



MMRO

Disability Retirement Management Services

**Mendocino County Employees' Retirement Association
(MCERA)**

OBJECTIVES

- ❑ MMRO Corporate Background
- ❑ URAC Accreditation
- ❑ Clinically-Driven Workflow Process
- ❑ Evidence-Based Disability Guidelines
- ❑ Clinical Factors of a Claim
- ❑ Multi-Layer Claims Process
- ❑ Independent Medical Assessments
- ❑ Credentialing of Licensed Clinical Professionals
- ❑ Disability Recommendation Report
- ❑ Re-Evaluation Reviews
- ❑ Technology
- ❑ Implementation Efforts
- ❑ Industry Associations

MMRO CORPORATE BACKGROUND



MMRO Mission: To provide public sector clients of all sizes and scopes with accurate, efficient, and transparent Disability Retirement Claims Management Services

MMRO was incorporated in 2007

- Corporate Office: Michigan
- Satellite Offices: Illinois, Minnesota, West Coast (4th Quarter 2015)

Public Pension Retirement Systems

- Federal, State, Municipal, and County

Marketplace Focus: Disability Retirement Management

- General Employees
- Teachers
- School Employees
- Police & Fire

MMRO EXECUTIVE TEAM



Joe Schimizzi, President/CEO: As the lead executive of MMRO, Joe has taken his experience and applied it to the ever changing disability and healthcare sector. He has lead the company in providing new and innovative service offerings to the disability marketplace, specifically that of public employee retirement systems. Joe has lead MMRO's executive team in applying industry standards to newly developed public pension disability programs offering greater independence, accuracy, and sizeable return on investment. In the health care arena Joe has brought leading medical professionals and clinicians together to develop credible medical review programs.



Brenda DeGroat, RN, BS, MA, Director, Clinical Operations: Upon joining MMRO, she brought her vast knowledge, her regarded business management skills, and her highly valued experience in the practice of utilization review, case management, and quality management to oversee and manage MMRO's entire clinical operations, including the management of all clinical and administrative personnel.



Douglas Minke, J.D., M.B.A., Director of Operations: In this role, Doug is charged with the management of day-to-day business operations and the efficient delivery of services to MMRO's clients. Doug is directly responsible for the organizing, operation, staffing, and performance of MMRO's business units, including the Disability Claims Management, Clinical Case Management, Vocational Rehabilitation Services, and Medical Assessment/Independent Review departments. Doug also actively collaborates with MMRO's Executive Team to develop and implement plans and strategies for continuous improvement in company operations.



Dr. Jeffrey Deitch, Executive Medical Director: Dr. Deitch is the senior clinical person and also acts as a resource with the clinical aspects of the operation. He is an actively practicing physician, board certified in Family Practice and Geriatrics and is an active board certified member of The American Board of Quality Assurance and Utilization Review Physicians. Dr. Deitch has over 20 years' experience conducting and managing medical review services and an excess of 15 years' experience with Disability Management, Utilization Management and Quality Improvement programs.

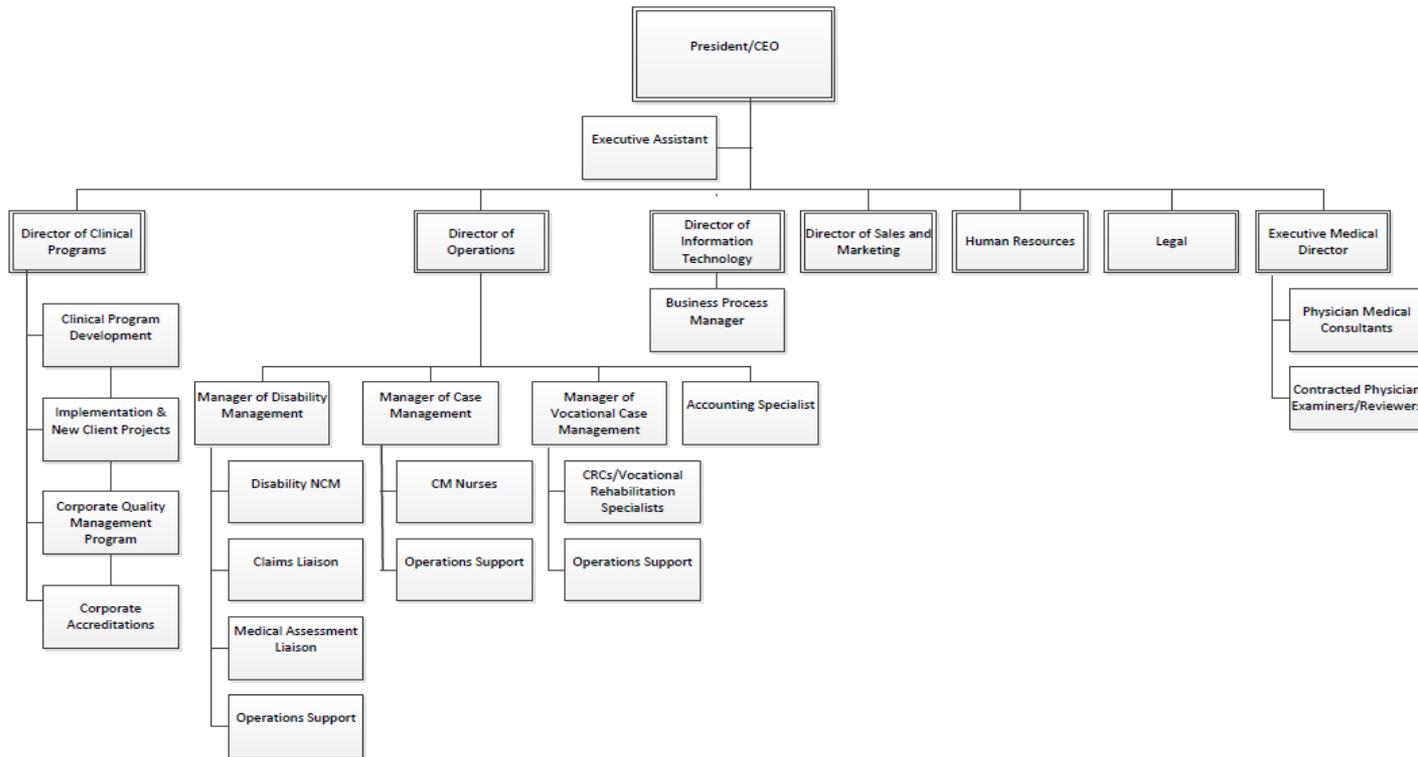


Erich Kelly, Director, National Sales & Marketing: Erich Kelly serves as Director of National Sales & Marketing for Managed Medical Review Organization, Inc. Since joining MMRO, Erich's responsibilities include national sales and marketing efforts, including coordinating advertising, marketing strategies and sales operations, cultivating client trust, teamwork, setting priorities, managing sales force productivity, demonstrating customer service, leadership and leading change.



