

**SERIAL 15032 RFP WORKERS' COMPENSATION MEDICAL BILL REVIEW SERVICES**

**DATE OF LAST REVISION: June 18, 2015**

**CONTRACT END DATE: June 30, 2017**

**CONTRACT PERIOD THROUGH JUNE 30, 2017**

TO: All Departments

FROM: Office of Procurement Services

SUBJECT: Contract for **WORKERS' COMPENSATION MEDICAL BILL REVIEW SERVICES**

Attached to this letter is published an effective purchasing contract for products and/or services to be supplied to Maricopa County activities as awarded by Maricopa County on **June 18, 2015 (Eff. 07/01/15)**.

All purchases of products and/or services listed on the attached pages of this letter are to be obtained from the vendor holding the contract. Individuals are responsible to the vendor for purchases made outside of contracts. The contract period is indicated above.

---

Wes Baysinger, Chief Procurement Officer  
Office of Procurement Services

AS/mm  
Attach

Copy to: Office of Procurement Services  
Christine Nobles, Risk Management

(Please remove Serial 13078-RFP from your contract notebooks)



## CONTRACT PURSUANT TO RFP

**SERIAL 15032-RFP**

This Contract is entered into this 18<sup>th</sup> day of June, 2015 by and between Maricopa County (“County”), a political subdivision of the State of Arizona, and CorVel Healthcare Corporation, an California corporation (“Contractor”) for the purchase of providing effective and efficient medical bill review services for Maricopa County’s entire workers’ compensation program.

### 1.0 CONTRACT TERM:

- 1.1 This Contract is for a term of two (2) years, beginning on the 1<sup>st</sup> day of July, 2015 and ending the 30<sup>th</sup> day of June, 2017.
- 1.2 The County may, at its option and with the agreement of the Contractor, renew the term of this Contract for additional terms up to a maximum of three (3) additional one (1) year terms, (or at the County’s sole discretion, extend the contract on a month-to-month bases for a maximum of six (6) months after expiration). The County shall notify the Contractor in writing of its intent to extend the Contract term at least sixty (60) calendar days prior to the expiration of the original contract term, or any additional term thereafter.

### 2.0 FEE ADJUSTMENTS:

- 2.1 Any request for a fee adjustment must be submitted sixty (60) days prior to the current Contract expiration date. Requests for adjustment in cost of labor and/or materials must be supported by appropriate documentation. If County agrees to the adjusted fee, County shall issue written approval of the change. The reasonableness of the request will be determined by comparing the request with the (Consumer Price Index) or by performing a market survey.

### 3.0 PAYMENTS:

- 3.1 As consideration for performance of the duties described herein, County shall pay Contractor the sum(s) stated in Exhibit “A.”
- 3.2 Payment shall be made upon the County’s receipt of a properly completed invoice.

### 3.3 INVOICES:

- 3.3.1 The Contractor shall submit in a manner acceptable to the County one (1) legible copy of their detailed invoice before payment(s) can be made. At a minimum, the invoice must provide the following information:

- Company name, address and contact
- County bill-to name and contact information
- Contract serial number
- County purchase order number
- Invoice number and date
- Payment terms

- Date of service
- Contract Item number(s)
- Description of service
- Pricing per unit of service
- Extended price
- Total Amount Due

3.3.2 Problems regarding billing or invoicing shall be directed to the County as listed on the Purchase Order.

3.3.3 Payment shall be made to the Contractor by Accounts Payable through the Maricopa County Vendor Express Payment Program. This is an Electronic Funds Transfer (EFT) process. After Contract Award the Contractor shall complete the Vendor Registration Form located on the County Department of Finance Vendor Registration Web Site (<http://www.maricopa.gov/Finance/Vendors.aspx>).

3.3.4 EFT payments to the routing and account numbers designated by the Contractor will include the details on the specific invoices that the payment covers. The Contractor is required to discuss remittance delivery capabilities with their designated financial institution for access to those details.

3.4 APPLICABLE TAXES:

3.4.1 **Payment of Taxes:** The Contractor shall pay all applicable taxes. With respect to any installation labor on items that are not attached to real property performed by Contractor under the terms of this Contract, the installation labor cost and the gross receipts for materials provided shall be listed separately on the Contractor’s invoices.

3.4.2 **State and Local Transaction Privilege Taxes:** Maricopa County is subject to all applicable state and local transaction privilege taxes. To the extent any state and local transaction privilege taxes apply to sales made under the terms of this contract it is the responsibility of the seller to collect and remit all applicable taxes to the proper taxing jurisdiction of authority.

3.4.3 **Tax Indemnification:** Contractor and all subcontractors shall pay all Federal, state, and local taxes applicable to its operation and any persons employed by the Contractor. Contractor shall, and require all subcontractors to hold Maricopa County harmless from any responsibility for taxes, damages and interest, if applicable, contributions required under Federal, and/or state and local laws and regulations and any other costs including transaction privilege taxes, unemployment compensation insurance, Social Security and Worker’s Compensation.

3.5 TAX: (SERVICES)

No tax shall be levied against labor. It is the responsibility of the Contractor to determine any and all taxes and include the same in proposal price.

3.6 STRATEGIC ALLIANCE for VOLUME EXPENDITURES (\$AVE):

3.6.1 The County is a member of the \$AVE cooperative purchasing group. \$AVE includes the State of Arizona, many Phoenix metropolitan area municipalities, and many K-12 unified school districts. Under the \$AVE Cooperative Purchasing Agreement, and with the concurrence of the successful Respondent under this solicitation, a member of \$AVE may access a contract resulting from a solicitation issued by the County. If you **do not** want to grant such access to a member of \$AVE, **please so state** in your proposal. In the absence of a statement to the contrary, the County will assume that you do wish to grant access to any contract that may result from this Request for Proposal.

**3.7 INTERGOVERNMENTAL COOPERATIVE PURCHASING AGREEMENTS (ICPA's)**

3.7.1 County currently holds ICPA's with numerous governmental entities throughout the State of Arizona. These agreements allow those entities, with the approval of the Contractor, to purchase their requirements under the terms and conditions of the County Contract. Please indicate on Attachment A, your acceptance or rejection regarding such participation of other governmental entities. Your response will not be considered as an evaluation factor in awarding a contract.

**3.8 DELIVERY:**

It shall be the Contractor's responsibility to meet the proposed delivery requirements. Maricopa County reserves the right to obtain services on the open market in the event the Contractor fails to make delivery and any price differential will be charged against the Contractor.

**4.0 AVAILABILITY OF FUNDS:**

4.1 The provisions of this Contract relating to payment for services shall become effective when funds assigned for the purpose of compensating the Contractor as herein provided are actually available to County for disbursement. The County shall be the sole judge and authority in determining the availability of funds under this Contract. County shall keep the Contractor fully informed as to the availability of funds.

4.2 If any action is taken by any state agency, Federal department or any other agency or instrumentality to suspend, decrease, or terminate its fiscal obligations under, or in connection with, this Contract, County may amend, suspend, decrease, or terminate its obligations under, or in connection with, this Contract. In the event of termination, County shall be liable for payment only for services rendered prior to the effective date of the termination, provided that such services are performed in accordance with the provisions of this Contract. County shall give written notice of the effective date of any suspension, amendment, or termination under this Section, at least ten (10) days in advance.

**5.0 DUTIES:**

5.1 The Contractor shall perform all duties stated in Exhibit "B", or as otherwise directed in writing by the Procurement Officer.

5.2 During the Contract term, County may provide Contractor's personnel with adequate workspace for consultants and such other related facilities as may be required by Contractor to carry out its contractual obligations.

**6.0 TERMS and CONDITIONS:**

**6.1 INDEMNIFICATION:**

To the fullest extent permitted by law, and to the extent that claims, damages, losses or expenses are not covered and paid by insurance purchased by the Contractor, the Contractor shall defend indemnify and hold harmless the County (as Owner), its agents, representatives, agents, officers, directors, officials, and employees from and against all claims, damages, losses, and expenses (including, but not limited to attorneys' fees, court costs, expert witness fees, and the costs and attorneys' fees for appellate proceedings) arising out of, or alleged to have resulted from the negligent acts, errors, omissions, or mistakes relating to the performance of this Contract.

Contractor's duty to defend, indemnify, and hold harmless the County, its agents, representatives, agents, officers, directors, officials, and employees shall arise in connection with any claim, damage, loss, or expense that is attributable to bodily injury, sickness, disease, death or injury to, impairment of, or destruction of tangible property, including loss of use resulting there from, caused by negligent acts, errors, omissions, or mistakes in the performance of this Contract, but only to the extent caused by the negligent acts or omissions of the Contractor, a subcontractor, any

one directly or indirectly employed by them, or anyone for whose acts they may be liable, regardless of whether or not such claim, damage, loss, or expense is caused in part by a party indemnified hereunder.

The amount and type of insurance coverage requirements set forth herein will in no way be construed as limiting the scope of the indemnity in this paragraph.

The scope of this indemnification does not extend to the sole negligence of County.

6.2 **INSURANCE.**

6.2.1 Contractor, at Contractor's own expense, shall purchase and maintain the herein stipulated minimum insurance from a company or companies duly licensed by the State of Arizona and possessing a current A.M. Best, Inc. rating of B++. In lieu of State of Arizona licensing, the stipulated insurance may be purchased from a company or companies, which are authorized to do business in the State of Arizona, provided that said insurance companies meet the approval of County. The form of any insurance policies and forms must be acceptable to County.

6.2.2 All insurance required herein shall be maintained in full force and effect until all work or service required to be performed under the terms of the Contract is satisfactorily completed and formally accepted. Failure to do so may, at the sole discretion of County, constitute a material breach of this Contract.

6.2.3 Contractor's insurance shall be primary insurance as respects County, and any insurance or self-insurance maintained by County shall not contribute to it.

6.2.4 Any failure to comply with the claim reporting provisions of the insurance policies or any breach of an insurance policy warranty shall not affect the County's right to coverage afforded under the insurance policies.

6.2.5 The insurance policies may provide coverage that contains deductibles or self-insured retentions. Such deductible and/or self-insured retentions shall not be applicable with respect to the coverage provided to County under such policies. Contractor shall be solely responsible for the deductible and/or self-insured retention and County, at its option, may require Contractor to secure payment of such deductibles or self-insured retentions by a surety bond or an irrevocable and unconditional letter of credit.

6.2.6 The insurance policies required by this Contract, except Workers' Compensation and Errors and Omissions, shall name County, its agents, representatives, officers, directors, officials and employees as Additional Insureds.

6.2.7 The policies required hereunder, except Workers' Compensation and Errors and Omissions, shall contain a waiver of transfer of rights of recovery (subrogation) against County, its agents, representatives, officers, directors, officials and employees for any claims arising out of Contractor's work or service.

6.2.8 **Commercial General Liability.**

Commercial General Liability insurance and, if necessary, Commercial Umbrella insurance with a limit of not less than \$2,000,000 for each occurrence, \$4,000,000 Products/Completed Operations Aggregate, and \$4,000,000 General Aggregate Limit. The policy shall include coverage for premises liability, bodily injury, broad form property damage, personal injury, products and completed operations and blanket contractual coverage, and shall not contain any provisions which would serve to limit third party action over claims. There shall be no endorsement or modifications of the CGL limiting the scope of coverage for liability arising from explosion, collapse, or underground property damage.

6.2.9 **Automobile Liability.**

Commercial/Business Automobile Liability insurance and, if necessary, Commercial Umbrella insurance with a combined single limit for bodily injury and property damage of not less than \$1,000,000 each occurrence with respect to any of the Lessee's owned, hired, and non-owned vehicles assigned to or used in performance of the Lessee's work or services or use or maintenance of the Premises under this Lease.

6.2.10 **Workers' Compensation.**

Workers' Compensation insurance to cover obligations imposed by federal and state statutes having jurisdiction of Lessee's employees engaged in the performance of the work or services under this Lease; and Employer's Liability insurance of not less than \$1,000,000 for each accident, \$1,000,000 disease for each employee, and \$1,000,000 disease policy limit.

Lessee, its contractors and its subcontractors waive all rights against Lessor and its agents, officers, directors and employees for recovery of damages to the extent these damages are covered by the Workers' Compensation and Employer's Liability or commercial umbrella liability insurance obtained by Lessee, its contractors and its subcontractors pursuant to this Lease.

6.2.11 **Errors and Omissions (Professional Liability) Insurance.**

Errors and Omissions (Professional Liability) insurance and, if necessary, Commercial Umbrella insurance, which will insure and provide coverage for errors or omissions or professional liability of the **CONTRACTOR**, with limits of no less than \$2,000,000 for each claim.

6.2.12 Certificates of Insurance.

6.2.11.1 Prior to Contract **AWARD**, Contractor shall furnish the County with valid and complete certificates of insurance, or formal endorsements as required by the Contract in the form provided by the County, issued by Contractor's insurer(s), as evidence that policies providing the required coverage, conditions and limits required by this Contract are in full force and effect. Such certificates shall identify this contract number and title.

6.2.11.2 In the event any insurance policy (ies) required by this contract is (are) written on a "claims made" basis, coverage shall extend for two years past completion and acceptance of Contractor's work or services and as evidenced by annual Certificates of Insurance.

6.2.11.3 If a policy does expire during the life of the Contract, a renewal certificate must be sent to County fifteen (15) days prior to the expiration date.

