

PENDING APPROVAL

REQUISITION SHEET MUST BE ATTACHED
(Applies when agenda item requires a specific payment)

OKLAHOMA COUNTY BOARD OF COUNTY COMMISSIONERS

AGENDA ITEM REQUEST SHEET

For the: June 08, 2010 Agenda
(Day of Meeting) *(Date and Year of Meeting)*

DEPT.: EH&S BY: Dan Matthews EXT. X 2194
(Department Requesting this item) *(Contact person for this Item)* *(Contact's extension)*

SUBJECT: Workers' Compensation Self-Insured Contract

NAME OF FUND: _____

AGENDA ITEM DESCRIPTION: Discussion and possible action for approval of Service agent for administration of Workers' Compensation Self-Insured program agreement with Consolidated Benefits Resources.

(ALL NECESSARY DOCUMENTATION MUST BE ATTACHED FOR APPROVAL)

APPROVED BY D.A.
(If Applicable)

Assistant District Attorney

APPROVED BY MIS
(If Applicable)

MIS Director

APPROVED BY PURCHASING
(If Applicable)

Purchasing Agent

APPROVED BY ENGINEER
(If Applicable)

County Engineer

Number of ORIGINAL DOCUMENTS you have attached: _____. **NOTE:** The County Clerk will keep one original and will return the remaining originals to you. If you provide only one original, the Board Secretaries will return one photocopy to you. However, if you have special circumstances that require the County Clerk to (*check one*): ____ keep more than one original; or ____ return all originals to you, please describe them for the County Clerk's consideration: _____

Special Instructions: Contract attached and approval from D.A. REQ# 11007671 (copy attached)

REQUEST FOR DISTRICT ATTORNEY LEGAL SERVICES

THIS FORM IS TO BE USED TO REQUEST ADVICE AND/OR REPRESENTATION FROM THE DISTRICT ATTORNEY'S OFFICE REGARDING THE COUNTY OF OKLAHOMA, COUNTY OFFICIALS AND EMPLOYEES AS REQUIRED BY SECTIONS 215.4, 215.5, 215.25 AND 215.26 OF TITLE 19 OF THE OKLAHOMA STATUTES.

IF ADVICE IS SOUGHT, THE REQUEST MUST BE SIGNED BY AN ELECTED COUNTY OFFICER. THIS FORM MUST BE FILLED OUT AND SUBMITTED TO THE CIVIL DIVISION OF THE OKLAHOMA COUNTY DISTRICT ATTORNEY'S OFFICE IN A TIMELY MANNER. ALL RESPONSES TO REQUESTS FOR ADVICE WILL BE IN WRITING.

IF THE REQUEST IS FOR LEGAL REPRESENTATION UNDER 19 O. S. SECTION 215.25, THE REQUEST MUST BE SUBMITTED IN WRITING EARLY ENOUGH TO PERMIT THE DISTRICT ATTORNEY'S OFFICE ADEQUATE TIME TO COMPLETE A THOROUGH "GOOD-FAITH-AND-COURSE-OF-EMPLOYMENT" INVESTIGATION AS CONTEMPLATED BY 19 O.S. SECTION 215.26.

DATE OF REQUEST: 05/03/09

COUNTY DEPARTMENT MAKING REQUEST: Human Resources/Health & Safety

STATE WITH SPECIFICITY, WHAT THE REQUEST IS AND WHY THE ASSISTANCE OF THE DISTRICT ATTORNEY'S OFFICE IS NEEDED:

Authorization of Renewal of Contract for 2010-2011 for Service Agent for Administration of Workers' Compensation Self-Insurance Program with Consolidated Benefits Resources.

ATTACH ADDITIONAL DOCUMENTS AS APPROPRIATE. (NOTE: Advice, reviews and approvals as to "form and legality" are based on the documentation and information provided to the District Attorney's Office. Please provide all relevant information when requesting an opinion or review from the District Attorney's Office).