Jon Russell, Director of Information Technology: Jon brings over 20 years of IT experience to MMRO, previously serving in the roles of Technology Consultant, Project Manager and IT Manager. Jon has extensive experience in managing technical teams in the development and implementation of large scale, complex IT solutions for Fortune 50 clients in industries such as Automotive, Energy and High Tech. Most recently, Jon worked in the area of IT Cyber Security and has implemented industry best practice federally mandated IT Security Programs for large scale corporations.

MMRO 2015 ORGANIZATIONAL CHART



GOVERNMENT RECOGNITION OF URAC ACCREDITATION

Recognized by 6 Federal Agencies , 48 States & D.C.



MMRO maintains URAC Accreditation to support our capability to procedurally and clinically process disability benefit recommendations with superior quality, credibility, and accuracy.

- Alternative avenue for proving compliance with government requirements:
 - Quality
 - Credentialing
 - Network access
 - Quality Standards
 - Conflict of Interest
 - Independence

CLINICALLY-DRIVEN WORKFLOW PROCESS

Operational Workflow

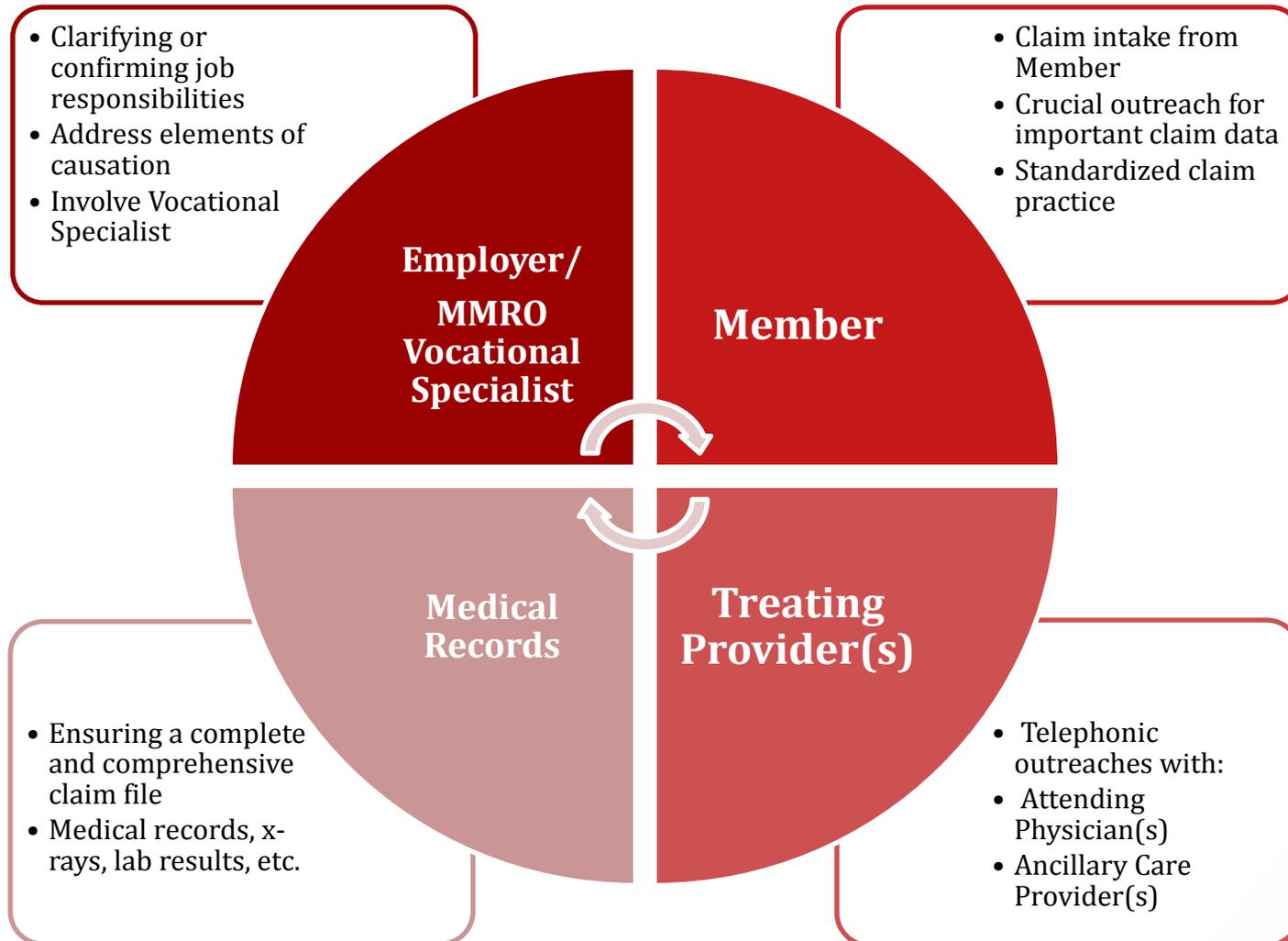
- Disability retirement claim review process uniquely customized to the statutory requirements and operational needs of the System.
- The operational claim review platform includes the clinical components of a claim program required to ensure the customized disability claim review program uses industry best practices.