6.2.13 Cancellation and Expiration Notice.

Insurance required herein shall not be permitted to expire, be canceled, or materially changed without thirty (30) days prior written notice to the County.

6.3 **FORCE MAJEURE**

6.3.1 Neither party shall be liable for failure of performance, nor incur any liability to the other party on account of any loss or damage resulting from any delay or failure to perform all or any part of this Contract if such delay or failure is caused by events, occurrences, or causes beyond the reasonable control and without negligence of the parties. Such events, occurrences, or causes will include Acts of God/Nature (including fire, flood, earthquake, storm, hurricane or other natural disaster), war, invasion, act of foreign enemies, hostilities (whether war is declared or not), civil war, riots, rebellion, revolution,

insurrection, military or usurped power or confiscation, terrorist activities, nationalization, government sanction, lockout, blockage, embargo, labor dispute, strike, interruption or failure of electricity or telecommunication service.

- 6.3.2 Each party, as applicable, shall give the other party notice of its inability to perform and particulars in reasonable detail of the cause of the inability. Each party must use best efforts to remedy the situation and remove, as soon as practicable, the cause of its inability to perform or comply.
- 6.3.3 The party asserting *Force Majeure* as a cause for non-performance shall have the burden of proving that reasonable steps were taken to minimize delay or damages caused by foreseeable events, that all non-excused obligations were substantially fulfilled, and that the other party was timely notified of the likelihood or actual occurrence which would justify such an assertion, so that other prudent precautions could be contemplated.
- 6.3.4 The County shall reserve the right to terminate this Contract and/or any applicable order or contract release purchase order upon non-performance by Contractor. The County shall reserve the right to extend the Contract and time for performance at its discretion.

6.4 **WARRANTY OF SERVICES:**

- 6.4.1 The Contractor warrants that all services provided hereunder will conform to the requirements of the Contract, including all descriptions, specifications and attachments made a part of this Contract. County's acceptance of services or goods provided by the Contractor shall not relieve the Contractor from its obligations under this warranty.
- 6.4.2 In addition to its other remedies, County may, at the Contractor's expense, require prompt correction of any services failing to meet the Contractor's warranty herein. Services corrected by the Contractor shall be subject to all the provisions of this Contract in the manner and to the same extent as services originally furnished hereunder.

6.5 **INSPECTION OF SERVICES:**

- 6.5.1 The Contractor shall provide and maintain an inspection system acceptable to County covering the services under this Contract. Complete records of all inspection work performed by the Contractor shall be maintained and made available to County during contract performance and for as long afterwards as the Contract requires.
- 6.5.2 County has the right to inspect and test all services called for by the Contract, to the extent practicable at all times and places during the term of the Contract. County shall perform inspections and tests in a manner that will not unduly delay the work.
- 6.5.3 If any of the services do not conform to Contract requirements, County may require the Contractor to perform the services again in conformity with Contract requirements, at no cost to the County. When the defects in services cannot be corrected by re-performance, County may:
  - 6.5.3.1 Require the Contractor to take necessary action to ensure that future performance conforms to Contract requirements; and
  - 6.5.3.2 Reduce the Contract price to reflect the reduced value of the services performed.
- 6.5.4 If the Contractor fails to promptly perform the services again or to take the necessary action to ensure future performance in conformity with Contract requirements, County may:
  - 6.5.4.1 By Contract or otherwise, perform the services and charge to the Contractor, through direct billing or through payment reduction, any cost incurred by County that is directly related to the performance of such service; or

6.5.4.2 Terminate the Contract for default.

6.5.5 Notwithstanding anything to the contrary herein, in no event shall County be permitted to audit or test Contractor's information technology systems or facilities or any other records of CorVel other than claims files related to the provision of Managed Care Services and Online Services hereunder.

6.6 **REQUIREMENTS CONTRACT:**

6.6.1 Contractors signify their understanding and agreement by signing a bid submittal, that the Contract resulting from the bid is a requirements contract. However, the Contract does not guarantee any minimum or maximum number of purchases will be made. It only indicates that if purchases are made for the materials or services contained in the Contract, they will be purchased from the Contractor awarded that item if the Contractor can meet all the delivery requirements of the County. Orders will only be placed when the County identifies a need and proper authorization and documentation have been approved.

6.6.2 County reserves the right to cancel Purchase Orders within a reasonable period of time after issuance. Should a Purchase Order be canceled, the County agrees to reimburse the Contractor for actual and documentable costs incurred by the Contractor in response to the Purchase Order. The County will not reimburse the Contractor for any costs incurred after receipt of County notice of cancellation, or for lost profits, shipment of product prior to issuance of Purchase Order, etc.

6.6.3 Contractors agree to accept verbal notification of cancellation of Purchase Orders from the County Procurement Officer with written notification to follow. By submitting a bid in response to this Invitation for Bids, the Contractor specifically acknowledges to be bound by this cancellation policy.

6.7 **Suspension of Work**

The Procurement Officer may order the Contractor, in writing, to suspend, delay, or interrupt all or any part of the work of this contract for the period of time that the Procurement Officer determines appropriate for the convenience of the County. No adjustment shall be made under this clause for any suspension, delay, or interruption to the extent that performance would have been so suspended, delayed, or interrupted by any other cause, including the fault or negligence of the Contractor. No request for adjustment under this clause shall be granted unless the claim, in an amount stated, is asserted in writing as soon as practicable after the termination of the suspension, delay, or interruption, but not later than the date of final payment under the contract.

6.8 **Stop Work Order**

The Procurement Officer may, at any time, by written order to the Contractor, require the Contractor to stop all, or any part, of the work called for by this contract for a period of 90 days after the order is delivered to the Contractor, and for any further period to which the parties may agree. The order shall be specifically identified as a stop work order issued under this clause. Upon receipt of the order, the Contractor shall immediately comply with its terms and take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the order during the period of work stoppage. Within a period of 90 days after a stop-work is delivered to the Contractor, or within any extension of that period to which the parties shall have agreed, the Procurement Officer shall either—

6.8.1 Cancel the stop-work order; or

6.8.2 Terminate the work covered by the order as provided in the Default, or the Termination for Convenience of the County, clause of this contract.

6.8.3 The Procurement Officer may make an equitable adjustment in the delivery schedule and/or contract price, or otherwise, and the contract shall be modified, in writing,

accordingly, if the Contractor demonstrates that the stop work order resulted in an increase in costs to the Contractor.

**6.9 UNCONDITIONAL TERMINATION FOR CONVENIENCE:**

Maricopa County may terminate the resultant Contract for convenience by providing sixty (60) calendar days advance notice to the Contractor.

**6.10 TERMINATION FOR DEFAULT:**

The County may, by written notice of default to the Contractor, terminate this contract in whole or in part if the Contractor fails to:

6.10.1 Deliver the supplies or to perform the services within the time specified in this contract or any extension;

6.10.2 Make progress, so as to endanger performance of this contract; or

6.10.3 Perform any of the other provisions of this contract.

6.10.4 The County's right to terminate this contract under these subparagraph may be exercised if the Contractor does not cure such failure within 10 days (or more if authorized in writing by the County) after receipt of the notice from the Procurement Officer specifying the failure.

**6.11 STATUTORY RIGHT OF CANCELLATION FOR CONFLICT OF INTEREST:**

Notice is given that pursuant to A.R.S. § 38-511 the County may cancel any Contract without penalty or further obligation within three years after execution of the contract, if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the County is at any time while the Contract or any extension of the Contract is in effect, an employee or agent of any other party to the Contract in any capacity or consultant to any other party of the Contract with respect to the subject matter of the Contract. Additionally, pursuant to A.R.S § 38-511 the County may recoup any fee or commission paid or due to any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the County from any other party to the contract arising as the result of the Contract.

**6.12 CONTRACTOR LICENSE REQUIREMENT:**

6.12.1 The Respondent shall procure all permits, insurance, licenses and pay the charges and fees necessary and incidental to the lawful conduct of his/her business, and as necessary complete any required certification requirements, required by any and all governmental or non-governmental entities as mandated to maintain compliance with and in good standing for all permits and/or licenses. The Respondent shall keep fully informed of existing and future trade or industry requirements, Federal, State and Local laws, ordinances, and regulations which in any manner affect the fulfillment of a Contract and shall comply with the same. Contractor shall immediately notify both Office of Procurement Services and the using agency of any and all changes concerning permits, insurance or licenses.

6.12.2 Respondents furnishing finished products, materials or articles of merchandise that will require installation or attachment as part of the Contract, shall possess any licenses required. A Respondent is not relieved of its obligation to possess the required licenses by subcontracting of the labor portion of the Contract. Respondents are advised to contact the Arizona Registrar of Contractors, Chief of Licensing, at (602) 542-1525 to ascertain licensing requirements for a particular contract. Respondents shall identify which license(s), if any, the Registrar of Contractors requires for performance of the Contract.

**6.13 SUBCONTRACTING:**

6.13.1 The Contractor may not assign to another Contractor or Subcontract to another party for performance of the terms and conditions hereof without the written consent of the County. All correspondence authorizing subcontracting must reference the Bid Serial Number and identify the job project.

6.13.2 The Subcontractor's rate for the job shall not exceed that of the Prime Contractor's rate, as bid in the pricing section, unless the Prime Contractor is willing to absorb any higher rates or the County has approved the increase. The Subcontractor's invoice shall be invoiced directly to the Prime Contractor, who in turn shall pass-through the costs to the County, without mark-up. A copy of the Subcontractor's invoice must accompany the Prime Contractor's invoice.

**6.14 AMENDMENTS:**

All amendments to this Contract shall be in writing and approved/signed by both parties. Maricopa County Office of Procurement Services shall be responsible for approving all amendments for Maricopa County.

**6.15 ADDITIONS/DELETIONS OF SERVICE:**

6.15.1 The County reserves the right to add and/or delete materials and services to a Contract. If a service requirement is deleted, payment to the Contractor will be reduced proportionately, to the amount of service reduced in accordance with the bid price. If additional materials or services are required from a Contract, prices for such additions will be negotiated between the Contractor and the County.

6.15.2 The County reserves the right of final approval on proposed staff for all Task Orders. Also, upon request by the County, the Contractor will be required to remove any employees working on County projects and substitute personnel based on the discretion of the County within two business days, unless previously approved by the County.

**6.16 VALIDITY:**

The invalidity, in whole or in part, of any provision of this Contract shall not void or affect the validity of any other provision of the Contract.

**6.17 SEVERABILITY:**

The invalidity, in whole or in part, of any provision of this Contract shall not void or affect the validity of any other provision of this Contract.

**6.18 RIGHTS IN DATA:**

The County shall have the use of data and reports resulting from a Contract without additional cost or other restriction except as may be established by law or applicable regulation. Each party shall supply to the other party, upon request, any available information that is relevant to a Contract and to the performance thereunder.

**6.19 NON-DISCRIMINATION:**

CONTRACTOR agrees to comply with all provisions and requirements of Arizona Executive Order 2009-09 including flow down of all provisions and requirements to any subcontractors. Executive Order 2009-09 supersedes Executive order 99-4 and amends Executive order 75-5 and may be viewed and downloaded at the Governor of the State of Arizona's website [http://www.azgovernor.gov/dms/upload/EO\\_2009\\_09.pdf](http://www.azgovernor.gov/dms/upload/EO_2009_09.pdf) which is hereby incorporated into this contract as if set forth in full herein. During the performance of this contract, CONTRACTOR

shall not discriminate against any employee, client or any or any other individual in any way because of that person's age, race, creed, color, religion, sex, disability or national origin.

**6.20 CERTIFICATION REGARDING DEBARMENT AND SUSPENSION**

6.20.1 The undersigned (authorized official signing for the Contractor) certifies to the best of his or her knowledge and belief, that the Contractor

6.20.1.1 is not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal Department or agency;

6.20.1.2 have not within 3-year period preceding this Contract been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

6.20.1.3 are not presently indicted or otherwise criminally or civilly charged by a government entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (2) of this certification; and

6.20.1.4 have not within a 3-year period preceding this Contract had one or more public transaction (Federal, State or local) terminated for cause of default.

6.20.2 The Contractor agrees to include, without modification, this clause in all lower tier covered transactions (i.e. transactions with subcontractors) and in all solicitations for lower tier covered transactions related to this Contract.

**6.21 VERIFICATION REGARDING COMPLIANCE WITH ARIZONA REVISED STATUTES §41-4401 AND FEDERAL IMMIGRATION LAWS AND REGULATIONS:**

6.21.1 By entering into the Contract, the Contractor warrants compliance with the Immigration and Nationality Act (INA using e-verify) and all other federal immigration laws and regulations related to the immigration status of its employees and A.R.S. §23-214(A). The contractor shall obtain statements from its subcontractors certifying compliance and shall furnish the statements to the Procurement Officer upon request. These warranties shall remain in effect through the term of the Contract. The Contractor and its subcontractors shall also maintain Employment Eligibility Verification forms (I-9) as required by the Immigration Reform and Control Act of 1986, as amended from time to time, for all employees performing work under the Contract and verify employee compliance using the E-verify system and shall keep a record of the verification for the duration of the employee's employment or at least three years, whichever is longer. I-9 forms are available for download at USCIS.GOV.