COUNTY OFFICER

.....
DATE RECEIVED BY DISTRICT ATTORNEY: 5/5/10

REPLY BY DISTRICT ATTORNEY: Reviewed

RECEIVED
MAY 05 2010
CIVIL DIVISION
DISTRICT ATTORNEY

DAVID W. PRATER
DISTRICT ATTORNEY

By:

OKLAHOMA COUNTY INCOMPLETE REQUISITIONS REPORT

DATE PRINTED--: 06-07-2010

Requisition No--: 11007671
Requisition Type--: Purchase Requisition
Creation Date--: 06-07-2010
Description--: Workers compensation administrative fees

Requestor	Qty/Amt	Unit Price	Line Amt	Category
Holt, Bradford C	45,000	\$ 1.00	\$45,000.00	SERVICE.FEES

Item Description: Workers compensation administrative fees. Distribution: 4020.0001.54502.2011

Vendor: CONSOLIDATED BENEFITS RESOURCES LLC

Requisition Total: \$45,000.00

Approval Action (Circle One)

Approve Forward Reject

Forward To :

Note :

Signature:

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SERVICE AGENT FOR ADMINISTRATION OF WORKER'S COMPENSATION SELF INSURANCE PROGRAM

AGREEMENT entered into this ____ day of _____, 2010 by and between **CONSOLIDATED BENEFITS RESOURCES, L.L.C., P.O. Box 13770, Oklahoma City, OK 73113** ("CBR") and **OKLAHOMA COUNTY, 320 Robert S. Kerr, Oklahoma City, Oklahoma 73102** ("Self-Insurer").

RECITALS

1. Self-Insurer proposes to self-insure its workers' compensation risks, and desires to have CBR provide specific services in connection with such self-insurance program.
2. CBR is willing to provide such services, on the terms and conditions hereinafter stated.

AGREEMENT

1. **SERVICES TO BE PERFORMED BY CBR.** CBR agrees to perform the following services:
 - A. With regard to **CLAIMS ADMINISTRATION**, CBR shall:
 - (1) Review all claims or loss reports made by Self-Insurer to CBR of personal injury, sickness or disease incurred by an employee in the course of his employment by Self-Insurer during the term of this Agreement, and of death resulting at any time from any of the foregoing, and process any such claim or loss report in accordance with applicable statutory and administrative notification requirements;
 - (2) Perform reasonable and necessary administrative and clerical work in connection with qualified claims or losses, including the preparation of checks or drafts bearing the name of Self-Insurer and drawn on the account or accounts established pursuant to paragraph 2B below;
 - (3) Maintain a file for each qualified claim or loss, which shall be available for review by Self-Insurer at any reasonable time.
 - B. With regard to **INVESTIGATION**, CBR shall:
 - (1) Conduct an investigation of each reported claim or loss under subparagraph (1) above (hereinafter referred to as a "qualified claim of loss") as appropriate or as requested by Self-Insurer or its legal counsel in the performance of it

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obligations hereunder;

- (2) If requested by The County or it's legal counsel, CBR shall provide a panel list of independent investigators, medical or other experts or services from which The County or it's legal counsel can choose any experts or service providers The County or it's legal counsel determine are necessary for claim related activities. The County or its legal counsel shall be responsible for choosing the expert or service provider they intend to use for claim related activity. Any hiring of such expert shall be by approval and between County and said expert. The County shall be obligated to pay the cost relating from the use of an expert or service provider as a cost directly attribute to a claim, this cost will be in addition to the Service Fee agreed to herein.
- (3) Take statements of injured employees, witnesses, and others as appropriate or as requested by Self-Insurer or its legal counsel;
- (4) Monitor the treatment programs recommended for employees by physicians or specialists by reviewing all initial reports prepared by treating physicians and by maintaining such contact with treating physicians as may be appropriate in the judgment of CBR or as requested by Self-Insurer or its legal counsel. Copies of all reports and bills are to be sent immediately to the Self-Insurer;
- (5) Determine compensability of injuries and illness in accordance with Oklahoma Workers' Compensation laws.

