

**ADDENDUM NUMBER SIX
TO
SERVICE CONTRACT FOR
WORKERS' COMPENSATION CLAIMS HANDLING**

This is the Sixth Addendum to the Agreement entered into between Johns Eastern Company, Inc., hereinafter called the SERVICE AGENT, and NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS, hereinafter called the EMPLOYER, dated the 1st day of October, 1991.

This Addendum affects the remuneration to be paid by the EMPLOYER to the SERVICE AGENT for the handling of claims with dates of loss prior to October 1, 1994 for the period of January 1, 2013 through December 31, 2013. All other terms of the original contract remain unchanged.

4. **Allocated Claims Expenses.** Charges for services below are billed at negotiated rates for vendors selected by CLIENT/SERVICE AGENT unless otherwise outlined below. "Allocated Claims Expenses" shall be defined as expenses arising in connection with the settlement of claims, which shall be defined as expenses directly allocated to a particular claim to be discharged from the accounts funded by the CLIENT specified in Paragraph 3, including, but not limited to:
- a. Attorneys' and legal assistants' fees for claim and any lawsuits, before and at trial, on appeal, or otherwise;
 - b. Court and other litigation and settlement expenses, including, without limitation:
 - (i) Medical examinations to determine extent of liability;
 - (ii) Expert medical and other testimony;
 - (iii) Laboratory, X-ray and other diagnostic tests;
 - (iv) Autopsy, surgical reviews, and other pathology services;
 - (v) Physician and related fees and expenses in reading, interpreting, or performing any of the foregoing tests or services;
 - (vi) Stenographer, process server, and other related trial preparation, trial, settlement, and court costs;
 - (vii) Witnesses fees and expenses before and at trial, deposition, settlement discussions, or otherwise; and
 - c. Fees and expenses for surveillance, private investigators, or otherwise,
 - d. Fees for the indexing of injured claimants,

- e. Fees for any work done outside the office, including, but not limited to, field investigations necessary to determine compensability, liability, Special Disability Trust Fund or subrogation recoverability, claimant control, attendance at mediations, hearings and depositions, attendance at management meetings, attendance at medical consultations or hearings, appraisals, case management, recorded statements will be \$95.00 per hour, \$0.45 per mile, \$2.00 per color photograph, and administrative expenses. Fees for field work and overnight mail will be invoiced to the Employer.
- f. Fees for telephonic medical management services will be \$895.00 per exposure.

Additional services can be provided at the rates indicated below:

- Pre-Certification In-Patient/Out-Patient	\$125.00/each
- On-Site Case Management	\$85.00/hour
- Peer Review	\$85.00/hour
- Hospital Bill Audit	35% of savings

- g. The Service Agent will review all medical bills and make appropriate reductions as required by Florida Statute 440. Fees for these services are \$5.25 per bill, 10% of Fee Schedule Reductions, and 25% of savings over and above Fee Schedule Savings.
- h. Fees for over-night or special mail service for various documents,
- i. Photocopying and/or CD-ROM copies, review of relevant documentation.
- j. Pre-Certification of Hospital Admissions, On-Site Case Management, Peer Review, Medical Care Audits, and Hospital Bill Audits.
- k. Medicare Set-Aside (MSA) services to include; recommendation for MSA submission, MSA cost projection, MSA submission, liability MSA services, comprehensive drug utilization review, lien search, conditional lien dispute, projection update.
- l. Special Disability Trust Fund recoveries that are made or perfected will be payable as a fee for service of 10% of the recovery.

5. **Compensation for the Service Agent:** For performing its services under this Agreement, the Service Agent shall be entitled to the following compensation:

- a) Fees for handling claims with dates of loss prior to October 1, 1994 will be at a rate of \$800.00 per exposure, per year.
- b) Medicare reporting will be \$5,000.00 annually.

6. **Continuing Handling of Claims After Termination of Contract or Legally Imposed Mandates.** Upon termination of this Agreement as set forth in paragraph 8, the Service Agent agrees to continue

handling all claims that have been made and reported to it prior to such date of termination for thirty (30) days unless the parties have agreed otherwise in writing.

Upon repeal of any service mandated by the workers' compensation law and/or other applicable statutes and/or regulations, the Service Agent agrees to continue handling all claims under the repealed service that have been reported to it prior to the date of such repeal for thirty (30) days unless the parties have agreed otherwise in writing.