6.21.2 The County retains the legal right to inspect contractor and subcontractor employee documents performing work under this Contract to verify compliance with paragraph 6.21 of this Section. Contractor and subcontractor shall be given reasonable notice of the County's intent to inspect and shall make the documents available at the time and date specified. Should the County suspect or find that the Contractor or any of its subcontractors are not in compliance, the County will consider this a material breach of the contract and may pursue any and all remedies allowed by law, including, but not limited to: suspension of work, termination of the Contract for default, and suspension and/or debarment of the Contractor. All costs necessary to verify compliance are the responsibility of the Contractor.

**6.22 INFLUENCE**

As prescribed in MC1-1202 of the Maricopa County Procurement Code, any effort to influence an employee or agent to breach the Maricopa County Ethical Code of Conduct or any ethical conduct may be grounds for Disbarment or Suspension under MC1-902.

An attempt to influence includes, but is not limited to:

- 6.22.1 A Person offering or providing a gratuity, gift, tip, present, donation, money, entertainment or educational passes or tickets, or any type valuable contribution or subsidy,
- 6.22.2 That is offered or given with the intent to influence a decision, obtain a contract, garner favorable treatment, or gain favorable consideration of any kind.

If a Person attempts to influence any employee or agent of Maricopa County, the Chief Procurement Officer, or his designee, reserves the right to seek any remedy provided by the Maricopa County Procurement Code, any remedy in equity or in the law, or any remedy provided by this contract.

**6.23 ACCESS TO AND RETENTION OF RECORDS FOR THE PURPOSE OF AUDIT AND/OR OTHER REVIEW:**

- 6.23.1 In accordance with section MCI 371 of the Maricopa County Procurement Code the Contractor agrees to retain all books, records, accounts, statements, reports, files, and other records and back-up documentation relevant to this Contract for six (6) years after final payment or until after the resolution of any audit questions which could be more than six (6) years, whichever is latest. The County, Federal or State auditors and any other persons duly authorized by the Department shall have full access to, and the right to examine, copy and make use of, any and all said materials.
- 6.23.2 If the Contractor's books, records, accounts, statements, reports, files, and other records and back-up documentation relevant to this Contract are not sufficient to support and document that requested services were provided, the Contractor shall reimburse Maricopa County for the services not so adequately supported and documented.
- 6.23.3 If at any time it is determined by the County that a cost for which payment has been made is a disallowed cost, the County shall notify the Contractor in writing of the disallowance. The course of action to address the disallowance shall be at sole discretion of the County, and may include either an adjustment to future invoices, request for credit, request for a check or deduction from current billings Submitted by the Contractor by the amount of the disallowance, or to require reimbursement forthwith of the disallowed amount by the Contractor by issuing a check payable to Maricopa County.

**6.24 AUDIT DISALLOWANCES:**

If at any time, County determines that a cost for which payment has been made is a disallowed cost, such as overpayment, County shall notify the Contractor in writing of the disallowance. County shall also state the means of correction, which may be but shall not be limited to adjustment of any future claim submitted by the Contractor by the amount of the disallowance, or to require repayment of the disallowed amount by the Contractor.

**6.25 OFFSET FOR DAMAGES;**

In addition to all other remedies at Law or Equity, the County may offset from any money due to the Contractor any amounts Contractor owes to the County for damages resulting from breach or deficiencies in performance of the contract.

6.26 PUBLIC RECORDS:

Under Arizona law, all Offers submitted and opened are public records and must be retained by the Records Manager at the Office of Procurement Services. Offers shall be open to public inspection and copying after Contract award and execution, except for such Offers or sections thereof determined to contain proprietary or confidential information by the Office of Procurement Services. If an Offeror believes that information in its Offer or any resulting Contract should not be released in response to a public record request under Arizona law, the Offeror shall indicate the specific information deemed confidential or proprietary and submit a statement with its offer detailing the reasons that the information should not be disclosed. Such reasons shall include the specific harm or prejudice which may arise from disclosure. The Records Manager of the Office of Procurement Services shall determine whether the identified information is confidential pursuant to the Maricopa County Procurement Code.

6.27 PRICES:

Contractor warrants that prices extended to County under this Contract are no higher than those paid by any other customer for these or similar services.

6.28 INTEGRATION:

This Contract represents the entire and integrated agreement between the parties and supersedes all prior negotiations, proposals, communications, understandings, representations, or agreements, whether oral or written, express or implied.

6.29 RELATIONSHIPS:

In the performance of the services described herein, the Contractor shall act solely as an independent contractor, and nothing herein or implied herein shall at any time be construed as to create the relationship of employer and employee, co-employee, partnership, principal and agent, or joint venture between the County and the Contractor.

6.30 GOVERNING LAW:

This Contract shall be governed by the laws of the state of Arizona. Venue for any actions or lawsuits involving this Contract will be in Maricopa County Superior Court or in the United States District Court for the District of Arizona, sitting in Phoenix, Arizona

6.31 ORDER OF PRECEDENCE:

In the event of a conflict in the provisions of this Contract and Contractor's CareMC License agreement, if applicable, the terms of this Contract shall prevail.

6.32 DISCLAIMERS

6.32.1 Coverage and Compensability. CONTRACTOR IS NEITHER A HEALTH CARE PROVIDER NOR A CLAIMS ADMINISTRATOR AND CONTRACTOR DOES NOT MAKE FINAL DETERMINATIONS REGARDING THE COVERAGE OR COMPENSABILITY OF HEALTH CARE SERVICES RENDERED BY HEALTH CARE PROVIDERS TO INJURED PERSONS. THE SERVICES PROVIDED BY CONTRACTOR UNDER THIS AGREEMENT ARE ADVISORY ONLY AND ARE PROVIDED SOLELY TO FACILITATE COUNTY'S BUSINESS OPERATIONS. COUNTY AND COUNTY'S EMPLOYEES AND/OR AGENTS HAVE THE OPTION TO ACCEPT OR REJECT ANY ADVICE OFFERED BY CONTRACTOR HEREUNDER. CONTRACTOR DOES NOT MAKE DETERMINATIONS RELATING TO COUNTY'S BUSINESS, INCLUDING, BUT NOT LIMITED TO, THOSE REGARDING THE COVERAGE OR COMPENSABILITY OF HEALTH CARE SERVICES. COUNTY SHALL RETAIN FULL RESPONSIBILITY FOR ALL FINAL DETERMINATIONS REGARDING THE PAYMENT OF POLICY BENEFITS.

- 6.32.2 Healthcare Authority. CONTRACTOR AND ITS AGENTS HAVE NO AUTHORITY TO CONTROL OR DIRECT THE HEALTH CARE SERVICES PROPOSED FOR OR PROVIDED TO INJURED PERSONS. THIS AUTHORITY SHALL LIE ONLY WITH THE INJURED PERSON AND HIS/HER TREATING PHYSICIAN IN ANY CASE, AND THOSE INDIVIDUALS MAY ACCEPT, REJECT OR MODIFY ANY ADVISORY DETERMINATIONS MADE BY CONTRACTOR OR ITS AGENTS, EXCEPT INSOFAR AS STATE WORKERS' COMPENSATION LAWS MAY REQUIRE THEM TO FOLLOW THE DETERMINATIONS OF COUNTY, COUNTY'S AGENTS, A WORKERS' COMPENSATION JUDGE OR REVIEW PANEL, OR ANOTHER THIRD PARTY.
- 6.32.3 No Interference with Practice of Medicine. Neither Contractor nor County shall attempt to directly or indirectly, to control, direct or interfere with the practice of medicine by any health care provider.

6.33 INCORPORATION OF DOCUMENTS:

The following are to be attached to and made part of this Contract:

- 6.33.1 Exhibit A, Pricing;
- 6.33.2 Exhibit B, Scope of Work;
- 6.33.3 Exhibit C, CorVel Healthcare Corporation CareMC License Agreement;
- 6.33.4 Exhibit D, Sample of EOB Report

NOTICES:

All notices given pursuant to the terms of this Contract shall be addressed to:

For County:

Maricopa County  
Office of Procurement Services  
ATTN: Contract Administration  
320 West Lincoln Street  
Phoenix, Arizona 85003-2494

For Contractor:

CorVel Healthcare Corporation  
ATTN: Sharon O'Connor, Director of Legal Services  
2010 Main Street, Suite 600  
Irvine, CA 92614

**IN WITNESS WHEREOF**, this Contract is executed on the date set forth above.

**CONTRACTOR**

\_\_\_\_\_  
AUTHORIZED SIGNATURE

\_\_\_\_\_  
PRINTED NAME AND TITLE

\_\_\_\_\_  
ADDRESS

\_\_\_\_\_  
DATE

**MARICOPA COUNTY**

\_\_\_\_\_  
CHIEF PROCUREMENT OFFICER,  
OFFICE OF PROCUREMENT SERVICES

\_\_\_\_\_  
DATE

**APPROVED AS TO FORM:**

\_\_\_\_\_  
LEGAL COUNSEL

\_\_\_\_\_  
DATE

**EXHIBIT A**

**PRICING**

SERIAL 15032					
NIGP CODE: 94620					
RESPONDENT'S NAME:	CorVel Healthcare Corporation				
COUNTY VENDOR NUMBER :	N/A				
ADDRESS:	2010 Main Street, Suite 600				
	Irvine, California 92614				
P.O. ADDRESS:	N/A				
TELEPHONE NUMBER:	(602) 509-2548				
FACSIMILE NUMBER:	(866) 392-2919				
WEB SITE:	<a href="http://www.corvel.com">www.corvel.com</a>				
CONTACT (REPRESENTATIVE):	Denise Maier				
REPRESENTATIVE'S E-MAIL ADDRESS:	<a href="mailto:denise_maier@corvel.com">denise_maier@corvel.com</a>				
				<b>YES</b>	<b>NO</b>
					<b>REBATE</b>
WILL ALLOW OTHER GOVERNMENTAL ENTITIES TO PURCHASE FROM THIS CONTRACT				[ X ]	[ ]
WILL ACCEPT PROCUREMENT CARD FOR PAYMENT:				[ X ]	[ ]
WILL OFFER REBATE (CASH OR CREDIT) FOR UTILIZING PROCUREMENT CARD:				[ ]	[ ]
<small>(Payment shall be made within 48 hours of utilizing the Purchasing Card</small>					
[ x ] NET 30 DAYS					
<b>1.0 PRICING:</b>					
1.1 OPTION A: Respondent shall indicate/offer fixed percentage of "net savings" offer, for medical bill review services. Respondent must indicate what types of charges are to be considered to determine fees i.e. (1) BR-Bill Review (reduction to fee schedule), (2) PPO-Preferred Provider Organizations (Network discount below fee schedule), (3) OSR- Outside Review (Such as QMedtrix), (4) Any other codes/modifiers to be used - please indicate and explain/outline.					
				9.5 %	
1.3 Respondent's "guaranteed turn around time" (calendar days) for medical review from the date the original bill is made available for review (turnaround time of seven (7) calendar days maximum, is required. See Section 2.1.1.9					
				7 /day	
2.0 Additional Pricing					
2.1 Data Conversion Fee:					
				Included	flat fee

**EXHIBIT B****SCOPE OF WORK****1.0 INTENT:**

The intent of this solicitation is to identify a contractor for the purpose of providing effective and efficient medical bill review services for Maricopa County's entire workers' compensation program. Average number of bills received is 9,000 annually. Contractor shall be required to provide the necessary services at the direction of the County's Self – Insured Risk Trust Fund; Maricopa County Risk Management Department. For fiscal year 13/14, the number of bills received was 7,149 with a total billed of \$3,654,129. These totals are less duplicate billings.

Other governmental entities under agreement with the County may have access to services provided hereunder.

**2.0 SCOPE OF WORK:****2.1 MINIMUM TECHNICAL REQUIREMENTS:****2.1.1 BILL REVIEW CONTRACTOR RESPONSIBILITIES**

- 2.1.1.1 Review individual bills and identify charges in excess of the Industrial Commission Physician Fee Schedule.
- 2.1.1.2 Review individual bills and identify medically unnecessary procedures per Evidence Based Medicine Guidelines.
- 2.1.1.3 Review individual bills and identify improperly coded medical procedures.
- 2.1.1.4 Review individual bills and identify medical providers who provide excessive utilization of their services procedures per Evidence Based Medicine Guidelines.
- 2.1.1.5 Review individual bills and identify medical procedures not covered by the Industrial Commission Physician Fee Schedule.
- 2.1.1.6 Review all bills and identify duplications. Contractor shall not charge a fee for duplicate bill submissions.
- 2.1.1.7 Track prescription usage and alert County Agency for potential abuse.
- 2.1.1.8 Review bills not covered under the Fee Schedule and determine if the provider has charged according to reasonable and customary rates established by Centers for Medicare/Medical Services (CMS) rate schedule.
- 2.1.1.9 The Contractor shall review, as part of their regular job duties, each bill within a maximum of a seven (7) calendar day turnaround time, from the date the bill is made available to the Contractor. Consideration shall be given to those Contractors who propose turnaround time of less than seven (7) calendar days, from the date the bill is made available to the Contractor.
- 2.1.1.10 The Contractor shall be provided with the original bill for review and evaluation. It is the responsibility of the Contractor to arrange for the pick-up and return of said bill and related documentation in a manner and frequency that is acceptable to the County agency, electronic transfers preferred via the attached file format (see section 2.1.1.13.5).