C. With regard to **ADJUSTMENT, SETTLEMENT, PAYMENT OF CLAIMS**, CBR shall:

- (1) Pay medical and death benefits and temporary or permanent disability compensation as follows. Only medical benefits and total temporary disability for which the Self-Insurer is clearly legally liable shall be processed for payment prior to the Self-Insurer's approval. The Self-Insurer or its legal counsel shall approve or specifically direct payment of questionable medical benefits or total temporary disability. Any payment of permanent partial

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- disability or settlement must be specifically approved by Self-Insurer;
- (2) Notify excess carriers of all qualified claims or losses with respect to which potential losses may exceed Self-Insurer's retention and, if requested, provide such carriers with necessary information on the current status of those claims or losses;
 - (3) Assist Self-Insurer's counsel, if requested, to prepare the defense of litigated cases, to negotiate settlements and to prepare for subrogation or contribution actions;
 - (4) As Self-Insurer directs, assist in interpreting medical reports to consider the circumstances under which an ill or injured employee who desires to do so could return to work in the shortest period of time;
 - (5) Assist Self-Insurer in arranging for rehabilitation or retraining of employees in appropriate cases;
 - (6) Maintain a current estimate of the cost of all anticipated losses on each qualified claim or loss;
 - (7) Utilize computer programs to furnish to Self-Insurer a monthly "Claim and Expense Report" containing the following information:
 - (a) As to each qualified claim or loss from the current contract period and each open qualified claim or loss from prior contract periods, the date and a condensed description of the incident, other identifying information, the total of payments made during the month and to date, and the estimated future cost and total expected cost of the claims or loss, and;
 - (b) As to all qualified claims or losses from the current contract period and each of several successive prior contract periods, the total number of such claims or losses and summary data as to payments made during the month and to date and the estimated future cost and total expected cost of such claims or losses;
 - (8) Utilize computer programs to furnish to Self-Insurer a quarterly "Loss

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Analysis Report" containing summary data for each of Self-Insurer's principal locations as to the number of claims and the total of compensation and medical payments made to date during the current contract period, and the reserve cost and the total expected cost of such claims, all categorized by the type and nature of the incident and the part of the body involved;

D. With regard to **MEDICAL CONTROL**, CBR shall:

1. Assist in connection with Self-Insurer's selection of a panel of physicians to initially treat employees and a panel of medical specialists to provide long term or specialty care.
2. Consult with Self-Insurer in order to develop ways of utilizing any in-house dispensary or other medical facilities more effectively.
3. If Self-Insurer request, assist in designing a program of pre-employment and periodic medical examinations to attempt to improve the matching of employees with the physical demands of the jobs.
4. Utilize a computer program to insure that no medical bill or cost exceeds that allowed in the Schedule of Medical Fees promulgated in Title 85 O.S. (1987) Section 13, will be paid by the County. CBR agrees to reimburse The County in the amount by which any medical bills exceed those amounts set out in Schedule of Medical Fees.
5. Monitor employees treatment by physicians to insure that each time the employee changes physicians, such change is by written agreement of the parties, approval of the Court or Administrator or a referral to another physician for diagnostic or treatment purposes by the treating physician;
6. Monitor the treatment program recommended by employee's physicians or specialists by reviewing all reports prepared by treating physicians and by maintaining such contact with physicians as is appropriate or as requested by Self-Insurer or its legal counsel.

E. With regard to **EMPLOYEE COUNSELING**, CBR shall:

1. As Self-Insurer directs, provide information to ill or injured employees regarding the benefits available under the Self-Insurance program. Contact with the employee regarding a potential settlement

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- shall be approved by the Self-Insurer or its legal counsel prior to contact;
2. If Self-Insurer request, consult with employee groups in regard to specific aspects of the self-insurance program;
- F. With regard to **PROGRAM DEVELOPMENT**, CBR shall, to the extent appropriate:
1. Consult with key personnel of Self-Insurer on the establishment and coordination of necessary procedures and practices to meet any applicable state requirement and the needs of Self-insurer;
 2. Participate in the orientation of Self-Insurer's personnel who are directly or indirectly involved in the processing of workers' compensation claims or losses;
 3. Provide information on changes or proposed changes in legislation, rules, and regulations affecting the responsibility of Self-Insurer;
 4. Review the development of the self-insurance program periodically with representatives of Self-Insurer in order to identify problems and recommend corrective action.
- G. CBR shall also furnish appropriate renewal application forms and shall file all renewal applications and periodic reports required by state administrative agencies to maintain the self-insurance program.

