



School District of the City of Pontiac

Kelley Williams, Superintendent

PONTIAC BOARD OF EDUCATION Agenda Item Request Form

Purpose:	<input type="checkbox"/>	Discussion
	<input checked="" type="checkbox"/>	Action
	<input type="checkbox"/>	Report
Contract:	<input type="checkbox"/>	New
	<input checked="" type="checkbox"/>	Renewal
	<input type="checkbox"/>	Extension/ Modification
N/A		

Presenter(s): Mrs. Kelley Williams, Superintendent
Ms. Cyndi Willoughby, Director of Business Services

Attachment(s): Midwest Employers Excess W'Comp – 2017/18 Renewal

Board Meeting Date: June 19, 2017

Agenda Item: Midwest Employers Excess Workers' Compensation (SET-SEG)

Background/Rationale: The District is currently self-insured with their Worker's Compensation program. Midwest is the supplemental interest to cover the District for Excess Workers' Compensation. The District will have a Self-Insured Retention (SIR) of \$500,000.

The 2017/18 premium has been reduced by \$9,900 from FY 2016/17

Renewal Dates: July 1, 2017 through June 30, 2018

Funding Source/Account Number/s: 810-097-1284-2840-0000-0000 \$78,019.00

Recommendation: It is the recommendation of Administration that the Board of Education approve the Midwest Employers Excess Workers' Compensation (SET-SEG) Renewal for the period of July 1, 2017 – June 30, 2018 in an amount not to exceed \$78,019.00.

Approvals Required:

<u>Kelley Williams</u> Superintendent	<u>6-15-17</u> Date	<u>Camen White</u> Human Resources	<u>6-15-17</u> Date
<u>[Signature]</u> Business and Finance	<u>15 June 2017</u> Date	<u>D.N. Leverett</u> Curriculum & Instruction	<u>6-15-17</u> Date
<u>Darryl Segars</u> Legal Counsel	<u>6/15/17</u> Date		

Moved By: _____ Supported By: _____
 Board Vote: _____
 Ayes: _____
 Nays: _____



School District of the City of Pontiac

Kelley Williams, Superintendent

Request Approved: Yes No

Date Approved: _____

**MICHIGAN CERTIFICATE OF
SPECIFIC/AGGREGATE EXCESS LIABILITY INSURANCE**

**To: Workers' Compensation Agency
Michigan Department of Labor & Economic Growth
P.O. Box 30016
Lansing, Michigan 48909**

**Fax #: 517-322-5944
Email GSI: bauers@michigan.gov
Email ISI: nortonc@michigan.gov**

This certifies that a workers' compensation excess liability insurance policy has been issued to the employers named below and the filing of this certificate is confirmation that the excess liability insurance policy identified below is effective on the date stated, that the policy form is approved for use in Michigan by the Insurance Commissioner and complies with all requirements in the Michigan Workers' Disability Compensation Act of 1969 and Administrative Rule 408.43k. Cancellation or intent to not renew the policy by the insurer or insured must be by courier, certified or registered mail and sent to the Bureau of Workers' Disability Compensation not less than 60 days prior to the cancellation or nonrenewal.

Name of Insured Employers: School District of the City of Pontiac

**Name/Address of Insurer: Midwest Employers Casualty Company
14755 North Outer Forty Drive, Suite 300
Chesterfield, Missouri 63017**

Policy Number: EWC009174 Effective Date: 07/01/2017

TERMS OF COVERAGE

<u>Specific</u>		<u>Aggregate</u>	
Policy Limit:	STATUTORY	Policy Limit:	\$5,000,000
Retention:	\$500,000	Retention Percentage:	1230.60%
Policy Term:	07/01/2017 to 07/01/2018	Minimum Retention:	\$977,393
		Estimated Retention:	\$997,340
		Policy Term:	07/01/2017 to 07/01/2018

Midwest Employers Casualty Company

(Insurer)



(Authorized Signature)

This certificate is subject to the terms, conditions and limitations of the agreement referred to and does not modify or expand the coverage provided by said agreement.