- 2.1.1.11 County has contracted with certain vendors at below State mandated fee schedules, Contractor shall scan and upload said bills and attachments, without processing at no additional cost.
- 2.1.1.12 Contractor shall provide a quality assurance representative that will assist in the handling of problems, disputes and workflow challenges. This representative shall be available to the County agency during normal working hours of Monday through Friday, 7:30 AM (MST) to 5:00 PM (MST) via dedicated phone, dedicated hotline preferred, and/or e-mail. When deemed necessary by the County agency, the Contractor shall provide additional resources, at no additional cost to the County agency, should challenges or problems arise and the Contractor is unable to fulfill any requirements as stated herein.
- 2.1.1.13 Contractor must be able to interface with Risk Master Software, a CSC Claims Management System, to include the following data interface (at minimum) at no additional cost to the County agency:
  - 2.1.1.13.1 Claim File
  - 2.1.1.13.2 Vendor File
  - 2.1.1.13.3 Payment File
  - 2.1.1.13.4 History Load (history data to be provided by the incumbent Bill Review vendor)
  - 2.1.1.13.5 MBR Interface Field Mapping (ATTACHMENT B, Excel Format)
- 2.1.1.14 Contractor must be able to post reports compatible with Hyland Software Virtual Printer.

2.1.2 Medical Bill Review Questions:

Responses to these questions will become part of the resultant contract.

- 2.1.2.1 Describe the implementation process you would employ for a seamless transition of our cost containment operations to your organization and address all aspects including account setup, Electronic Data Interchange (EDI) development, history transfer, etc. Provide the name of your Implementation Manager who will be assigned to the County and his/her related professional experience.
- 2.1.2.2 Which office locations will perform re-pricing for our account? What is the composition of your Medical Bill Review staff at this office (titles and number of associates per position)
- 2.1.2.3 Other than reducing bills to state's fee schedule, elaborate on other methods your firm will provide to allow for further reductions.
- 2.1.2.4 List any affiliated PPO providers or other providers that offer discounted programs.
- 2.1.2.5 How does your company handle charges that are not covered by the Arizona Fee Schedule? What method does your company employ to ensure the County agency does not overpay for non-covered services? Describe your provider inquiries department and how you address provider complaints. What specific (uniqueness) can you offer about your handling of provider inquiries that will ensure the number of provider complaints received by the County's staff is minimized?
- 2.1.2.6 Does your company use a third party to process billing? If so, what company is used? Preference will be given to companies that do NOT use a third party.

2.1.3 REPORTING REQUIREMENTS:

2.1.3.1 The Contractor shall submit an electronically *comprehensive Monthly Net Savings Report* within fifteen (15) days of each month end to the Risk Management Department. *Stated report shall include the following reporting categories:*

2.1.3.1.1 Total dollar amount of bills submitted for audit.

2.1.3.1.2 Bill review reductions.

2.1.3.1.3 PPO reductions.

2.1.3.1.4 Recommended allowance.

2.1.3.1.5 Gross savings.

2.1.3.1.6 Gross percentage of savings

2.1.3.1.7 Total monthly fee for service.

2.1.3.1.8 Overall net savings.

2.1.3.1.9 Net percentage of savings.

2.1.4 CONTRACTOR EXPERIENCE:

2.1.4.1 The Contractor shall have been in the Workers' Compensation Bill Review business for a minimum of five (5) consecutive years. Proof of this requirement must accompany the proposal. (i.e. Business License or documentation showing how long contractor has been in business, when/if incorporated).

## NARRATIVE

### About CorVel

CorVel is a national provider of leading workers' compensation solutions to employers, third party administrators, insurance companies and government agencies. Our experience with municipalities across the nation provides an innovative, integrated service model that applies advanced communication and information technology to improve healthcare management. Our associates work side by side with over 2,000 customers nationwide to deliver innovative, tailored solutions to manage risk and keep our customers ahead of their costs. CorVel is a publicly traded company on the NASDAQ (CRVL) with more than 24 years of bill review service experience.

### Overview

CorVel offers a complete medical savings solution for all of your in-network and out-of-network medical bills, including PPO management, medical bill repricing, line-item review, expert fee negotiations, professional review, automated adjudication and electronic reimbursement. Each feature focuses on increasing processing efficiencies and maximizing savings opportunities.

### The Advantage

CorVel specializes in reducing the cost of all medical bills through a combination of robust rules-based technology, clinical expertise, expert review and a proprietary PPO network. CorVel offers a winning formula by combining all of these elements into a single, powerful savings solution.

Our proprietary rules engine is highly flexible and can be configured by line of business, company location, state and customer. Populated with more than ten million business protocols, CorVel ensures accurate and consistent bill review to maximize savings for the County. Through the electronic intake of medical bills and expert review of all charges, CorVel is able to identify unbundled services, re-bundling opportunities, reasonable and customary review, fee schedule analysis, pharmacy review and PPO management. CorVel's professional review services can define and adjust individual line item charges on all medical bills to reasonable and customary levels.

We offer a national, proprietary network of more than 750,000 preferred providers and facilities, including more than 13,400 in Arizona. Providers are selected using demanding criteria based on quality, range of services, cost and location. Our solutions extend beyond traditional PPO programs via our directed care networks which offer significant discounts with ancillary providers combined with utilization management, increased penetration and robust reporting.

In addition, we maintain an agreement with the Blue Cross Blue Shield of Arizona network and have an average 85% penetration rate in Arizona. Our exclusive arrangement with Blue Cross and Blue Shield of Arizona offers the most PPO savings possible, and we are the only company that has this arrangement with Blue Cross and Blue Shield of Arizona network.

Our comprehensive pharmacy solution offers increased network penetration, first fill program, formulary management, brand to generic conversion, mail order program, and aggressive drug utilization management. With access to a network of more than 1,100 retail pharmacies in the state of Arizona paired with CorVel's clinical expertise, investments in technology and customer service, the County can experience significant reductions in their pharmacy program spend.

CorVel's robust reporting and analytics capabilities via our proprietary online portal, [www.caremc.com](http://www.caremc.com), offers extensive access to important claims data including all associated bill review information such as scanned medical bills and Explanations of Benefits (EOBs). With online access to comprehensive data, the County can track medical costs throughout the life of a claim and review bills being processed instantly and at your convenience.

### The Difference

In the next year CorVel will save our customers over \$4 billion, achieving an average savings as high as 60% per bill in the state of Arizona. We offer the County the most comprehensive solution in the marketplace. From smart processing through payment resolution, CorVel focuses on increasing efficiencies and maximizing savings opportunities for our clients.

### 5.6.3 Proposal

CorVel represents and warrants that we have the necessary knowledge, skills and experience to perform the required services in accordance with the terms and conditions, and we will perform the services in a diligent, professional manner using an appropriate number of qualified individuals and in accordance with applicable industry standards.

#### 2.0 SCOPE OF WORK:

#### 2.1 MINIMUM TECHNICAL REQUIREMENTS:

##### 2.1.1 BILL REVIEW CONTRACTOR RESPONSIBILITIES

##### 2.1.1.1 Review individual bills and identify charges in excess of the Industrial Commission Physician Fee Schedule.

CorVel will review individual bills and identify charges in excess of the Industrial Commission Physician Fee Schedule. Our bill review system's rules engine has more than ten million rules that apply fee schedule and appropriate reasonable and customary rules. Bills are reviewed to ensure that charges are not in excess of the Industrial Commission Physician Fee Schedule or reasonable and customary rates. This can reduce medical costs by 40% depending on state regulations.

##### 2.1.1.2 Review individual bills and identify medically unnecessary procedures per Evidence Based Medicine Guidelines.

CorVel's in-house bill review system houses a proprietary artificial intelligence engine that includes more than 10 million individual rules based on criteria from various Evidence Based Medical Guidelines, creating a comprehensive review process that is more efficient than the traditional manual bill review. After the bill is reviewed by the rules engine, the system automatically routes the bill to the most appropriate Bill Review Analyst. This allows CorVel specialists to utilize their knowledge and provide optimum review for each bill, in lieu of the current generalized approaches in competing systems.

Every bill is manually reviewed by a Bill Review Analyst located in Arizona who is highly trained in Evidence Based Medical Guidelines, fee schedule, and jurisdictional statutes. Analysts and Nurse Reviewers utilize, but are not limited to, the following Evidence Based Guidelines:

- ACOEM – American College of Occupation and Environmental Medicine.
- Official Disability Guidelines – Work Loss Data Institute.
- Medical Disability Advisor – Presley Reed, M.D.
- Medical Treatment Utilization Schedule, State of California (when it addresses the condition or treatment)
- Guidelines for Chiropractic Quality Assurance and Practice Parameters
- Proceedings of the Mercy Center Consensus Conference
- Length of Stay by Diagnosis and Operation – U.S. Western Region, Solucient
- Physicians as Assistants at Surgery, American College of Surgeons
- Medicare Correct Coding Guide, Ingenix
- Milliman Care Guidelines

CorVel's Analysts utilize Evidence Based Medicine Guidelines while reviewing the medical history to ascertain if the treatment is appropriate for the injury and also appropriate based on the supplied medical history. Access to guidelines is provided directly within our online system, allowing for efficient processing and utilization of the most recent version of the guidelines.

##### 2.1.1.3 Review individual bills and identify improperly coded medical procedures.

Our system has the ability to flag bills for improperly coded medical procedures. If a bill is identified as having improper medical codes, the bill is flagged and requires additional review. Our bill review team, consisting of qualified and experienced Analysts, surgery specialists and service representatives, utilize highly sophisticated analytic tools to identify, document and report the following:

- Improperly coded medical procedures
- Appropriateness of services rendered for the diagnoses

- Questionable billing practices
- Errors and duplications
- Bundled and unbundled charges
- Patterns of fraud and abuse

#### **2.1.1.4 Review individual bills and identify medical providers who provide excessive utilization of their services procedures per Evidence Based Medicine Guidelines.**

CorVel's system has the ability to identify when medical providers have an excessive utilization of their services and procedures, per Evidence Based Medicine Guidelines. Our system automatically identifies CPT code unbundling, fragmented billings, up-coding, etc. It will identify charges that have more accurate coding or should be re-bundled.

In addition, we have Registered Nurses on staff to assist the Analysts with their expertise and help provide answers for the more detailed or questionable bills.

#### **2.1.1.5 Review individual bills and identify medical procedures not covered by the Industrial Commission Physician Fee Schedule.**

CorVel's Arizona based Bill Review Analysts are able to review individual bills and identify medical procedures that are not covered by the Industrial Commission Physician Fee Schedule. We are able to re-price based on reasonable and customary reductions. We utilize the FAIR Health database for reasonable and customary rules related to provider billing. For codes that do not have a value, we will use a code comparable in service and time and base it on the value of the code. If there is not a comparable code, we will negotiate the billed amount.

#### **2.1.1.6 Review all bills and identify duplications. Contractor shall not charge a fee for duplicate bill submissions.**

CorVel's automated data validation program reviews the accuracy of all bill data, matches the bill to the correct claimant and provider, and checks for duplicates. If the system determines that any data, claim, or provider match is in question, or a bill is identified as a duplicate, the bill is placed in a queue for further review by a data verification specialist. This combination of automation and manual review ensures a high level of data integrity and accuracy.

Once the bill data is verified as accurate, it is passed through our bill review system where it is reviewed for relatedness by matching CPT and ICD9 codes, then checked again for duplicates. Criteria for duplicate identification are patient ID, date of service, CPT codes, and modifiers. The system will alert the Bill Review.

Analyst if a possible duplicate is identified and will deny specific lines or the entire bill. At the line level, the duplicate is identified on the EOB; at the bill level, another copy of the EOB is produced and marked as a duplicate.

CorVel has one of the only medical review solutions to offer in-house Optical Character Recognition (OCR). OCR translates the characters into a standard text format before the bill is loaded electronically into the bill review system. The use of OCR and electronic data interface significantly cuts back on manual data entry and paper shuffling and eliminates duplicates. Without recognizing duplicates, savings are inflated and do not represent real savings.

#### **2.1.1.7 Track prescription usage and alert County Agency for potential abuse.**

CorVel's comprehensive pharmacy solution and cost containment program manages our clients' total exposure and offers maximum network penetration, aggressive drug utilization management, a first fill program, formulary management, brand to generic conversion, and a mail order program. Combining these services with access to a network of over 1,100 retail pharmacies in Arizona and management of all bills with prescription medications, the County can experience significant reductions in their pharmacy exposures and spend.

We believe that a full review of pharmacy bills to the appropriate fee schedule amount is critical for the effective management of the County's pharmacy exposure and costs. Pharmacy costs continue to drive a larger percentage of workers' compensation costs. A recent NCCI study reported that 19% of total workers' compensation claims costs are for pharmacy claims. This is due to several factors including:

- Rising drug costs
- Increase in narcotics usage

- Increase in physician dispensing
- Unmanaged utilization

To effectively manage the County's pharmacy program, it is essential to have 100% of the transactions to identify all at-risk claims and deliver appropriate clinical intervention. Most PBMs provide basic levels of monitoring for safety and abuse at the claim level, as long as the transactions are processed in the PBM system. We have found, however, that many problems arise from the transactions that are not in the PBM, and therefore not captured by monitoring programs. These unmanaged prescriptions are what drive exposure to unmitigated risk and excess cost.