2. **OBLIGATIONS OF SELF-INSURER**

- A. Service fee is based on claims submitted during the period of July 1, 2010 through June 30, 2011. At the end of each month, CBR will bill Oklahoma County \$300 per claim submitted. The maximum fee charged in this period will be \$45,000.
- B. Self-Insurer shall at all times provide funds adequate for the payment of qualified claims or losses and of allocated loss expense. For this purpose, allocated loss expenses shall mean all costs, charges or expenses of third parties incurred by CBR, its agents or its employees which are properly chargeable to a qualified claim or loss, including, investigators, experts and witnesses, and fees for obtaining diagrams, reports, documents and photographs. CBR shall advise the County and provide written documentation of specified checks ready for release. Said notification shall

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occur on or before noon each Thursday. The County agrees to fund The County's designated claims paying account no later than the following Tuesday. In the event that The County or its legal counsel advice CBR not to release particular check(s) said notification shall be provided in written form on or before the scheduled release date. CBR shall release said checks within 5 business days of The County's approval. CBR shall use only authorized signatures on said checks, either a facsimile obtained through the County Clerk's Office or an original, as provided by law.

- C. It is expressly understood that CBR shall not be required to advance its own funds to pay losses or allocated loss expenses hereunder, or to perform any services hereunder if Self-Insurer fails to provide adequate funds as herein set forth.
- 3. **COMPUTER PROGRAMS.** Costs incurred by CBR for changes in computer programs, changes in computer data, changes in reporting format, new software or hardware shall be borne by CBR.
- 4. **GEOGRAPHIC LIMITATIONS.** This Agreement shall cover all operations of Self-Insurer. Workers' Compensation claims administered pursuant to this Agreement and this Agreement shall be governed by Oklahoma Law.
- 5. **TERM OF AGREEMENT AND CANCELLATIONS.**
 - A. The initial term of this agreement shall be one year ending June 30, 2011. This Agreement is renewable for successive one (1) year periods thereafter, upon mutual written agreement by the parties.
 - B. This Agreement may be canceled by either party for any reason with a sixty (60) day written notice.
 - C. If requested by Self-Insurer, CBR will handle any claims or losses remaining open at the termination of this Agreement, provided that Self-Insurer shall continue to make adequate funds available for the payment of such claims or losses and any allocated loss expenses. There will be no additional fee charged for continued handling of existing claims. Those claims reported after the contract expiration date but with date of loss within the contract period are not considered existing claims. If requested by Self-Insurer, such claims shall be billed at \$550.00 for each lost time case and \$125.00 for each medical only file.
 - D. Upon termination of this Agreement, Self-Insurer shall be entitled if it so requests to

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have the files CBR has maintained for qualified claims or losses (but not including magnetic tapes or any computer software or other proprietary information of CBR); provided, however that CBR or its agents, employees or attorneys shall continue to be entitled to inspect such files and make copies or extract facts therefrom. If requested by The County, CBR will handle any claims or losses remaining open at the termination of this Agreement, provided that The County shall continue to make adequate funds available for the payment of such claims or losses and any allocated loss expenses. There will be no additional fee charged for continued handling of existing claims for a period of one year from the termination of the Agreement. If The County requests that CBR handle existing claims beyond a period of one year, The County shall pay for each claim as outlined in Paragraph 5C.