Clinically-Driven Disability Retirement Claim Review Process

- **Disability Nurse Case Manager (NCM)**
 - Licensed Registered Nurses (RN)
 - The “clinical quarterback” or facilitator of the claim
 - Conducts thorough, comprehensive, and exhaustive Clinical Triage
- **Physician Medical Consultants (PMC)**
 - Physician Medical Consultant access throughout the claim life cycle
 - Available for MD to MD peer discussion

CLINICALLY-DRIVEN WORKFLOW PROCESS

Clinical Triage Components



CLINICALLY-DRIVEN WORKFLOW PROCESS

Results in a Member-Centric Disability Retirement Claims Process

- Dedicated Disability Nurse Case Manager for Member
 - Member friendly assistance throughout claim life cycle
 - Systematic contact with the Member
 - Address Member questions
- Shortened claim life cycle
- Medical records resource support for Member via Clinical Triage and outreach

CLINICAL FACTORS OF A CLAIM

Claim Paths

- A key element to an effective claims model is recognizing that “all claims are not created equal”
- Establishing different claim paths based on the unique factors of a claim allows for resources to be used on claims that require the resources
- Example:
 - Category I – Fast Track Approval
 - Category II – Fast Track Disapproval/Clinical Escalation Committee
 - Category III – Medical Assessment Required

Mental Health Claims

- Disability retirement claim analysis that is unique for mental health claims
- Assessment of the pre-morbid level of function (baseline) of an applicant
 - Assists in determining the permanent nature of a mental disability
- The presence of a mental health condition does not translate to automatic disability....especially permanent disability

CLINICAL FACTORS OF A CLAIM

Duty Disability & Line of Duty Claims

- *...In the case of an application for a service connected disability, that the file is sufficient to support a finding by the Board as to whether or not the incapacity was the result of an injury or disease arising out of and in the course of employment.*

Clinical and Vocational Analysis of the Causative Factor of a Claim

- Injury – focus on the mechanism of injury that allegedly caused the condition and/or pathological change in a degenerative condition
- Disease – focus on the workplace exposure, including the onset and progression of the disease process

EVIDENCE-BASED DISABILITY GUIDELINES

The Value of Using and Applying Evidence-Based Disability Guidelines

- Provides guidance to a claim (next steps) during clinical analysis of a claim
- Supports the final disability benefit recommendation/determination by citing medical literature reference(s) in support of the outcome
- A clinically driven claim workflow model is required to effectively use Evidence-Based Disability Guidelines as part of a disability retirement claim review

Nationally Recognized Disability Guidelines

- Official Disability Guidelines (ODG)
- American College of Occupational and Environmental Medicine (ACOEM) Standards
- Medical Disability Advisor
- MD Guidelines

MULTI-LAYER CLAIMS PROCESS

Importance of a Multi-Layer Claims Process

- Multiple layers of clinical claim analysis ensures “checks and balance” methods are in place
- Reduces the risk that something was missed and/or not analyzed correctly

Clinical Escalation Committee

- Added layer of claim analysis to the disability retirement claims process
- Assures accuracy and consistency
- Committee Members
 - Medical Director(s)
 - Physician Medical Consultants
 - Disability Nurse Case Managers
- No individual has unilateral authority to make disability benefit recommendations/determinations

INDEPENDENT MEDICAL ASSESSMENTS

Type of Medical Assessments

- *Independent Medical Evaluation (IME)*
- *Independent Psychiatric Evaluation (IPE)*

Reasons for IME/IPE

- *Medical Assessments will be used when:*
 - Clinically justified
 - There is clinical dis-correlation in the claim file
 - The claim requires clinical/functional clarification

THE IMPORTANCE OF ACCREDITATION AND CREDENTIALING

Organizational Accreditation

- *URAC, a nationally recognized accreditation, is a model program that requires a continuum of quality improvement policies and procedures. Its purpose is to assure the highest possible standard in healthcare review services.*
- Level sets the standards for quality, independence, and credibility of review programs
- The gold standard in requirements setting for medical review programs

Fully Credentialed Medical Providers Consistent with URAC Standards

Given the variety of licensed medical professionals involved credentialing standards are crucial to the programs quality and credibility:

- Board Certification
- Active Clinical Practice
- License Free from Sanctions
- Unrestricted Prescription Privileges

DISABILITY RECOMMENDATION REPORT

Customized Disability Recommendation Report

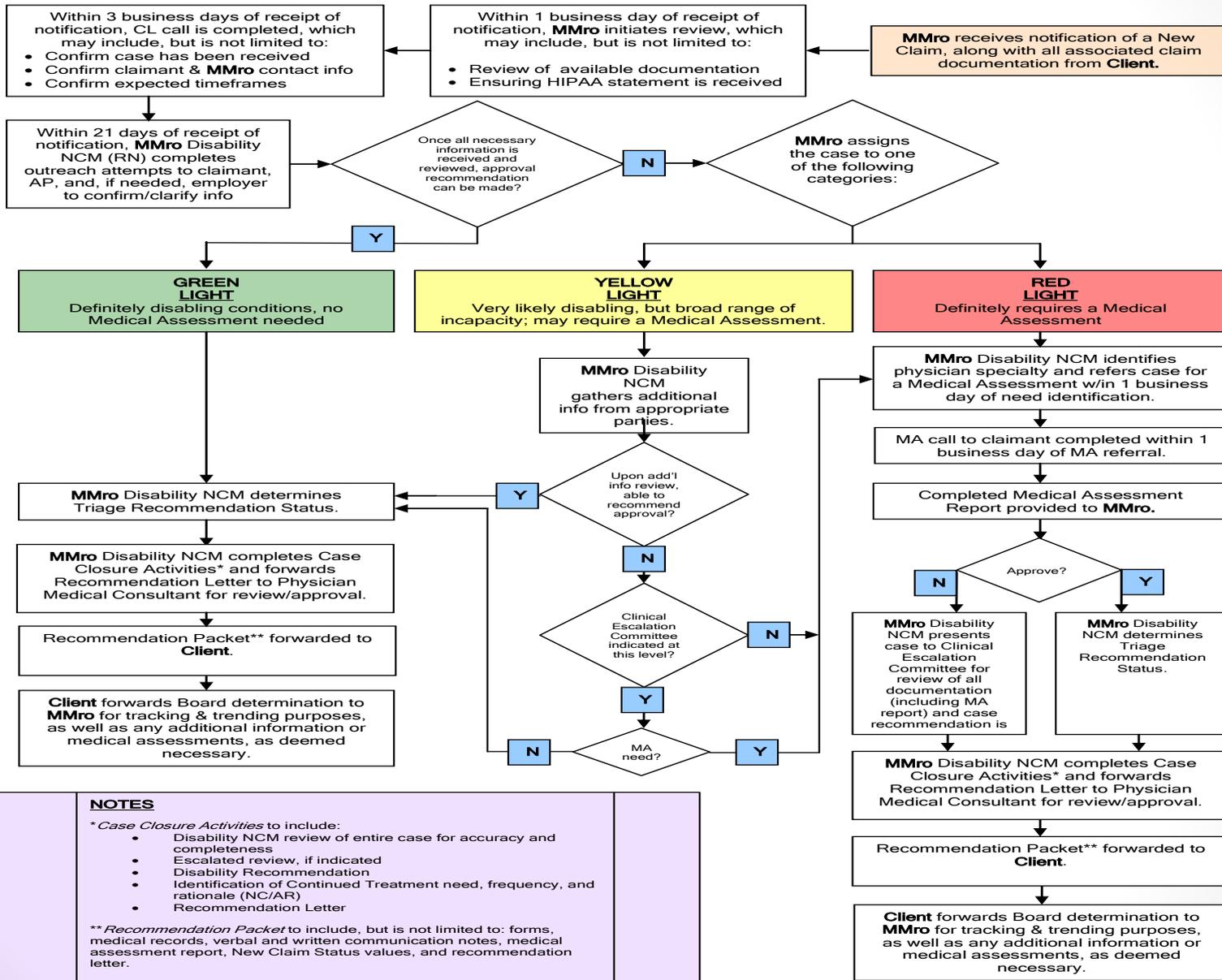
- Detailed comprehensive claim synopsis and disability rationale
- Written in layperson's terms
- Citation of evidenced-based disability guidelines in support of disability benefit recommendation
- Medical Director(s) and/or Physician Medical Consultants
 - Only authority to make final disability benefit recommendation
- Identification and support of Re-Examination frequency (if applicable)