CorVel's pharmacy program delivers industry leading value through integration with our bill review system that provides us with 100% visibility into our clients' pharmacy data. We are able to proactively identify significant cost-drivers in pharmacy utilization before they become high dollar claims through our Pharmacy Clinical Modeling Program which was recently awarded the 2014 Business Insurance Innovation Award. We have a proprietary set of system rules to flag specific indicators such as high narcotics usage, multiple prescribers, and certain drug combinations that can contribute to rising costs or lead to harmful conditions such as addiction and prescription abuse. Integration with CorVel's bill review system provides us with full visibility into a patient's entire drug history including drugs obtained from retail, mail order and out-of-network pharmacies, third party billers and physician dispensed medications so CorVel can manage the County's entire pharmacy exposure.

In addition, CorVel offers the County 24/7 access to all pharmacy transactions immediately upon being processed. This information is available online through the drug history screen and includes transactions processed in-network and out-of-network as well as physician dispensed medications and medications dispensed through any alternative means such as mail order pharmacies. The County will also be able to view comprehensive drug history information that includes:

- Service date
- Therapeutic class
- Brand/generic
- Drug description
- Quantity
- Days' supply
- Pharmacy
- Pharmacy ID
- Prescribing physician
- Paid/rejected
- Network (in/out)
- Total charge
- Network price
- Savings

**2.1.1.8 Review bills not covered under the Fee Schedule and determine if the provider has charged according to reasonable and customary rates established by Centers for Medicare/Medical Services (CMS) rate schedule.**

CorVel agrees to review bills not covered under the fee schedule to determine whether or not the provider's charges are according to the reasonable and customary rates established by Centers for Medicare/Medical Services rate schedule.

**2.1.1.9 The Contractor shall review, as part of their regular job duties, each bill within a maximum of a seven (7) calendar day turnaround time, from the date the bill is made available to the Contractor. Consideration shall be given to those Contractors who propose turnaround time of less than seven (7) calendar days, from the date the bill is made available to the Contractor.**

More than 98% of bills are reviewed within CorVel's standard turnaround time of five calendar days.

The County will be able to follow the status of each bill and the time spent reviewing the bills through CorVel's online bill tracking feature. Bill tracker is a read-only page that shows bill history details such as bills that are open, pending additional information, approved, pending approval or invoiced. To ensure that all bills are reviewed within CorVel's standard service commitment, the County is able to create flags within the system that will notify the

County via email in the event that any bill is outside the appropriate turnaround time thresholds. Turnaround time can also be verified through online reports.

We agree to complete the review of bills at maximum within seven calendar days of receipt of the bill as requested.

**2.1.1.10 The Contractor shall be provided with the original bill for review and evaluation. It is the responsibility of the Contractor to arrange for the pick-up and return of said bill and related documentation in a manner and frequency that is acceptable to the County agency, electronic transfers preferred via the attached file format (see section 2.1.1.13.5).**

We recognize that it is our responsibility to arrange for the pick-up and return of original bills and related documentation in a manner and frequency that is acceptable to the County.

CorVel offers multiple methods to perform medical bill review based on our local presence in Arizona. They include:

- Electronic submission
- Courier service
- Designated Account Manager with daily/bi-weekly pickups
- Onsite scanning in the County's offices
- Onsite scanning and processing of bills in the County's offices
- Onsite scanning and processing of bills in CorVel's local offices
- Dedicated Post Office Box in each of the County's offices with bills coming directly to CorVel (with claims feed integration)

We remain flexible and can tailor the service delivery model based on the County's needs.

**2.1.1.11 County has contracted with certain vendors at below State mandated fee schedules, Contractor shall scan and upload said bills and attachments, without processing at no additional cost.**

CorVel agrees to scan and upload bills and attachments without processing at no additional cost. If the County elects, CorVel can also enter the County contracts into the system and re-price the bills to the County contract for the minimum per bill fee.

**2.1.1.12 Contractor shall provide a quality assurance representative that will assist in the handling of problems, disputes and workflow challenges. This representative shall be available to the County agency during normal working hours of Monday through Friday, 7:30 AM (MST) to 5:00 PM (MST) via dedicated phone, dedicated hotline preferred, and/or e-mail. When deemed necessary by the County agency, the Contractor shall provide additional resources, at no additional cost to the County agency, should challenges or problems arise and the Contractor is unable to fulfill any requirements as stated herein.**

The designated Account Manager will be the point person for the County who is responsible for overseeing the program and ensuring compliance with established service standards and requirements and monitoring quality assurance. Ongoing communication will be maintained with the County to provide support for your day-to-day needs including any reporting and training requests. The Account Manager will address any inquiries or issues that may arise and is fully empowered with the required technical and management resources to ensure a timely resolution. They will also coordinate annual stewardship meetings with the County to discuss program results and identify areas of opportunities for program enhancement. The Account Manager will be available to the County during normal working hours, Monday through Friday, 7:30 AM (MST) to 5:00 PM (MST) via dedicated phone, dedicated hotline or e-mail. CorVel is able to provide additional support at no additional cost to the County as necessary.

**2.1.1.13 Contractor must be able to interface with Risk Master Software, a CSC Claims Management System, to include the following data interface (at minimum) at no additional cost to the County agency:**

- 2.1.1.13.1 Claim File**
- 2.1.1.13.2 Vendor File**
- 2.1.1.13.3 Payment File**
- 2.1.1.13.4 History Load (history data to be provided by the incumbent Bill Review vendor)**
- 2.1.1.13.5 MBR Interface Field Mapping (ATTACHMENT B, Excel Format)**

CorVel is able to interface with Risk Master Software, and our EDI can include all files as requested. We are able to import the County's historical billing information from the previous vendor.

**2.1.1.14 Contractor must be able to post reports compatible with Hyland Software Virtual Printer.**

CorVel has the ability to post reports compatible with Hyland software Virtual Printer.

**5.6.3.1 Describe the implementation process you would employ for a seamless transition of our cost containment operations to your organization and address all aspects including account setup, EDI development, history transfer, etc. Provide the name of your Implementation Manager who will be assigned to the County and his/her related professional experience.**

*Implementation Process/Account Set Up*

CorVel has consistently proven our ability to successfully implement new clients through an organized and methodical implementation process managed by the Account Manager. All tasks are completed, deadlines met and expectations clearly communicated to all stakeholders. CorVel works from a basic premise in regards to implementation - clearly define the expectations, agree upon the expectations, then meet and exceed those expectations.

The components of a successful implementation include the following:

- Business Needs
- Technical Requirements
- Service Standards
- Tailored Areas
- Training

CorVel's project management approach is an open process tailored to fit the needs of the County. We will take into consideration the existing relationship that the County has with your current vendor and tailor our project management approach to fit your needs. Issue resolutions and status updates are addressed during weekly management calls and project spreadsheets that detail our programming specifications.

In order to provide the most efficient and robust program, a statement of work is drafted outlining agreed upon deliverables and signed by CorVel and the County. From the statement of work, the implementation plan is created. These documents serve as adjunct tools to manage the implementation process, define responsible parties and track progress.

CorVel is prepared to immediately mobilize the resources and implementation team required to implement a smooth transition from the County's current bill review program to CorVel. The CorVel implementation team will include, but not be limited to:

- Project Manager
- Account Manager
- Account Executive
- Vice President of Sales
- Bill Review Product Manager
- District Manager
- Regional IT Director
- Customer Service and Support Leader
- IT Programming Manager
- Systems Product Manager

*EDI Development*

CorVel has an extensive and documented process for EDI projects in place. We work with the appropriate personnel for the claim system software and the County to review file formats and specific system requirements for data fields in both systems. We approach each desired piece of the EDI process with test file exchanges, reviews of results and acceptance before moving on to the next piece. CorVel currently has an EDI in place with Risk Master, and we are able to use the established EDI for the County's program.

The County's designated Account Manager will provide support for any software issues. The Account Manager is fully empowered with the required technical and management resources to ensure a timely resolution. We will develop performance expectations with the County for response time to issues based on severity and impact.

*History Transfer*

A historical bill review load is required to pre-populate our bill review system before the first bills are received for review. The data should contain approximately two years' worth of open and closed claims. The historical feed should be received at least two weeks prior to receiving medical bills for review. Once in production, an incremental claim feed is needed.

The County's Implementation Manager will be Russell Gillman.

**5.6.3.2 Which office locations will perform re-pricing for our account? What is the composition of your Medical Bill Review staff at this office (titles and number of associates per position)**

CorVel's Phoenix, Arizona, office will perform Bill Review for the County's account.

Our Phoenix office is located at:

1850 North Central Avenue, Suite 1200

Phoenix, AZ 85004

CorVel's medical bill review staff at our Phoenix, Arizona, office is composed of the following personnel:

- Manager
- Two Senior Analysts with Specialties in Quality Assurance
- Senior Analyst, Professional Review Specialist and CPC
- Senior Analyst, Provider Relations, CPC
- Two Senior Analysts
- Three Bill Review Analysts
- Administrative Assistant, Provider Relations
- Two Clerical Assistants

CorVel will work with the County to develop a staffing model that will ensure appropriate staffing levels so the County does not encounter any disruption in service or service levels. Once implementation has been completed, we will continue to review the staffing ratios and team development to ensure that we are meeting the needs of the County.

**5.6.3.3 Other than reducing bills to state's fee schedule, elaborate on other methods your firm will provide to allow for further reductions.**

CorVel has established itself as a national expert in medical bill review in the workers' compensation industry. We specialize in reducing the cost of all medical bills through a combination of rules-based technology, clinical expertise, expert review and a proprietary PPO network. We offer a winning formula by combining these elements into a single, powerful savings solution, offering up to 28% higher savings than leading competitors, a savings of 60% per bill in the state of Arizona.

In addition to standard fee schedule reductions on medical bills, CorVel is able to offer the County significant increased savings due to the following steps performed on each bill as needed:

- *Professional Review* - We employ an experienced and trained team of registered nurses to review bills against actual medical files in order to find inconsistencies between services provided and services billed. Our experienced review staff has clinical backgrounds in all areas of medicine as well as medical billing and coding to ensure an accurate, consistent and thorough review.
- *Expert Negotiation Services* – Negotiation services are applied on all out-of-network bills with savings of 25% or less through the normal bill review processes. All recommendations are validated using multiple data as well as professional review analysis. All agreements are signed with provider approval resulting in savings over and above the fee schedule or reasonable and customary reviews and with no balance billing issues.
- *Integrated, Proprietary PPO Network* - CorVel delivers significant discounts below workers' compensation fee schedules and reasonable and customary rates through the integration of our proprietary PPO network and bill review service. We maintain direct contracts with more than 9,240 provider locations in the state of

Arizona, and we have exclusive access to the Blue Cross Blue Shield network allowing for a PPO penetration rate of 85%. Through discounted rates we have established with our network providers, we are able to generate the maximum possible savings for the County.

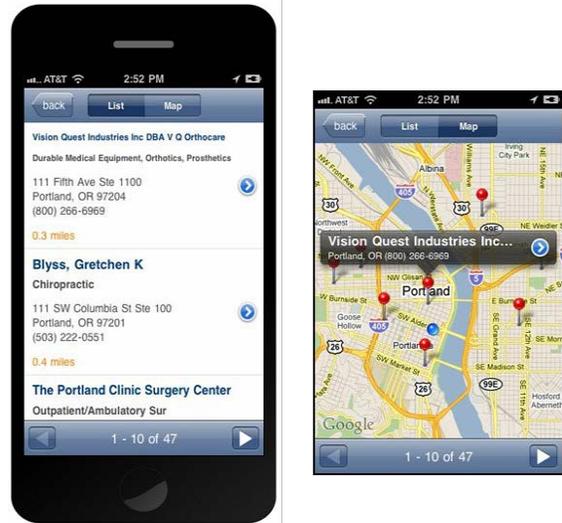
**5.6.3.4 List any affiliated PPO providers or other providers that offer discounted programs.**

CorVel offers a proprietary national PPO network comprised of more than 750,000 board certified providers and locations, including more than 9,240 providers in the state of Arizona, to offer our clients local insight with national coverage. Providers are selected from a demanding criteria based on quality, range of services, price and location. Each provider is thoroughly evaluated and credentialed, then re-credentialed every three years. Through this extensive evaluation process, CorVel is able to provide significant hospital, physician and ancillary medical savings while maintaining high quality care.

Our provider listings can be accessed via our website at [www.corvel.com](http://www.corvel.com) or [www.caremc.com](http://www.caremc.com). These websites allow for searches to occur in a multitude of ways including by city, service line and specialty. Once a provider has been identified, the user can print maps and directions to the provider's location.

CorVel also offers a proprietary Provider Lookup App for smart phones and tablet devices making it easy to locate network doctors, specialists, hospitals, and other facilities near you and across the country. Find providers for injured workers based on current location, city, state, or zip code, and by specialty.

We recognize that the four key elements in cost containment are utilization, rate reduction, timeliness and reporting. We have integrated these elements into a specialty network, focusing on widely utilized ancillary services. CorVel offers convenient access, timely appointments and preferred rates from one of the nation's largest and most respected network of directed care services. We have contracted with the nation's best medical imaging, physical therapy, IME, DME, transportation and translation ancillary service providers to assure guaranteed services and low prices. Our company has a relationship with more than 50% of the nation's credentialed facilities, offering the most extensive network of directed care services in the country.



PPO Lookup App

In addition, CorVel is the only workers' compensation medical management provider to have exclusive access to the Blue Cross Blue Shield of Arizona network. Having this access allows us to provide the County with a PPO penetration rate of 85%, enhancing our savings.