- E. CBR must stay in compliance with the IRS by furnishing The County a Service Auditors' Report (SA70) each contract year.
6. **SOFTWARE.** CBR shall provide and utilize their standard workers' compensation claims administration software system to administer the workers' compensation claims of The County. If CBR is required to make any significant changes to its standard operating software due to the unique requirements or request of The County, the cost incurred to make the changes to the standard operating software shall be paid fully by The County.
7. **RECORDS.** All records, of any kind, relating to this Contract or claims received, reviewed, processed or paid, shall be the property of Oklahoma County and shall be available for inspection or audit by Oklahoma County at any time. CBR will comply with all appropriated federal and state privacy laws related to the release of privileged information.
8. **PRACTICE OF LAW.** It is understood and agreed that CBR will not perform, and Self-Insurer will not request performance of, any services which may constitute the unauthorized practice of law.
9. **INDEMNIFICATION.** CBR agrees to indemnify and hold the Self-Insurer harmless against any and all losses damages, expenses and claims arising out of the dishonest, fraudulent, negligent or criminal acts of CBR' agents or employees provided, however that such indemnity shall not apply in the event that Self-Insurer is adjusted totally or partially liable with respect to an alleged act or omission. The parties agree in the event both parties are partially liable for an act or omission that each party will be responsible for its respective

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loss, damages, expenses and claims concerning such act or omission. In addition, CBR further agrees to maintain during the contract period general liability insurance and errors and omissions insurance in an amount sufficient to protect the Self-Insurer from any claims and/or causes of action which may arise against Oklahoma County for services rendered pursuant to this contract. The liability insurance policy must be written with a company licensed to do business in the State of Oklahoma, naming Oklahoma County as an additional insured, in sufficient amounts to provide the statutory limits of liability under The Oklahoma Governmental Tort Claims Act, 51 O.S. § 151 et. Seq. (\$25,000.00 for loss of property, \$175,000.00 for any other loss, and one million dollars for any number of claims arising out of a single occurrence). CBR agrees to furnish the Self-Insurer with a fidelity bond covering employee dishonesty, forgery, alteration, theft, and computer fraud. The required bond and insurance policy must name Oklahoma County as an additional insured and contain a provision that Oklahoma County receive at least a ten (10) day notice before cancellation or termination of the coverage for any reason. CBR shall provide a copy of its insurance policy certificate and bond document to Oklahoma County upon execution of this contract. The cancellation or reduction of required bond and insurance coverage without written permission by Oklahoma County shall constitute grounds for immediate termination of this contract.

10. **NOTICES.** Any notice required to be given under this Agreement shall be sent by certified or registered mail to Jerry Whorton, President, P.O. Box 13770, Oklahoma City, OK 73113 and Chair of the Board of County Commissioners, 320 Robert S. Kerr Avenue, Oklahoma City, Oklahoma 73102, in the case of Self-Insurer.
11. **SUCCESSORS.** This Agreement shall be binding upon and shall inure to the benefit of all assignees, transferees and successors in interest of any kind of the parties hereto.
12. **ENTIRE AGREEMENT AND MODIFICATION OR AMENDMENT.** This Agreement represents the entire and exclusive statement of the agreement of the parties and may be modified or amended only by a written statement signed by both parties. Such modification or amendment shall be attached to, and shall thereupon become a part of this agreement.
13. **HEADINGS.** Headings herein are for convenience of reference only and shall not be considered in any interpretation of this Agreement.

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed on the day and date first above written.

APPROVED this _____ day of _____, 20_____.

BOARD OF COUNTY COMMISSIONERS
OKLAHOMA COUNTY, OKLAHOMA

Approved by County Dept.:

Chairman

Department Head

Member

ATTEST:

Member

Carolynn Caudill, County Clerk

*APPROVED
Carolynn Caudill
5/7/2010*

VENDOR:

CONSOLIDATED BENEFIT RESOURCES, L.L.C.

By: *General A. Whorton, President*
JERROLD A. WHORTON, PRESIDENT

Attest or Notary:

Michael Hulick

My Commission expires: *January 27, 2012*

Commission Number *99019904*

Requisition Number _____

Blanket Purchase Order Number _____

Wcselfinsured.cbr.con
2010-11