Disability Recommendation Report takes into consideration all supporting claim documentation:

- Medical Records
- Telephonic Outreach(es)
- Disability NCM Case Notes
- Medical Assessment (IME, IPE, SMR)
- Disability Application Documentation
- Evidenced Based Disability Guidelines

CUSTOM DISABILITY MANAGEMENT WORKFLOW

SAMPLE



NOTES

- * *Case Closure Activities* to include:
- Disability NCM review of entire case for accuracy and completeness
 - Escalated review, if indicated
 - Disability Recommendation
 - Identification of Continued Treatment need, frequency, and rationale (NC/AR)
 - Recommendation Letter

** *Recommendation Packet* to include, but is not limited to: forms, medical records, verbal and written communication notes, medical assessment report, New Claim Status values, and recommendation letter.

RE-EVALUATION REVIEWS

Despite the permanent nature of approved disability retirement claims it is crucial that a claim monitoring process be in place to analyze ongoing eligibility

Re-Evaluation Claim Reviews

- Re-Evaluation review cycle determined at the time of claim closure activities
- Based on the unique clinical factors of the claim and the statutory provisions allowed for re-review of an approved claim
- Comprehensive, industry based claim analysis per Re-Evaluation cycle
- Use of updated medical data (and non-medical data) used to monitor approved claims
- Re-Evaluation Disability Recommendation Report issued at each Re-Evaluation Review cycle

TECHNOLOGY



Claim Creation

- Retirement System staff members will have the capability to create new claims for disability retirement applicants through the portal.

View Claim Status

- Retirement System staff members may view the status of existing claims administered by MMRO.

Modify Claim Information

- Retirement System staff members will have the capability to add/change select fields on disability retirement claims such as: updates to claimant demographic information (address, email, phone number), identification of claim withdrawals or final claim determinations, etc. Additionally, staff members may upload additional electronic medical records to a claim directly through the web portal.

View and Retrieve Claim Data and Recommendation Information

- Retirement System staff members may view and retrieve MMRO's final disability benefit recommendations and all applicable claim information through the portal.

PROGRAM IMPLEMENTATION

Implementation Kick-off

Case Handling and Process Workflow

- New Disability Claim Workflow Process
- Periodic Claim Review Workflow Process
- Medical Assessment Request Workflow Process

Document Template Development

- Review, modify, suggested edits of MCERA Claim Application Documents
- Form Letter Templates

Member Communication (Communication Scripts)

Policy Development

Technology

- Web-portal (MMRO Access Point)
- Enabling TLS e-mail

INDUSTRY ASSOCIATIONS

National Association Of State Retirement Administrators (NASRA)



National Council On Teacher Retirement (NCTR)



NATIONAL COUNCIL ON TEACHER RETIREMENT
Supporting Retirement Security for America's Teachers

California Association of Public Retirement Systems (CALAPRS)



MMRO

QUESTIONS?



James R. Wilbanks, Ph.D.
Retirement Administrator



Telephone: (707) 463-4328
(707) 467-6473
Fax: (707) 467-6472

MENDOCINO COUNTY
EMPLOYEES' RETIREMENT ASSOCIATION
625-B KINGS COURT
UKIAH, CALIFORNIA 95482-5027

Date: June 17, 2015
To: Board of Retirement
From: James Wilbanks, Retirement Administrator
Subject: Disability Administrative Processing Contract

As previously discussed with individual Trustees, the Audit & Budget Committee and the Board of Retirement during consideration of the FY-16 budget, this proposal is to contract with a private firm to handle the administrative processing of MCERA disability retirement applications. The Board approved the FY-16 budget last month and this contract is brought for your approval in accordance with the adopted budget.

I recommend approval of the contract.

AGREEMENT

BETWEEN

**MENDOCINO COUNTY
EMPLOYEES' RETIREMENT ASSOCIATION**

AND

MANAGED MEDICAL REVIEW ORGANIZATION, INC.

MEDICAL CONSULTING AGREEMENT

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EXHIBIT A Disability Claims Management Services 2015 Pricing for MCERA

MEDICAL ADVISOR CONSULTANT AGREEMENT

MANAGED MEDICAL REVIEW ORGANIZATION

This Agreement is made and entered into as of June ____, 2015, in Ukiah, California, by and between the MENDOCINO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION (hereinafter referred to as "MCERA") and Managed Medical Review Organization, Inc. (hereinafter referred to as "CONSULTANT").

WHEREAS, MCERA was created pursuant to the County Employees Retirement Law of 1937 (hereinafter referred to as the "'37 ACT") and is administered by the Board of Retirement (hereinafter referred to as the "BOARD");

WHEREAS, pursuant to Government Code Section 31732, "the BOARD shall secure such medical, investigatory and other services and advice as is necessary to carry out the purpose" of Article 10 - Disability Retirement - of the 37 ACT.