**5.6.3.5 How does your company handle charges that are not covered by the Arizona Fee Schedule? What method does your company employ to ensure the County agency does not overpay for non-covered services? Describe your provider inquiries department and how you address provider complaints. What specific (uniqueness) can you offer about your handling of provider inquiries that will ensure the number of provider complaints received by the County's staff is minimized?**

*Charges Not Covered by Arizona Fee Schedule*

CorVel reviews all charges that are not covered by the Arizona fee schedule. We will generally re-price based on contract language; which in some cases is less than what is dictated by a fee schedule. Appropriate payment is determined from similar treatments and/or reasonable and customary charge data. Through this process, we verify that the County will not be overpaying for non-covered services.

We offer enhanced bill review services for inpatient and outpatient hospital bills and surgery facility charges. Enhanced bill review allows claims payors to adjust individual line item charges on all bills to reasonable and customary levels while removing all errors and billing discrepancies. Through historical and knowledge based screening, cases are individually profiled to ensure that the most appropriate cost containment tools are applied.

One feature of enhanced bill review includes Line Item Bill Review (LIBR) of inpatient and outpatient hospital bills and surgery facility charges. The review process is a comparison of hospital charges to CorVel's proprietary, industry-unique, Universal Chargemaster, and access to more than 3.5 million different chargemaster line items enables CorVel to track billing trends nationwide.

*Provider Inquiries Department*

Providers are able to submit disputes and inquiries on CorVel's websites (www.corvel.com and www.caremc.com) or by telephone. They are also instructed on the EOB to contact CorVel with any PPO related issues. Our provider relations representatives will contact providers via email, fax or telephone within 24 hours of the inquiry.

Our provider relations staff are responsible for all court appearances on billing and lien issues, preparation of billing and file for court cases, maintenance of contact with the Attorneys, Adjusters and Supervisors, answering provider call appeals, and management of correspondence to providers and insurers.

CorVel will respond to and defend the data integrity of our system and the PPO discounts taken. If the provider contacts the Adjuster directly, the Adjuster can refer the provider to CorVel. If the provider disputes the application of a PPO discount, CorVel researches the issue and contacts the provider with the results. We will attempt to resolve the dispute per the terms of the PPO provider contract.

*Provider Portal*

Network providers have access to our industry-unique Provider Portal. The Provider Portal lets providers quickly and easily access payment information and images. Providers can also search for and view electronic funds transfer (EFT) and check transactions, view explanations of review images, export data to Excel and view zero pay EORs, all of which help streamline the provider reimbursement process.

Via the Provider Portal, network providers can view EFT and check transaction records by Tax ID and pending, completed or exported status – their information is transparent to them. Providers also receive alerts when a payment is received. The benefit to the County is the providers can check the Portal to see if a transaction has been processed by seeing an EOR, rather than contacting the County with provider calls.

**5.6.3.6 Does your company use a third party to process billing? If so, what company is used? Preference will be given to companies that do NOT use a third party.**

CorVel's software, systems and staff are direct resources of our company; we do not use a third party vendor to process our bills. CorVel manages Bill Review from intake to EOR on bills that range in complexity from provider to hospital bills.

Our proprietary state-of-the-art bill review technology automates the review process to provide our clients with a faster turnaround time, more efficient bill review and a higher total savings. Our bill review artificial intelligence engine includes over ten million individual rules, which creates a comprehensive review process that is more efficient than traditional manual bill review processes, achieving industry leading savings results and either reducing or eliminating manual tasks.

Features of bill review include:

- Automated, electronic intake of physician billing
- State-of-the-art rules engine
- Enhanced EDI interface
- Online bill review and approval
- Scanning/OCR
- Checkwriting and comprehensive reporting

CorVel has over 200 employees located in Portland, Oregon involved in the development, management and support of our bill review software. Payors are able to review and approve bills online as well as access savings reports in an instant through our online system. The process is paperless, through scanning and EDI, while proving to be cost effective and efficient with no storage or filing costs. Our rapid turnaround time and online platform make information available in real time. For a complete solution, CorVel offers provider reimbursement, which submits payment to providers upon client approval.

CorVel's solutions can be tailored to meet the County's unique requirements.

## 5.6.4 Qualifications

**This section shall describe the respondent's ability and experience related to the programs and services proposed. All project personnel, as applicable, shall be listed including a description of assignments and responsibilities, a resume of professional experience, an estimate of the time each would devote to this program, and other pertinent information.**

### *Ability and Experience*

CorVel has more than 21 years of experience companywide as a national provider of bill review services to employers, third party administrators, insurance companies and government agencies. The Phoenix, Arizona Bill Review staff has over 20 years of local experience. The Arizona Bill Review Manager, Renee Englen, has over 19 years of experience in Bill Review with CorVel, and the Arizona Senior Bill Review Analyst, Patricia Heater, has over 20 years of Bill Review Experience in the state.

We are an industry leader in risk management solutions. Throughout the years, we have enjoyed long-term relationships with many of the largest and most innovative payors in the nation. Using the expertise gained in those relationships, our entire client base is able to take advantage of the pooled insights of many of the leaders in the casualty insurance industry.

We have been performing medical bill review since 1989. Our state-of-the-art bill review technology automates the review process to provide the County with a faster turnaround time, more efficient bill review and a higher total savings. CorVel reviews approximately \$7 billion of provider charges annually. Savings for customers last year were approximately \$4 billion. This volume of work gives us tremendous experience and a valuable database of medical review information.

### *Project Personnel:*

- Monica Kloskowski, Account Manager
- Renee Englen, Bill Review Manager
- Nico Navarro, Bill Review Analyst, Provider Relations
- Mary Provenzale, Senior Bill Review Analyst, Provider Relations, CPC
- Kurian Abraham, Bill Review Analyst
- Patty Adams, Senior Bill Review Analyst, and Quality Assurance Specialist
- Patricia Heater, Senior Bill Review Analyst
- Keri Miller, Senior Bill Review Analyst
- Amber Buckner, Bill Review Analyst
- Autumn Ketterer, Clerical Assistant

Our proprietary bill review technology is designed to take advantage of the individual expertise of our staff. Each person is designated to a specific task within the process, ensuring quality of service, and maximizing efficiencies, to increase cost savings, which are passed along to the County.

## 2.1.3 REPORTING REQUIREMENTS:

**2.1.3.1 The Contractor shall submit an electronically comprehensive Monthly Net Savings Report within thirty (30) days of each month end to the Risk Management Department. Stated report shall include the following reporting categories:**

- 2.1.3.1.1 Total dollar amount of bills submitted for audit.
- 2.1.3.1.2 Bill review reductions.
- 2.1.3.1.3 PPO reductions.
- 2.1.3.1.4 Recommended allowance.
- 2.1.3.1.5 Gross savings.
- 2.1.3.1.6 Gross percentage of savings
- 2.1.3.1.7 Total monthly fee for service.
- 2.1.3.1.8 Overall net savings.
- 2.1.3.1.9 Net percentage of savings.

CorVel agrees to provide the County with monthly net savings reports as requested.

Our reporting capabilities are extensive. The County will have access to a variety of reports via the claims system, allowing you to create reports to meet your specific needs. Every report allows the user to group, total or sort by various data fields with an assortment of filters. All reporting can be grouped and totaled by multiple location tiering. CorVel's reports are user friendly, well organized, intuitive and simple to use.

**2.1.3.2 Bidders shall offer a sample report, encompassing the nine (9) categories listed above, with their response/bid. This is a mandatory requirement.**

**5.6.5 Proposal exceptions**

CorVel does not have any exceptions to the contract.

**2.1.3.1.8 Overall net savings.**

**2.1.3.1.9 Net percentage of savings.**

CorVel agrees to provide the County with monthly net savings reports as requested.

Our reporting capabilities are extensive. The County will have access to a variety of reports via the claims system, allowing you to create reports to meet your specific needs. Every report allows the user to group, total or sort by various data fields with an assortment of filters. All reporting can be grouped and totaled by multiple location tiering. CorVel's reports are user friendly, well organized, intuitive and simple to use.

**2.1.3.2 Bidders shall offer a sample report, encompassing the nine (9) categories listed above, with their response/bid. This is a mandatory requirement.**

**5.6.5 Proposal exceptions**

CorVel does not have any exceptions to the contract.

**5.6.10 Proof of Contractor Experience as described in Section 2.1.4**

**2.1.4 CONTRACTOR EXPERIENCE:**

**2.1.4.1 The Contractor shall have been in the Workers' Compensation Bill Review business for a minimum of five (5) consecutive years. Proof of this requirement must accompany the proposal. (i.e. Business License or documentation showing how long contractor has been in business, when/if incorporated).**

CorVel has been providing bill review services in the workers' compensation industry for more than 21 years. Our Phoenix, Arizona, office in Maricopa County, will be handling the County's account.

**3.3 INVOICES AND PAYMENTS:**

**3.3.1 The Contractor shall submit one (1) legible copy of their detailed invoice before payment(s) can be made. At a minimum, the invoice must provide the following information:**

- **Company name, address and contact**
- **County bill-to name and contact information**
- **Contract Serial Number**
- **County purchase order number**
- **Invoice number and date**
- **Payment terms**
- **Date of service**
- **Contract Item number(s)**
- **Description of Services provided endeavor**
- **Pricing per unit of service**
- **Extended price**
- **Total Amount Due**

CorVel will tailor the County's invoices to meet all of the criteria listed above. We will also provide the County with 24/7 access to detailed EOBs via our bill review portal.

Please see Exhibit G: Sample EOB.

**EXHIBIT C**  
**CORVEL HEALTHCARE CORPORATION**  
**CAREMC LICENSE AGREEMENT**

This CareMC License Agreement (this "License Agreement") is entered into as of July 1, 2015, (the "Effective Date") by and between CorVel Healthcare Corporation a wholly-owned subsidiary of CorVel Corporation ("CorVel"), 2010 Main Street, Suite 600, Irvine, CA 92614 ("CorVel") and Maricopa County a political subdivision of the State of Arizona ("Customer").

**RECITALS**

WHEREAS, CorVel has developed a proprietary software solution (the "CareMC Application") which is accessible via the CorVel web site located at URL www.caremc.com (the "CareMC Site"), through which CorVel provides its customers with the option of utilizing certain Managed Care Services, including certain Bill Review Services, online (such automated and online components of CorVel's Managed Care Services, "Online Services"); and

and  
 WHEREAS, CorVel provides its customers with the option of accessing certain Managed Care Services by means of CorVel's proprietary software solution (the "CareMC Application") via the CorVel web site located at the URL "www.caremc.com" (the "CareMC Site"); and

WHEREAS, Customer and CorVel have entered into the Contract (Serial 15032-RFP) for Network Solutions Services with an Effective Date of July 1, 2015 (the "Master Contract"); and

WHEREAS, Customer desires to be provided with access to and use of the CareMC Application by means of an Internet browser under the terms and conditions set forth in this License Agreement.

NOW, THEREFORE, in consideration of the premises set forth above, the promises made herein, and other good and valuable consideration the receipt which is hereby acknowledged, the parties agree as follows:

**1. ACCESS TO THE CAREMC APPLICATION**

A. Terms of Use. The parties acknowledge and agree that the terms and conditions under which particular Managed Care Services are provided by CorVel and the terms and conditions under which Customer may access and use the CareMC Application in order to utilize the online and automated components of such Managed Care Service (the "Online Services") shall be governed by the terms and conditions of this License Agreement.

B. Registration Information. Prior to accessing the CareMC Application, Customer shall provide CorVel with certain registration information requested therein ("Registration Information"). Customer represents and warrants that (i) the Registration Information Customer provides is true, accurate, current and complete, and (ii) the Registration Information will be updated as necessary to keep such data true, accurate, current and complete.

C. Passwords and Levels of Access. As soon as practicable after the execution of this License Agreement, CorVel shall provide a master password to Customer that allows Customer initial access to the Online Services (the "Master Password"). Customer shall then designate two groups of Authorized Users. The first group of Authorized Users ("Restricted Users") shall have access to all data available on the CareMC Site except data that constitutes or contains "protected health information" ("PHI Data") as such term is defined in 45 CFR Section 164.501 of the regulations promulgated by the U.S. Department of Health and Human Services under the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 ("HIPAA"). Each Restricted User shall initially access the Online Services by means of the Master Password, then shall be required to choose his/her own unique password (each, a "Restricted Password") for all future access. The second group of Authorized Users ("Non-Restricted Users") shall have access to all data available through the CareMC Application, including PHI Data, but shall only have access to PHI Data to the extent necessary for Customer to render payment on a claim, and then only to those portions or amounts of PHI Data that are determined by CorVel, in its sole discretion, to be the minimum necessary for Customer to render payment on such claim. Each Non-Restricted User will be required to choose a second unique password (each, a "Non-Restricted Password") which will enable his/her to access PHI Data on the foregoing terms.

D. Non-Restricted Users. Customer represents and warrants to CorVel that each Non-Restricted User who accesses PHI Data will do so solely in order for Customer to render payment on the applicable claim.