Upon exiting, client data will be provided to the new TPA either by a series of attachments to one or more email messages containing zip files which can be password-protected or via CD ROMS. The claim files may exist as paper files and will be shipped as such. If the claim files are stored as images in a document retrieval system, they will be provided via CD ROM or the most current means of providing data. The cost for this will be no greater than \$3,500.00. The Client will be billed for any additional programming to help in data transfer.

11. Miscellaneous.

- a) Each party represents and warrants that it has full power and authority to enter into this Agreement.
- b) All notices, requests, demands and other communications which are required or may be given under this Agreement shall be in writing and shall be deemed to have been duly given when received if personally delivered; when transmitted if transmitted by telecopy, electronic telephone line facsimile transmission, or other similar electronic or digital transmission method; the day after it is sent, if sent by recognized expedited delivery service; and five (5) days after it is sent, if mailed, certified or registered mail, return receipt requested, postage prepaid. In each case, notice shall be sent to:

If to the Client: Nassau County Board of County Commissioners
96135 Nassau Place, Suite 7
Yulee, FL 32097

If to the Service Agent: Johns Eastern Company, Inc.
Post Office Box 110259
Lakewood Ranch, FL 34211-0004

or to such other address as either party may have specified in writing to the other using the procedures specified above in this Section.

- c)
 - (i) This Agreement shall be construed pursuant to and governed by the substantive laws of the State of Florida (and any provision of Florida law shall not apply if the law of a state or jurisdiction other than Florida would otherwise apply).
 - (ii) The headings of the various Sections in this Agreement are inserted for the convenience of the parties and shall not affect the meaning, construction, or interpretation of this Agreement.

- (iii) Any provision of this Agreement which is determined by a court of competent jurisdiction to be prohibited, unenforceable or not authorized in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition, unenforceability or non-authorization without invalidating the remaining provisions hereof or affecting the validity, enforceability or legality of such provision in any other jurisdiction. In any such case, such determination shall not affect any other provision of this Agreement, and the remaining provisions of this Agreement shall remain in full force and effect. If any provision or term of this Agreement is susceptible to two or more constructions or interpretations, one or more of which would render the provision or term void or unenforceable, the parties agree that a construction or interpretation which renders the term or provision valid shall be favored.
- d) This Agreement constitutes the entire Agreement, and supersedes all prior agreements and understandings, oral and written among the parties to this Agreement with respect to the subject matter hereof.
- e.
 - (i) If, within ten (10) days after demand to comply with the obligations of one of the parties to this Agreement served in writing on the other, compliance or reasonable assurance of compliance is not forthcoming, and the other party takes steps to enforce rights under this Agreement pursuant to Section 8 or otherwise, the prevailing party in any action shall be entitled to recover all reasonable costs and expenses (including reasonable attorneys' and legal assistants' fees before and at trial, on appeal, or otherwise.)
 - (ii) If any monies shall be due either of the parties to this Agreement hereunder and shall not be paid within forty-five (45) days from the due date of such payment, interest shall accrue on such unpaid amount at the rate of 1% per month in accordance with the Florida Prompt Payment Act - F.S.218.70-79.
- f. This Agreement shall be binding upon and inure to the benefit of the successors in interest and assigns of the parties.
- g. The parties to this Agreement will execute and deliver, or cause to be executed and delivered, such additional or further documents, agreements, or instruments and shall cooperate with one another in all respects for the purpose of carrying out the transactions contemplated by this Agreement.
- h. This Agreement may be executed in any number of counterparts, each of which shall be considered an original, but all of which together shall constitute one and the same instrument and shall become effective when each of the parties has executed at least one of the counterparts even if all the parties have not executed the same counterpart.

All other terms of the original contract remain unchanged.

IN WITNESS WHEREOF, the SERVICING AGENT and the EMPLOYER have each caused this Addendum to be executed by its duly authorized representative to be effective this 1st day of January 2013.

WITNESS:

Brenda K. Smith

NASSAU COUNTY
BOARD OF COUNTY COMMISSIONERS

David B. Peep

WITNESS:

Stephan A. Howe

JOHNS EASTERN COMPANY, INC.

Beverly Adkins
Beverly Adkins, AIC, AIM
Executive Vice President



MES
01-16-13