WHEREAS, CONSULTANT provides a licensed medical doctor or osteopathic doctor and other professional staff that are qualified to collect and review medical records, make recommendations and otherwise assist in the processing of disability retirement applications pursuant to the 37 ACT; and

WHEREAS, the BOARD has determined that it would be in the best interest of MCERA if CONSULTANT were to be retained to provide the medical consulting services set forth herein below and, accordingly, has voted to approve this Agreement;

NOW, THEREFORE, in consideration of the above-stated premises, the terms, covenants and conditions hereinafter set forth, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto do hereby agree as follows:

ARTICLE 1

DESCRIPTION OF MEDICAL ADVISOR CONSULTING SERVICES

1.1 Delegation and Acceptance of Duties. The Board hereby delegates to CONSULTANT and CONSULTANT hereby accepts and assumes responsibility to provide the medical consulting services as follows:

1.1.1 review disability application files as assigned by MCERA's Retirement Administrator or his designee;

1.1.2 receive and return all assigned disability files and other related medical records at the MCERA Offices or as may be otherwise arranged with MCERA staff;

1.1.3 conduct investigation and review of disability applications, and submit a review and recommendation consistent with the 37 Act and MCERA's Procedures For Disability Retirement Applications And Formal Hearings or as otherwise required by MCERA's Retirement Administrator or his designee;

1.1.4 appear at monthly BOARD meetings, as requested, to discuss recommendations with the BOARD;

1.1.5 appear in any legal proceedings on behalf of MCERA, where the need for such appearances arise out of the CONSULTANT's work;

1.1.6 return each disability file at such time the review and recommendation are submitted; and,

1.1.7 provide other medical consulting services as requested.

1.2 CONSULTANT shall perform the duties set forth herein in the manner set forth in Exhibit A hereto ("Disability Claims Management Services for MCERA").

ARTICLE 2

CONTRACT RESPONSIBILITIES

2.1 MCERA - RESPONSIBILITIES.

2.1.1 Representative. The MCERA's representative for this contract will be:

Primary: James Wilbanks, Ph.D.
Retirement Administrator
(707) 463-4328
wilbanksj@co.mendocino.ca.us

Mendocino County Employees' Retirement Association (MCERA)
625B Kings Court
Ukiah, CA 95482

The MCERA Retirement Administrator or his designee will be the MCERA representative with respect to the administration of this Agreement.

2.1.2 Approval of Invoices by MCERA's Representative.

CONSULTANT's invoice will only be subject to payment by MCERA after approval by the MCERA representative, not to be unreasonably withheld. All invoices will be submitted with appropriate supporting documentation, subject to the following sentence, invoices will be submitted no more frequently than monthly. Submission of such invoice will constitute a certification by CONSULTANT that such amounts are due and owing and, in the case of any reimbursements that the materials or services to which such reimbursement applies were duly received, and satisfactory in nature, and inured to the benefit of MCERA in a manner and to an extent commensurate with such reimbursement. If so submitted, the MCERA representative will use his or her good faith best efforts to review such invoices and to approve or disapprove them for payment within thirty (30) days of receipt. Invoices approved for payment will be paid promptly and, in any event, within thirty (30) days of such approval.

2.1.3 No Personal Liability. In no event will the MCERA representative or any other person delegated responsibility for the administration of this

Agreement have any personal liability to CONSULTANT or any of its partners, agents, employees, or contractors for any action taken or not taken by such individual while acting or purporting to act as the MCERA representative or as his or her designee. This Section 2.1.3 in no way limits or impacts the provisions of Section 7.2.1(b).

2.2 CONSULTANT - RESPONSIBILITIES.

2.2.1 Representative. The CONSULTANT's representative for this contract will be:

Erich J. Kelly, Director, National Sales and Marketing
ekelly@mmroinc.com
312-909-4134

The CONSULTANT may designate such qualified representatives as it may reasonably deem necessary, subject to MCERA's reasonable acceptance thereof, hereinafter referred to as "Senior Consultants." MCERA's acceptance shall be deemed given unless rejection of a Senior Consultant, upon reasonable grounds, is given with 30 days of CONSULTANT's designation of a Senior Consultant. Senior Consultants shall be full-time employees of the CONSULTANT, and will be responsible for the CONSULTANT's day-to-day activities under this Agreement. Senior Consultants will be the CONSULTANT's representatives with respect to the administration of this Agreement and CONSULTANT will, on a regular basis, interface with and report to the MCERA representative so as to keep such representatives fully apprised and up to date on the status of the Consultant Services being performed. CONSULTANT shall promptly notify the MCERA of any decision on its part to replace the Senior Consultants, or any notice by a Senior Consultant of his or her intention to terminate his or her relationship with the CONSULTANT, and of any request by Senior Consultant that he or she be replaced.

2.2.2 Authority of Senior Consultants. The Senior Consultants are fully authorized to act on behalf of and to receive communications on the part of CONSULTANT.

2.2.3 Consultant Personnel. Promptly upon request by MCERA, CONSULTANT will remove any of CONSULTANT's personnel who are determined by MCERA not to be effectively carrying out the responsibilities of this Agreement from any further responsibility for performing duties under this Agreement. Notwithstanding the above, CONSULTANT will at all times have complete responsibility and authority with respect to the supervision and direction of its personnel.

ARTICLE 3

PAYMENT FOR SERVICES

As compensation for the Consultant Services, CONSULTANT will receive fees as set forth at Exhibit A, page 6.

ARTICLE 4

CONSULTANT'S REPRESENTATIONS, WARRANTIES, COVENANTS AND CERTIFICATIONS

4.1 CONSULTANT's Representations, Warranties and Covenants. CONSULTANT acknowledges, represents, warrants, and agrees that:

4.1.1 CONSULTANT and, as applicable, all Senior Consultants, hold all licenses required to perform the services required by this Agreement. CONSULTANT shall immediately notify MCERA if any license required by this Agreement is suspended, revoked, voluntarily surrendered, or subject to discipline;

4.1.2 CONSULTANT and, as applicable, all Senior Consultants, have never had any license required by this Agreement suspended, revoked, voluntarily surrendered, or subject to discipline;

4.1.3 No complaints or disciplinary actions are currently pending regarding any license required by CONSULTANT or any Senior Consultant under this Agreement;

4.1.4 CONSULTANT has complied with and, when required, will

comply with, all regulations, registrations, filings, approvals, authorizations, consents or examinations required by any governmental authority having jurisdiction over its activities or the acts contemplated by this Agreement.