E. Security of Passwords. Customer acknowledges and agrees that it shall be solely responsible for (i) selecting Authorized Users, (ii) assigning the various levels of authority and access each Authorized User may have to the CareMC Application, Online Services and Customer Data, including by determining which Authorized Users shall be Non-Restricted Users, (iii) ensuring that only Authorized Users have access to the Master Password, only Restricted Users have access to the Restricted Passwords and only Non-Restricted Users have access to Non-Restricted Passwords, (iv) implementing a system to control, track and account for all Restricted Passwords and Non-Restricted Passwords, (v) strictly maintaining the confidentiality and integrity of the Master Password, Restricted Passwords and Non-Restricted Passwords and levels of authority among Authorized Users, and (iv) ensuring that Authorized Users shall at all times comply with the terms and conditions of this License Agreement. Customer further agrees that it shall notify CorVel immediately in writing if the security or integrity of a password has been compromised.

F. Customer Data. Responsibility for ensuring that the content and data input into the CareMC Application by Customer or Authorized Users ("Customer Data") is accurate, reflects Customer's requirements and is entered correctly lies solely with Customer. All data generated by and through Customer's use of the CareMC Application and Online Services shall reside on

CorVel's server. CorVel reserves the right to temporarily suspend access to any Customer Data that it determines, in its sole discretion, violates the terms and conditions of this License Agreement or any applicable laws.

G. Changes to the CareMC Application. CorVel reserves the right, at any time in its sole discretion and without liability to Customer, to delete or change features of the CareMC Application, CareMC Site or Online Services provided such changes do not materially alter the functionality, efficiency or performance of the CareMC Application.

## 2. LICENSE AND RESTRICTIONS

A. Limited License. Subject to the terms and conditions of this License Agreement, CorVel grants to Customer during the License Term (as defined in Section 8A below) a limited, non-exclusive, non-transferable, non-sublicensable license to access and use, and allow Authorized Users to access and use, the CareMC Application via the CareMC Site solely for Customer's own internal business use and operations. Customer shall access and use the CareMC Application in accordance with the user's guides and online instruction provided to Customer by CorVel ("Documentation") and all applicable laws, statutes, rules and regulations.

B. Restrictions. Customer shall not, and shall not allow Authorized Users or any third party to (i) rent, lease, re-license or otherwise provide access to the CareMC Application or Online Services to any third party, (ii) alter, modify or create derivative works of the CareMC Application, (iii) use any reverse compilation, decompilation or disassembly techniques or similar methods to determine any design structure, concepts and construction method of the CareMC Application or replicate the functionality of the CareMC Application for any purpose, or (iv) copy the CareMC Application or any content, materials, information and other data provided by CorVel on the CareMC Site or used in providing the Online Services ("CorVel Content") and/or Documentation without CorVel's prior written consent.

C. Third Parties. Customer shall not allow any third party (including but not limited to any other government entity) to have access to the CareMC Application or Online Services without prior written consent of CorVel and ensuring that (i) such third party enters into a legally enforceable written agreement with CorVel, or (ii) CorVel and Customer enter into a Letter Agreement whereby Customer assumes all responsibility and liability for such third party for such access.

D. Ownership. CorVel owns and shall retain all right, title and interest in and to the CareMC Application, Documentation, CareMC Site, Online Services, CorVel Content and any intellectual property rights inherent therein or arising therefrom. In addition to CorVel's rights in the individual elements of the CorVel Content, CorVel owns a copyright in the selection, coordination, arrangement and enhancement of the CorVel Content. Neither Customer nor any Authorized User shall obtain any ownership rights, express or implied, or any other rights other than those expressly set forth herein in the CareMC Application, Documentation or CorVel Content.

E. Compliance Monitoring and Audits. CorVel may monitor and, at its expense, perform an audit of Customer's use of the CareMC Application and CareMC Site to verify that Customer and Authorized Users are using the CareMC Application in compliance with the terms of this License Agreement. CorVel reserves the right to temporarily suspend Customer's or any Authorized User's access to the CareMC Application in the event Customer or such Authorized User engages in, or CorVel in good faith suspects is engaged in, any unauthorized conduct. CorVel shall use reasonable efforts to immediately notify Customer in writing of its suspension in services, the reasons for such suspension, including the facts and circumstances it believes constitute Customer's unauthorized conduct and shall agree to a reasonable time to conduct the review of the suspension in access. To the extent CorVel requires access to Customer's facilities to conduct an audit hereunder, such access shall be made upon reasonable notice and conducted during Customer's regular business hours. If an audit conducted during any portion of the Term in which Customer is required to pay fees under this Agreement reveals that Customer has underpaid fees to CorVel or is using the CareMC Application beyond the license restrictions and/or any terms of this Agreement, Customer will be invoiced for any such underpaid fees and will pay CorVel's reasonable expenses associated with such audit. The foregoing remedies shall be in addition to, and shall not limit CorVel's ability to terminate this Agreement based on material breach or pursue damages or other remedies available under law and equity.

## 3. INFRASTRUCTURE, MAINTENANCE AND SUPPORT

A. CorVel Infrastructure Obligations. Subject to Customer's compliance with the terms and conditions of this License Agreement, CorVel shall be responsible for providing and maintaining the hardware, software and other equipment required to host the CareMC Application for Customer ("CareMC Infrastructure"). The CareMC Infrastructure is subject to modification by CorVel from time to time for purposes such as adding new functionality, maximizing operating efficiency and upgrading hardware, provided such modifications shall not in the aggregate degrade the performance of the Online Services utilized by Customer. Customer understands and acknowledges that such modifications may require changes to Customer's Internet access and/or telecommunications infrastructure to maintain Customer's desired level of performance. CorVel shall give Customer reasonable prior written notice of any such modifications.

B. Customer Infrastructure Obligations. Except for the CareMC Infrastructure, which will be provided by CorVel, Customer shall be responsible for obtaining and maintaining all hardware, software, equipment, Internet access and/or telecommunications services and other items or services furnished by third party vendors or providers ("Third Party Providers") required to enable Customer to access and use the CareMC Application and CareMC Site as contemplated hereunder.

C. Support. CorVel will provide general support regarding questions on the CareMC Application and CareMC Site via email and by telephone from Monday through Friday between the hours of 5:00 a.m. and 6:00 p.m. Pacific Standard Time, excluding holidays.

D. Scheduled Maintenance. CorVel will use reasonable efforts to (i) perform any scheduled downtime outside of Customer's normal business hours, (ii) notify Customer of all scheduled downtimes at least seventy-two (72) hours in advance, and (iii) perform software updates to the CareMC Application with minimal disruption to Customer's use of the Online Services.

E. System Monitoring. CorVel will use reasonable efforts to continuously monitor its web servers and database servers to ensure that they are functioning properly.

F. Security. CorVel will implement and use reasonable efforts to maintain secure systems through the use of firewalls, virtual private networks (VPN), and other security technologies. CorVel will use reasonable efforts to immediately report to Customer any security violations that affect the data of Customer.

G. Disaster Recovery and Backup. CorVel will use reasonable efforts to perform nightly backups of essential data on its web servers and database servers. CorVel has implemented third party backup and restoration technology to enable high speed recovery of data. CorVel utilizes redundant load balanced Win 2000 servers for 24x7, 365 day access, except for regularly scheduled system maintenance and upgrade processes. SQL Server databases are hosted on clustered servers offering fail-over capability, redundant communication links, and load balanced application servers. Backup tapes are restored into a test environment not less than quarterly to confirm validity of backups. The CareMC Site has redundant inbound Internet and Intranet connectivity.

H. Professional Managed Care Services. If Customer requires any additional professional services relating to the CareMC Application or Online Services from CorVel including but not limited to integration with Customer's electronic data interfaces (EDIs) or other Customer systems, Customer shall submit a written request to CorVel for such services. CorVel shall, in good faith, consider providing such services at its then-current professional services fee rate and standard terms and conditions.

#### 4. REPRESENTATIONS AND WARRANTIES

A. Customer Representations. Customer represents that (i) it has the legal authority to provide the Customer Data to CorVel hereunder, and (ii) it is fully aware and knowledgeable of and shall comply with its duties and responsibilities with respect to the privacy and confidentiality of medical records and protected health information under applicable federal and state laws, including but not limited to those imposed by HIPAA. Upon written notice to Customer, CorVel may modify or temporarily suspend Customer's access to and use of the CareMC Application, Online Services and/or CareMC Site as necessary to comply with any law or regulation.

B. CorVel Warranties. CorVel warrants that (i) it shall use commercially reasonable professional practices and good workmanship in providing the CareMC Application, and (ii) Customer support will be performed consistent with generally accepted industry standards. These warranties extend only to Customer.

C. Exclusive Remedy. *For any breach of the foregoing warranties, CorVel's entire liability and Customer's exclusive remedy will be the correction of the problems or errors that cause the breach of warranty, if feasible, or termination of the Agreement.*

#### 5. DISCLAIMERS AND LIMITATIONS OF LIABILITY

A. Disclaimers. TO THE EXTENT ALLOWED BY APPLICABLE LAW, EXCEPT FOR THE LIMITED WARRANTIES DESCRIBED IN SECTION 4B ABOVE, CORVEL MAKES NO OTHER WARRANTIES, EXPRESS, IMPLIED OR STATUTORY, AND EXPRESSLY DISCLAIMS ANY IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, GOOD TITLE, SATISFACTORY QUALITY AND NONINFRINGEMENT. CUSTOMER SPECIFICALLY ACKNOWLEDGES AND AGREES AS FOLLOWS:

(i) Internet Usage. Customer acknowledges that the Internet is essentially an unregulated, insecure and unreliable environment, and that the ability of Customer to access and use the CareMC Application is dependent on the Internet and hardware, software and services provided by various Third Party Providers. CORVEL SHALL NOT BE RESPONSIBLE FOR CUSTOMER'S INABILITY TO ACCESS OR USE THE CAREMC APPLICATION TO THE EXTENT SOLELY CAUSED BY FAILURES OR INTERRUPTIONS OF ANY HARDWARE, SOFTWARE OR SERVICES PROVIDED BY CUSTOMER OR THIRD PARTY PROVIDERS.

(ii) CareMC Application. CUSTOMER ACKNOWLEDGES AND AGREES THAT CORVEL DOES NOT WARRANT THAT THE CAREMC APPLICATION OR ONLINE SERVICES ARE ERROR FREE, THAT CUSTOMER WILL BE ABLE TO ACCESS OR USE THE CAREMC APPLICATION OR ONLINE SERVICES WITHOUT PROBLEMS OR INTERRUPTIONS, OR THAT THE CAREMC SITE AND CAREMC APPLICATION ARE NOT SUSCEPTIBLE TO INTRUSION, ATTACK OR COMPUTER VIRUS INFECTION.

(iii) Network Intrusions. CUSTOMER AGREES THAT CORVEL WILL NOT BE LIABLE FOR DAMAGES ARISING FROM ANY BREACH, UNAUTHORIZED ACCESS TO, MISUSE OF, OR INTRUSION INTO, CUSTOMER DATA RESIDING ON CORVEL'S SERVER(S) OR ANY NETWORK USED BY CUSTOMER TO THE EXTENT SUCH DAMAGES WERE BEYOND CORVEL'S REASONABLE CONTROL.

B. Exclusion of Damages.

(i) ***Exclusion of Damages. NEITHER PARTY SHALL BE LIABLE TO THE OTHER PARTY FOR ANY SPECIAL, INDIRECT, INCIDENTAL, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES (INCLUDING BUT NOT LIMITED TO LOST PROFITS OR LOST REVENUES) UNDER THIS AGREEMENT, WHETHER OR NOT FORESEEABLE AND REGARDLESS OF WHETHER CLAIMS UNDER THIS AGREEMENT ARE BROUGHT UNDER TORT, CONTRACT OR ANY OTHER LEGAL OR EQUITABLE THEORY.***

(iii) ***Acknowledgment. The parties acknowledge that the limitations and disclaimers set forth in this Agreement were an essential element in setting consideration under this Agreement.***

**6. INDEMNIFICATION**

A. CorVel Indemnification. Subject to section 6C below, CorVel shall defend any third party claim against the Customer arising from the death of or physical injury to any person or damage to the indemnified party's property to the extent proximately caused by the negligence of the indemnifying party or its agents or employees, and indemnify and hold harmless the other party and its respective officers, directors and employees from and against damages, liabilities and reasonable costs and expenses, including reasonable legal fees ("Losses") incurred in connection therewith.

B. Indemnification by CorVel. Subject to Section 6C below, CorVel shall defend any third party suit or action against Customer to the extent such suit or action is based on a claim that Customer's permitted use of the CareMC Application under this Agreement constitutes an infringement of a United States patent, trademark, trade name, trade secret, copyright or other United States intellectual property right, and CorVel will pay those Losses finally awarded against Customer in any monetary settlement or final, non-appealable judgment of such suit or action which are specifically attributable to such claim. This indemnity does not apply to any claims based on Customer's use of the CareMC Application (i) in violation of this Agreement or the Documentation (as defined in the CareMC License Agreement), (ii) in combination with any other software, hardware, network or system where the alleged infringement relates to such combination, or (iii) based on CorVel's compliance with Customer's instructions, designs or specifications where the alleged infringement relates to such compliance. If any portion of the CareMC Application becomes, or in CorVel's opinion is likely to become, the subject of a claim of infringement, then CorVel may, at its option and expense, procure for Customer the right to continue using the CareMC Application or replace or modify the affected portion of the CareMC Application so that it becomes non-infringing. If neither alternative is reasonably available, CorVel may terminate this Agreement. **THE FOREGOING STATES CORVEL'S ENTIRE LIABILITY AND CUSTOMER'S SOLE REMEDY FOR INFRINGEMENT CLAIMS.**

C. Conditions. The parties' indemnification obligations under this Section 6 are contingent upon: (i) the indemnified party giving prompt written notice to the indemnifying party of any claim under this Section (provided, however, that failure to give such notification shall not affect the indemnification provided hereunder except to the extent, and only to the extent, that the indemnifying party shall have been actually prejudiced as a result of such failure), (ii) the indemnifying party having the right, but not the obligation, to assume sole control of the defense or settlement of the claim, and (iii) at the indemnifying party's request and expense, the indemnified party cooperating in the investigation and defense of such claim(s). If the indemnifying party assumes the defense of any claim hereunder, the indemnified party shall be entitled to participate in (but not control) such defense and to retain its own counsel, at its own expense. The indemnifying party shall not settle or consent to an adverse judgment in any such claim that adversely affects the rights or interests of the indemnified party or imposes additional obligations on the indemnified party, without the prior express written consent of the indemnified party.

