examinations and/or evaluations for testimony at trial or to contest disputed facts;**
- 12. medical cost containment services, including but not limited to utilization management services;**
- 13. extraordinary travel expenses incurred by BRENTWOOD at the request of the EMPLOYER;**
- 14. bill review service costs;**
- 15. costs associated with indexing claims through and/or submitting claims information to the Insurance Service Office or other rate advisory service organizations, a claims compilation or transmission agency, or any state agency or designee of a state agency;**
- 16. costs and expenses of subrogation;**
- 17. costs of operative, investigative and detective services;**

18. costs associated with making any regulatory filings with the Centers for Medicare and Medicaid Services, including but not limited to filings in connection with the Medicare Secondary Payor provisions of the Social Security Act;
 19. medical case management services; and,
 20. any other similar fee, cost or expense that is reasonably chargeable to the investigation, negotiation, settlement, adjustment or defense of a claim and/or loss, or as required for the protection of the subrogation rights or the collection of subrogation on behalf of the EMPLOYER.
2. Provide your definition of WC “medical only” versus WC “indemnity” claims, as applies to a flat rate pricing classification. To the extent that additional pricing classifications apply to WC claim handling, provide definition(s) and corresponding pricing. Also indicate whether you have an additional pricing category for “managed medical only claims” or “complex medical only claims” and indicate pricing.

WC Medical Only Claim: A claim which involves the payment of medical benefits only. These claims typically involve contact with the parties involved, verification of accident facts, a determination of WC compensability, a determination of medical relationship and necessity and the process of medical expenses.

WC Indemnity Claims: A claim which involves the payment of indemnity benefits, including but not limited to TTD, TPD or PTD. These claims typically involve more structured investigation, verification of accident facts, a determination of compensability, calculation of AWW and payment of medical benefits plus indemnity benefits.

3. Provide definition and explanation of services associated with “Incident Only” or “Record Only” claims. Is there a charge to report Incident Only / Record Only claims, and if so, what is the charge?

Info/Record Only Reports: These are reports received from the client that are marked as Info Only or Record Only reports. These reports are entered into the risk management system and immediately closed. The reports remain in the closed status unless and until a claim is made by the injured worker. These reports are not investigated for factual accuracy. No contacts are made or information verified.

There is NO CHARGE for Incident Only/Record Only claims.

4. Do you charge to receive new loss assignments, whether by phone, fax, e-mail or via the Internet? If so, clearly outline any charges involved.

There is no charge to receive new assignments.

5. Do you charge separately for Index Bureau Filings? If so, outline pricing and indicate whether these filings are considered as an allocated expense.

A per report charge of \$9.50 is allocated to the claim.

6. Do you handle pursuit of subrogation and/or Second Injury Fund recovery internally or outsource to a vendor? Clearly outline any charges that are not included in your flat rate fees.

Brentwood will investigate and determine subrogation and Second Injury Fund recovery possibilities and vigorously pursue, as appropriate; The charge for this service is 15% of recovery.

7. Provide explanation for any applicable administrative or account management fees, including services contemplated in any such fee.

N/A

8. Alternative pricing in addition to Life of Claim/Life of Contract may be proposed.

A Flat Fee option is described above.

B. Pricing/Quotation – Medical Cost Containment

BEAUFORT COUNTY SCHOOL DISTRICT does not view utilizing “percentage of savings” as a credible mechanism to determine fees for services relating to medical bill re-pricing for statutory fee schedules or usual and customary review.

We agree that % fees for reductions to fee schedule are not appropriate.

1. Provide either per line or per bill provider bill audit pricing.

\$6.50 per medical bill for reduction to fee schedule

2. Outline PPO pricing.

26% of savings below fee schedule for PPO discounts and audit reductions. No charge for duplicate detection.

C. Pricing/Quotation– Loss Data Reporting and RMIS

1. BEAUFORT COUNTY SCHOOL DISTRICT requires access to TPA's RMIS product for one (1) individual client and broker users. Outline whether any User ID's are included in your pricing, and outline the cost for any additional User ID's.

No charge for system access of 4 users at client and their broker. Additional users are \$250 each.

2. To the extent that the providing of hard copy loss runs is not standard in your basic fee structure, provide separate quotation with available options for hard copy loss runs, including pricing/options in the event of expiration or cancellation of service contract (i.e., "run-off").

Electronic or hard copy loss reports are included in the basic fee structure as long as claims are being administered by Brentwood. This includes current and "run off" arrangements.

3. Outline pricing/options in the event of expiration or cancellation of service contract (i.e., "run-off").

In the event a "life of contract" agreement is cancelled, the client may, at their option, have Brentwood continue providing service for an annual administrative fee of \$2,500 plus \$400 per Indemnity Claim per year.

4. To the extent that loss data transfer to BEAUFORT COUNTY SCHOOL DISTRICT excess insurer(s) is not standard in your basic fee structure, provide cost of such loss data transfer, including any change in costs due to expiration or cancellation of service contract (i.e., "run-off").

Providing loss data to excess carriers is a standard component in the fee structure as long as claims are active in Brentwood's system.

2) PAYMENT TERMS AND LOSS FUNDING

Claim handling service fees will be billed quarterly based on the actual number of claims reported/handled by TPA during the billing period.

Provide options for payment terms with respect to loss funding, including calculation method recognized for maintaining an escrow deposit and your ability to establish a “zero balance” or “sweep” account.

Explain payment terms for all other services such as RMIS, loss data reporting, etc.

Brentwood processes claim checks every day. We have the capability to direct deposit indemnity checks and can make electronic payments to providers.

Brentwood clients have numerous checking account arrangements and Brentwood is very flexible regarding how client accounts be set up and maintained. In making payments associated with each claim, we have clients who use zero-balance, sweep or positive pay banking accounts that are established, funded and maintained by them, or Brentwood if requested. We're also experienced with using ACH debit. Brentwood will establish and maintain an account for BCSD in the manner they specify.

Payments of service fees are flexible and routinely paid quarterly on an estimated basis and adjusted after year end.