4.1.5 CONSULTANT and, as applicable, all Senior Consultants, are experienced in the performance of the various functions contemplated by this Agreement and have not been convicted of any crime or found liable in a civil or administrative proceeding or pleaded nolo contendere or agreed to any consent decree with respect to any matter involving breach of trust or fiduciary duty, fraud, or any act or omission involving moral turpitude;

4.1.6 CONSULTANT certifies that the information contained in Exhibit A is, as of the date hereof, true, accurate and correct and does not contain any untrue statements of material fact or omit to state any material fact necessary to make such material, or any portion thereof, not misleading;

4.1.7 CONSULTANT will promptly notify MCERA in the event that any of the foregoing acknowledgments, representations, warranties or agreements have been breached or are no longer true provided that CONSULTANT will notify MCERA with respect to complaints or disciplinary actions that relate in some manner to the Consultant Services provided, subject to applicable law and contract.

The foregoing acknowledgments, representations, warranties and agreements are understood to be relied upon by MCERA and the BOARD and to constitute a material inducement to the decision of MCERA and the BOARD to enter into this Agreement.

4.2 Gratuities. CONSULTANT warrants that no gratuities in the form of entertainment, gifts, or otherwise, were offered or given by CONSULTANT, or any agent or representative of CONSULTANT, to any officer, Trustee, or employee of MCERA or the County of Mendocino with a view toward securing this Agreement or securing favorable treatment with respect to the awarding or the making of any determination with respect to this Agreement. CONSULTANT covenants that no such gratuities will be given to any such person with a view towards securing favorable

treatment with respect to the making of any determination with respect to the performance, termination and/or continuation of this Agreement. CONSULTANT shall review and become familiar with the conflict of interest and reporting provisions applicable to the MCERA, contained in Government Code Sections 1090 to 1097 inclusive, 31528, 82030, 87100 to 87103, and regulations thereunder.

4.3 Certification Concerning Financial Contacts or Solicitation.

CONSULTANT represents and warrants that to the best of its knowledge no employee or Trustee of MCERA or fiduciary whose position in MCERA enables such person to influence the award of this Agreement or any competing agreement, and no spouse or economic dependent of such person is or will be employed in any capacity by the CONSULTANT herein, or does or will have any direct or indirect financial interest in this Agreement.

ARTICLE 5

CONFLICTS OF INTEREST

5.1 Conflict of Interest. It is understood that the CONSULTANT may provide consulting services outside of the duties in this Agreement, and nothing in this Agreement shall in any way be deemed to restrict the right of CONSULTANT to provide consulting services, so long as such services can be and are in fact performed without violating or adversely affecting CONSULTANT's duties and obligations to MCERA under this Agreement.

ARTICLE 6

TERM AND TERMINATION

6.1 General. The term of this Agreement shall be in effect from _____, 2015 through _____ but may be renewed for successive one-year periods at the BOARD's regular _____ meeting each year beginning in 2016, unless otherwise amended or unless terminated sooner according to the provision set forth below. CONSULTANT or MCERA may terminate this Agreement for

any reason, including without limitation the convenience of the parties. Termination will be effected by delivery to the other party of a written Notice of Termination specifying the date upon which such termination becomes effective, which will not be less than thirty (30) days following the giving of such notice. During the period of time between the giving of the written Notice of Termination and the effective date of termination, this Agreement will remain in full force and effect and the parties will continue to execute their rights and obligations under this Agreement. Following termination, CONSULTANT shall bring to conclusion any and all disability cases then pending with CONSULTANT, and shall receive compensation therefor as provided herein, unless MCERA otherwise directs CONSULTANT.

6.2 Remedies.

6.2.1 In the event that either party gives Notice of Termination under Section 6.1, above, MCERA may immediately suspend CONSULTANT's authority to perform any/or all of the acts and services described in this Agreement including, without limitation, the right to enter into any agreement or commitment binding upon MCERA subsequent to the effective date of such notice. Such notice of suspension may be included in the Notice of Termination. Notwithstanding the suspension of services, MCERA will remain liable for such fees as CONSULTANT may have earned or may have been entitled to receive under this Agreement through the effective date of termination, and thereafter for the completion of pending cases, if applicable.

6.2.2 In no event will the termination of this Agreement pursuant to Section 6.1, above, be deemed a waiver of either party's rights to make a claim against the other as provided for in Section 7.2, below.

6.2.3 The rights and remedies of the parties provided in this Section 6 will not be exclusive and are in addition to any other rights and remedies provided at law, in equity or under this Agreement.

6.2.4 CONSULTANT will cooperate with MCERA in effecting a smooth transition to a new consultant after any termination hereunder.

ARTICLE 7

INSURANCE AND INDEMNIFICATION

7.1 Insurance. Without limiting CONSULTANT's indemnification, CONSULTANT shall procure and maintain for the duration of the Agreement, insurance against claims for injuries to persons or damage to property which may arise from or in connection with the performance of the work hereunder by CONSULTANT, its agents, representatives or employees. MCERA shall retain the right at any time to review the coverage, form, and amount of the insurance required hereby. If in the reasonable opinion of MCERA the insurance coverage provided does not provide adequate protection for MCERA and its members, MCERA and CONSULTANT shall meet to discuss insurance coverage, sufficient in form and amount to provide adequate protection.

7.1.1 Verification of Coverage. CONSULTANT shall furnish evidence of insurance to the Administrator or his designee prior to the commencement of this agreement. MCERA reserves the right to require that CONSULTANT provide complete certified copies of any policy of insurance offered in compliance with these specifications. The evidence of insurance shall specifically identify this Agreement and shall be accompanied by a certificate from the insurer that MCERA is to be given at least ten (10) days advance notice of any material modification or termination of any policy of insurance. As an alternative to insurance certificates, CONSULTANT's insurer may voluntarily provide complete, certified copies of all required insurance policies, including endorsements, affecting the coverage required by these specifications.