**7. INSURANCE**

A. CorVel Insurance. *CorVel, at its sole expense, agrees to maintain, at all times during the term of the Agreement, the required professional liability, errors and omissions, workers' compensation, general, and auto liability insurance coverages as set forth on the Certificate of Insurance provided with the executed Service Agreement with an effective date of [insert date].*

B. Customer Insurance. *Customer, at its sole expense, agrees to keep in force comprehensive general liability insurance and professional liability insurance with coverage limits in accordance with acceptable industry standards for the term of this Agreement. Upon request by CorVel, Customer shall furnish CorVel with a certificate of such insurance. Customer shall provide CorVel with prior written notice of any cancellation, non-renewal or material change to any such insurance coverages pursuant to its insurance policies. It is agreed that Customer shall be deemed in compliance with this Section 7B by being self-insured under terms and conditions and with sufficient reserves as is customary within the industry for companies of comparable size and operations.*

**8. LICENSE TERM AND TERMINATION**

A. Term. The Term of the License Agreement shall run co-terminous with the Master Contract unless terminated pursuant to Section 6B or 6C hereunder this Agreement.

B. Termination for Convenience. Either party shall have the right to terminate this License Agreement for any reason or for no reason, upon ninety (90) days written notice to the other party.

C. Termination for Cause. This License Agreement may be terminated by either party for cause as follows: (i) upon thirty (30) days written notice if the other party breaches or defaults under any material provision of this Agreement and does not cures such breach prior to the end of such thirty (30) day period, (ii) effective immediately and without notice if the other party ceases to do business, or otherwise terminates its business operations, except as a result of an assignment, as permitted under the terms and conditions of this License Agreement, or (iii) effective immediately and without notice if the other party becomes insolvent or seeks protection under any bankruptcy, receivership, trust deed, creditors arrangement, composition or comparable proceeding, or if any such proceeding is instituted against the other (and not dismissed within ninety (90) days).

D. Effect. Except to the extent expressly provided to the contrary herein, any right of action for breach of the License Agreement prior to termination, and the following provisions shall survive the termination of this License Agreement: Sections 1G, 2D, 4, 5 and 6. Additionally, upon termination or expiration of the License Agreement (i) CorVel shall provide Customer with any proprietary data belonging to Customer, in the current format in which it is stored at CorVel at the termination of the License Agreement, (ii) all licenses granted under this License Agreement shall terminate immediately, (iii) all rights to use the CareMC Application and Online Services shall cease immediately, and (iv) each party shall promptly return all information, documents, manuals and other materials belonging to the other party related to this License Agreement, whether in printed or electronic form, except as otherwise provided in this License Agreement, including without limitation all confidential information of the other party then currently in its possession.

E. Funding Out Clause. This agreement depends on continued availability of appropriated funds and expenditure authority from the Legislature for this purpose. If for any reason the Legislature fails to appropriate funds or grant expenditure authority, or funds become unavailable by operation of law or federal funds reductions, this Agreement will be terminated by Customer upon a thirty (30) day prior written notice. Termination for any of these reasons is not a default by the Customer nor does it give rise to a claim against Customer.

## **9. CONFIDENTIALITY**

A. Definition of Confidential Information. “Confidential Information” shall mean any non-public data, information and other materials regarding the products, services or business of a party (and/or, if either party is bound to protect the confidentiality of any third party’s information, of a third party) provided to either party by the other party where such information is marked or otherwise communicated as being “proprietary” or “confidential” or the like, or where such information should, by its nature, be reasonably considered to be confidential and/or proprietary. Without limiting the foregoing, the parties agree that (i) the CareMC Application, Documentation, CorVel Content (as defined in the in the CareMC License Agreement) and all software, source code, source documentation, inventions, know-how, and ideas, updates and any documentation and information relating thereto constitutes Confidential Information of CorVel, and (ii) the Customer Data (as defined in the CareMC License Agreement) constitute Confidential Information of Customer.,

B. Disclosure and Use of Confidential Information. The Confidential Information disclosed by either party (“Disclosing Party”) to the other (“Receiving Party”) constitutes the confidential and proprietary information of the Disclosing Party and the Receiving Party agrees to treat such Confidential Information in the same manner as it treats its own similar proprietary information, but in no case will the degree of care be less than reasonable care. The Receiving Party shall use the Confidential Information of the Disclosing Party only in performing under this Agreement and shall retain the Confidential Information in confidence and not disclose it to any third party (except as authorized under this Agreement) without the Disclosing Party’s express written consent. The Receiving Party shall disclose the Disclosing Party’s Confidential Information only to those employees and contractors of the Receiving Party who have a need to know such information for the purposes of this Agreement, and such employees and contractors must be bound by this Agreement or have entered into agreements with the Receiving Party containing confidentiality provisions covering the Confidential Information with terms and conditions at least as restrictive as those set forth herein.

C. Exceptions. Notwithstanding the foregoing, the parties’ confidentiality obligations hereunder shall not apply to information which: (i) is already known to the Receiving Party prior to disclosure by the Disclosing Party, (ii) becomes publicly available without fault of the Receiving Party, (iii) is rightfully obtained by the Receiving Party from a third party without restriction as to disclosure, (iv) is approved for release by written authorization of the Disclosing Party, (v) is developed independently by the Receiving Party without use of or access to the Disclosing Party’s Confidential Information, or (v) is required to be disclosed by law, rule, regulation, court of competent jurisdiction or governmental order, provided, however, that the Receiving Party shall advise the Disclosing Party of the Confidential Information required to be disclosed promptly upon learning thereof in order to afford the Disclosing Party a reasonable opportunity to contest, limit or assist the Receiving Party in crafting the disclosure, and then such disclosure shall be made only to the extent necessary to satisfy such requirements.

D. Use of Data. Nothing shall prohibit CorVel from using aggregate, non-identifying, statistical data generated through its customers’, including Customer, use of the CareMC Application and Online Services for analytical purposes, provided that CorVel shall not use or disclose any such data or information in a manner that would reveal the identity of, or other confidential information concerning, Customer. Such aggregate, non-identifying statistical data could include, without limitation, statistics regarding usage of the CareMC Application and Online Services, the number of case referrals generated through the CareMC Application and Online Services and the efficiencies gained by CorVel customers through their use of the CareMC Application and Online Services.

**10. GENERAL PROVISIONS**

A. Choice of Law. This Agreement shall be governed by and construed under the laws of the State of Arizona and the United States without regard to conflicts of laws provisions thereof. The parties expressly agree that the United Nations Convention on Contracts for the International Sale of Goods is specifically excluded from application to this Agreement. The parties submit to the jurisdiction of the United States federal courts for the District of Arizona and agree, that said courts have the sole and exclusive jurisdiction over any cause of action arising under or in connection with this Agreement.

B. Compliance with Laws. Both parties shall comply with all federal, state, and local laws, regulations, ordinances, guidelines, permits and requirements applicable to providing services pursuant to this Agreement, and will be solely responsible for obtaining current information on such requirements.

C. Contacts for Notices. All written notice required or permitted hereunder shall be in writing and shall be sufficient if personally delivered or sent by facsimile or internationally recognized delivery service to the address or fax number set forth below, unless such address or fax number is changed by notice, to the other party, as permitted hereunder. Any notices shall be deemed given on the date received, as indicated (i) by receipt of electronic answer back in the case of facsimile, or (ii) the records of the delivery service, if by courier.

If to CorVel:

CorVel Corporation  
2010 Main Street, Suite 600  
Irvine, California 92614  
Attn: Director, Legal Services  
Phone: (949) 851-1473  
Fax: (866) 434-2469  
Email: Corporate\_Legal@corvel.com

If to Customer:

Maricopa County  
Office of Procurement Services  
Attn: Contract Administration  
320 West Lincoln Street  
Phoenix AZ 85003-2494

D. Assignment. Neither this Agreement nor any rights, licenses or obligations hereunder, may be assigned by either party without the prior written consent of the non-assigning party. Notwithstanding the foregoing, CorVel may assign this Agreement to any acquiror of all or of substantially all of CorVel's equity securities, assets or business related to the subject matter of this Agreement. Any attempted assignment in violation of this Agreement shall be void and without effect.

A. Severability. Should any term of this Agreement be declared void or unenforceable by any arbitral tribunal or court of competent jurisdiction, such declaration shall have no effect on the remaining terms hereof, which shall continue in full force and effect.

B. Waiver. The failure of either party to enforce any rights granted hereunder or to take action against the other party in the event of any breach hereunder shall not be deemed a waiver by that party as to subsequent enforcement of rights or subsequent actions in the event of future breaches.

C. Relationship of the Parties. The relationship of CorVel and Licensee established by this Agreement is that of independent contractors, and nothing contained in this Agreement shall be construed (i) to give either party the power to direct or control the day-to-day activities of the other, or (ii) to constitute the parties as partners, franchisee-franchiser, joint venturers, co-owners or otherwise as participants in a joint or common undertaking, or otherwise give rise to fiduciary obligations between the parties.

D. Force Majeure. Except for the obligation to make payments, nonperformance by either party shall be excused to the extent that performance is rendered impossible by war, acts of terrorism, strikes, fire, flood, governmental acts or orders or restrictions, failure of suppliers, or any other reason where failure to perform is beyond the control of the non-performing party.

E. Counterparts. This Agreement may be executed in two counterparts, each of which shall be an original and together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties by their duly authorized representatives have executed this Agreement as of the Effective Date set forth above.

**EXHIBIT D  
SAMPLE OF EOB REPORT**

**CORVEL**

Employer: XXXXXX  
 Patient: John Doe  
 Patient DOB:  
 Gender: Male

Explanation of Review

Business Unit:

Surgery Center

LOB: Site/ Workers' Compensation  
 Bill #: 12/3456789 - 1  
 Reprice: AZ, 85297  
 Billed Date: 02/16/2015  
 Business Rcvd: 02/26/2015  
 MBR Rcvd: 02/27/2015  
 MBR Date: 03/05/2015  
 Approved Date: 03/05/2015  
 DOS From - To: 02/11/2015 - 02/11/2015



Network: Network	Treating Provider: MD	Claim #: 1234567
Branch: Sub	Referring Physician:	Processor Initials: RE
Network: Contract:	Patient Control #:	DOI: 05/09/2014
Claim Rep.:	Provider Tax Id: 12-3456789	RX Number:
Vendor #: 42376		
PIN:		
PayCode : 30203		

Bill Comments:  
 REDUCTION BASED ON ATTACHED CERIS FINDINGS

Date	Code	Units	POS	Bill Charges TOS	DXR	Reduction	Allowed Fees
02/11/2015	29822 LT 490-AMBUL SURG	1	24	\$9,584.00		\$0.00	\$9,584.00
02/11/2015	29826 LT 490-AMBUL SURG	1	24	\$15,015.00		\$0.00	\$15,015.00
02/11/2015	64415 59,LT 490-AMBUL SURG	1	24	\$2,664.00	A	\$0.00	\$2,664.00
02/11/2015	76942 TC 400-IMAGE SERVICE	1	24	\$2,664.00		\$0.00	\$2,664.00
<b>Sub-Totals for Bill: 1460176 CERIS-LIBR Adjustment Amount</b>				<b>\$29,927.00</b>		<b>\$0.00</b>	<b>\$29,927.00 (\$21,552.36)</b>
<b>Totals for Bill: 1460176</b>							<b>\$8,374.64</b>

Line Item Reason Codes and Descriptions:

59 Distinct Procedural Service LT Left Side  
 TC Technical Component

*This provider bill has been processed according to the Arizona Workers' Compensation Fee Schedule and any pertinent PPO network agreements. This payment amount is strictly a recommendation.*

ICD Diagnosis:

726.2 Oth Affections Shoulder Region Nec Sprain&Strn  
 840.8 Oth Site Shldr&Up Arm OTHER ACUTE  
 338.18 POSTOPERATIVE PAIN

Bill Summary			
<input type="checkbox"/> Network Bill:	Number of Lines: 4	Network Pricing Method: N/A	
Provider Charges: \$29,927.00	FS/UC Red.: \$0.00	NS Red: \$21,552.36	Allowed Fees: \$8,374.64

CORVEL HEALTHCARE CORPORATION, 1850 N 22<sup>ND</sup> STREET #1200, PHOENIX, AZ 85004

PRICING SHEET: NIGP CODE 94620

Terms:	NET 30
Vendor Number:	2011006093 0
Certificates of Insurance	Required
Contract Period:	To cover the period ending <b>June 30, 2017.</b>