7.1.2 Minimum Scope of Insurance. Coverage shall be at least as broad as:

1. Commercial General Liability This policy shall name MCERA as an additional insured and be primary and not contributory to any policy maintained by MCERA. Such policy shall cover liability for bodily injury and property damage arising out of CONSULTANT's services under this Agreement. Such

policy shall include endorsements for property damage, premises-operations, products/completed operations, contractual, and personal injury with a limit of one million dollars (\$1,000,000) per occurrence and an annual aggregate of two million dollars (\$2,000,000).

2. Workers' Compensation. This policy shall cover CONSULTANT's employees for injuries arising in connection with services provided under this Agreement. The amount will be sufficient to meet all applicable statutory requirements to cover CONSULTANT's employees.

3. Auto. As necessary, any vehicles to be used in the performance of this agreement shall be insured by a policy of automobile insurance in compliance with statutory requirements and acceptable to MCERA in the reasonable discretion of the MCERA Representative.

7.1.3 Deductibles and Self-Insured Retention Any deductibles or self-insured retention must be declared to and approved by MCERA's Representative. At the option of MCERA's Representative, either: the insurer shall reduce or eliminate such deductibles or self-insured retention with respect to MCERA, its officers, agents, employees and volunteers; or Representative shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.

7.1.5 Acceptability of Insurers. Such insurance will be provided by insurer(s) rated not less than Best's Financial Class X and Best's Policy Holder Rating A- or otherwise approved in writing by MCERA.

7.1.7 Waiver and Subrogation. CONSULTANT shall cause each General Liability insurance policy obtained by it with respect to this Agreement to provide that the insurer waives all right of recovery by way of subrogation against MCERA and against the trustees, officers, and employees of MCERA, in connection with any claims of bodily injury or property damage covered under such policy, and such waiver shall be indicated in any insurance certificate to be provided pursuant to this Agreement. If any insurance policy required under this Agreement is obtainable only by the payment of an

additional premium charge (i.e., above that charged by the insurer for such policy without a waiver of subrogation), CONSULTANT shall have the option to either pay the additional premium for a waiver of subrogation from such insurer or to place the insurance with another insurance company that meets the requirements set forth in this Section and will issue the aforementioned waiver of subrogation free of charge.

7.2. Indemnification; Acknowledgements

7.2.1. Grants of Indemnity.

(a) By CONSULTANT. CONSULTANT will indemnify, defend, and hold harmless MCERA and the trustees, officers, contractors, agents and employees of MCERA in respect to any and all claims, demands, actions, liabilities, losses, damages, injuries, and expenses (including, without limitation, actual reasonable attorneys' fees and defense costs) reasonably related to, arising out of and/or resulting from: (i) any action taken or omitted to be taken by CONSULTANT, its officers, directors, employees, agents or subcontractors that was not in good faith, or was not authorized by or within the discretion or right or powers conferred upon it by this Agreement, or that constituted gross negligence, willful misconduct or a breach of its fiduciary duties; (ii) any breach of any representation or warranty made by CONSULTANT in this Agreement; and (iii) any material misrepresentation contained in any certificate furnished by CONSULTANT pursuant to this Agreement.

(b) By MCERA. MCERA will indemnify, defend, and hold harmless CONSULTANT, and its officers, directors, employees and agents (collectively, the "Covered Persons") in respect to any and all claims, demands, actions, liabilities, losses, damages, injuries, and expenses (including, without limitation, actual reasonable attorneys' fees and defense costs) reasonably related to, arising out, of and/or resulting from any action taken, omitted or suffered by CONSULTANT, or its Covered Persons, in the exercise of its powers hereunder or otherwise reasonably relating to this Agreement, provided that such claim is the result of action taken, omitted or suffered by CONSULTANT, or its Covered Persons in the reasonable and good faith belief that such action was in the best interest of MCERA and within the authority of CONSULTANT, or its

Covered Persons, under this Agreement, and did not involve bad faith, gross negligence, willful misconduct or breach of CONSULTANT's fiduciary duties or other material obligations under this Agreement.

ARTICLE 8

RECORDS

8.1 Record Retention and Inspection of CONSULTANT's Records. CONSULTANT will furnish to MCERA and its authorized representatives, on reasonable notice (which in no event need ever be more than five (5) business days) and during ordinary business hours, full access to those records maintained by CONSULTANT with respect to this Agreement. CONSULTANT will return all disability application files at such time that the review and recommendation are submitted.

8.2 Confidentiality. Except as provided by applicable law, or by order of a court or regulatory authority, CONSULTANT shall maintain the confidentiality of all records with respect to this Agreement.

ARTICLE 9

GOVERNMENTAL PROVISIONS

9.1 Governing Law and Venue. This Agreement will be construed in accordance with and governed by the laws of the State of California. Should either party file a lawsuit over any matter arising out of this Agreement, said lawsuit will be filed and prosecuted in the County of Mendocino, State of California, and all parties hereto hereby consent to such venue and the personal jurisdiction of all courts sitting within such local.

9.2 Assurance of Compliance With Civil Rights Laws. CONSULTANT hereby agrees and represents that if CONSULTANT is or becomes an employer, CONSULTANT will be an equal opportunity employer and adopt policies to implement the purpose and provisions of the Civil Rights Act of 1964, 42 USC § 2000(e), et seq., to assure that no person is denied employment on the basis of race,

creed, color, sex or national origin in connection with its performance of this Agreement.

9.3 Affirmative Action. CONSULTANT hereby agrees and represents that if CONSULTANT is or becomes an employer, CONSULTANT will take affirmative action to ensure that applicants are employed, and that employees are treated fairly during employment, without regard to their race, color, religion, sex, handicap, ancestry or national origin. Such action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.

9.4 Independent Contractor. CONSULTANT will at all times be acting in the capacity of independent contractor. CONSULTANT will be considered to be representing MCERA to the extent it is acting within the scope of this Agreement, but this Agreement is not intended, and will not be construed to, create the relationship of agent, servant, employee, partner, joint venture, or association, as between MCERA and CONSULTANT. CONSULTANT understands and agrees that all persons furnishing services to the MCERA pursuant to this Agreement are employees solely of CONSULTANT and not of MCERA. CONSULTANT will bear the sole responsibility and liability for furnishing Workers' Compensation benefits to any person performing services to CONSULTANT for injuries arising from or connected with services provided to MCERA pursuant to this Agreement.

All services performed with respect to the work will be performed by CONSULTANT with its own forces, except that: (i) Independent Medical Examinations shall be performed by MLS Group of Companies, Inc. ("MLS") in accordance with the CONSULTANT'S agreement with MLS for the provision of such services; and (ii) any additional services can be provided by a third party, as necessary, with the written approval of the MCERA Administrator. No performance of this Agreement or any portion thereof may be contracted by CONSULTANT without the express written consent of the MCERA Administrator. CONSULTANT will be solely liable and responsible for any and all payments and other compensation to any contractor, and

MCERA will have no direct liability to any contractor.

9.5 Interpretation. This Agreement has been negotiated at arm's length and between parties sophisticated and knowledgeable in the matters dealt with in this Agreement. Each party has been represented by experienced and knowledgeable legal counsel. Accordingly, any rule of law (including, without limitation, California's Civil Code Section 1654) or legal decisions that would require interpretation of any ambiguities in this Agreement against the party that has drafted it shall not be applicable and are hereby waived. The provisions of the Agreement shall be interpreted in a reasonable manner to effectuate the purpose of the parties and this Agreement.

ARTICLE 10

MISCELLANEOUS

10.1 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original.

10.2 Successors and Assigns. Neither this Agreement nor CONSULTANT's rights or duties hereunder may be assigned by CONSULTANT without the prior written consent of MCERA, which may be withheld for any reason or no reason at all in the sole and absolute discretion of MCERA.

10.3 Article and Paragraph Headings. The article and paragraph titles of this Agreement are inserted for convenience of reference. They constitute no part of this Agreement and are not to be considered in its construction.

10.4 Validity. The invalidity in whole or in part of any provision of this Agreement shall not void or affect the validity of any other provision.

10.5 Waiver. No waiver of a breach of any provision of this Agreement by either party shall constitute a waiver of any other breach of said provision or any other provision of this Agreement. No waiver will be enforceable unless it is a written agreement executed by the party granting the waiver, making specific reference to this Agreement and reciting the parties' intention that it constitutes a waiver. Failure

of either party to enforce at any time, or from time to time, any provisions of this Agreement shall not be construed as a waiver thereof. The remedies herein reserved shall be cumulative and additional to any other remedies in law or equity.

10.6 Attorney Fees. In the event of any litigation regarding this Agreement, the prevailing party as determined by the appropriate court shall be entitled to recover reasonable attorney's fees.

10.7 Merger. This Agreement, and the Exhibits attached hereto, will constitute the complete and exclusive statement of understanding between the parties, superseding all previous agreements, written or oral, and all other previous communication between the parties relating to the subject matter of this Agreement.

10.8 Changes and Amendments. MCERA and the CONSULTANT reserve the right to amend any such terms and conditions of this Agreement which may become necessary. Any revisions hereto will be accomplished by written agreement executed by both of the parties making specific reference to this Agreement and reciting the parties' intention that it constitutes an amendment.

EXECUTED AND AGREED TO by the parties as of the date first written above by their duly authorized representatives:

MANAGED MEDICAL REVIEW
ORGANIZATION, INC.

By: _____
G. JOSEPH SCHIMIZZI
President

MENDOCINO COUNTY
EMPLOYEES' RETIREMENT
ASSOCIATION

By: _____
JAMES WILBANKS, Ph.D.
Retirement Administrator

CONTRACT APPROVED AS TO FORM:

By: _____
Counsel

EXHIBIT A

Disability Claims Management Services 2015 Pricing for MCERA

DRAFT



**2015 Pricing for Mendocino County Employees' Retirement Association (MCERA)
Disability Retirement Claim Management Services**

DISABILITY RETIREMENT CLAIM MANAGEMENT SERVICES

FIXED COST PER DISABILITY RETIREMENT CLAIM		
Disability Claim Type	Estimated Claim Volume	Case Rate Range
New Claim	10 - 12 per year	\$ 935 per claim

RE-EVALUATION CLAIM REVIEW COST	
RE-EVALUATION CLAIM REVIEW	\$635 per claim

INDEPENDENT MEDICAL EXAMINATION COST	
PHYSICIAN SPECIALTY	COST PER CASE ^{1,2,3}
ORTHOPEDISTS	\$1450 per exam
PSYCHIATRIST	\$1600 per exam
NEUROLOGY	\$1550 per exam
INTERNAL MEDICINE	\$1400 per exam
IME ADDENDUM REPORTS ²	\$450 per report

PROFESSIONAL TESTIMONY	
Disability Claim Type	Case Rate Range
Testimony - Disability NCM	\$195 per hour
Testimony - Physician Medical Consultant	\$375 per hour
Testimony - Independent Medical Provider (IME or Peer Review)	Varies per hour ¹

- **Travel Expense Reimbursement.** In the event that MMRO representatives: (i) appear at a monthly BOARD meeting in-person; or (ii) are required to travel in order to provide testimony at an administrative or legal proceeding, MCERA shall reimburse MMRO for all incurred travel expenses, including airline flight(s) (coach class), meals and lodging. Such reimbursements shall be made with fourteen (14) days following MMRO's submission of a travel expense reimbursement request, which shall include documentation supporting each expense.
- MMRO will be available for consultation with MCERA at monthly board meetings, as requested, to discuss recommendations with the BOARD. Such consultation shall be by telephone, unless MCERA requests MMRO representatives appear in-person.
- MMRO will be available for witness preparation and testimony with MCERA and will participate by phone, or if necessary, in person at administrative hearings or legal proceedings. Upon request by MCERA, MMRO will provide expert staff, including Disability Nurse Case Managers or Physician Medical Consultants to participate in the administrative hearings at the hourly rates set forth above.

IMPLEMENTATION COSTS	
New Program Implementation: <ul style="list-style-type: none"> • Workflow Development • Program Start-up • Documentation/Script Development 	\$3,750

¹ IME charges include medical record review up to 1". Additional charges may apply for medical records in excess of 1".

² IME Addendum Report charges for additional medical records requested after the IME report of additional questions posed.

³ In the event that MMRO is unable to locate a physician that will perform an IME at the price level stated above, MMRO shall provide MCERA with a fee quotation for the applicable IME and shall obtain prior authorization from MCERA to proceed with such IME at the quoted price.