Date certificate issued: 05/26/2017



INVOICE SUMMARY

BILL TO:
School District of the City of Pontiac
ATTN: Cyndi Toupin
47200 Woodward Avenue
Pontiac, MI 48342

ACCOUNT NUMBER: 63030
DATE: 5/26/2017
DUE DATE: 7/1/2017

DESCRIPTION	AMOUNT
Coverage Year 7/1/2017 to 7/1/2018	
Self-Insured Workers' Compensation Service Fee	\$22,000.00
Annual MIOSHA Reporting Fee	\$1,500.00
Midwest Employers Casualty Company Reinsurance Fee	\$54,519.00
TOTAL	\$78,019.00

Please make checks payable to SSISA, Inc.

Pontiac School District
Claims Administration
PRICING SCHEDULE – LIFE OF CONTRACT

7/1/2017 to 7/1/2020

Bundled Fee: \$22,000 per year contingent upon Agent of Record confirmation for reinsurance.

Bundle Services include:

- Adjudication of up to 15 new Indemnity claims and 60 new Medical Only claims per contract year.
- Claims in excessive of 15 Indemnity claims or 60 Medical Only claims will be charged on a per claim basis.
- Annual Risk Management services – Semiannual claim reviews, filing of State forms, check register reports, account management and administration.
- iCE Internet Claim Access - Provides unlimited access to claim data, online claim reporting, online reports, comprehensive and complete access to claim management process for up to 5 users.

Optional Services:

- MIOSHA Module – \$1,500/Year: Track incidents and file/post reports.
- Loss control up to 20 hours will be included in the bundled fee. Additional Loss Control can be added at the rate of \$125/hour.
- *Claim Reporting Options:*
 - No charge for on-line reporting via iCE
 - Manual claim entry \$10 per claim
 - 1-800 reporting \$25 per claim reported

In the event you exceed the allotted 15 new Indemnity claims or 60 Medical Only Claims in any given contract year, the pricing will then convert to a per claim charge on the 16th Indemnity claim or 61st Medical Only Claim. The applicable charges will be:

<u>Coverage Type</u>	<u>Cost per Claim</u>
Workers Compensation	
Indemnity	\$825
Medical Only	\$125
Report Only	\$0

In the event the Pontiac School District terminates the partnership, an annual service fee will be charged for open files until closure, or files will be transferred to another Service Company. Open Indemnity claims will be charged an annual fee of \$250 and Medical Only \$50 annually. If the Pontiac School District would like a data transfer to a new TPA, a basic disc download data transfer would be \$3,500.

Stop Loss Insurance/Excess insurance premiums are not included in pricing above.

Annual Risk Management services included in pricing:

- Annual stewardship report
- Semi-Annual Claim Reviews
- Filing all required state forms, including state mandated assessments
- Filing of 1099's
- Monthly loss runs
- State and NCCI reporting (if necessary)
- Unlimited on-line claim access to both claim file activity and monthly detailed loss reports
- Overall account management
- Reporting to excess carrier

Claims Management services included in pricing:

- Claim adjudication
- Claim file storage
- Effective claim resolution/closure
- Generate EOB's and payment registers
- Hearing office representation
- Investigation for subrogation/recovery/subsequent injury fund potential
- Legal counsel referred when needed
- Maintenance of electronic notes
- Payment of Indemnity benefits
- Payment of medical benefits
- Prepare for, comply with and respond to regulatory audits
- Prompt & courteous customer service
- Prompt attention to catastrophic injuries
- Proper reserve on all claims
- Strict adherence to State Statutes and Regulations
- Thorough investigation
- Website claim reporting
- Website self service report capabilities

Allocated Expenses: The client is responsible for the payment of allocated expenses, which includes but is not limited to: legal fees, appraisal fees, the cost of police, fire, coroner, medical and similar reports, expert services, professional photographs, vocational services and surveillance.

Allocated Loss Expense are those costs that can be directly assigned to the settlement of a particular claim other than the investigation conducted by the adjuster.

These costs are absorbed by client and are in addition to the Bundled price and/or cost per claim quote by CCMSI. The following rosters are categorical representations of those more typical expenses. This list is comprehensive but not exhaustive.

Managed Care Services/Other Services:

<i>Service</i>	<i>Fee</i>
Fee Schedule re-pricing	\$8.00 per bill, no line minimum
PPO Network Access	33% of savings below state fee schedule
CCMSI Network or Outside Network	33% of savings below state fee schedule
Hospital/Specialty Review	33% of savings below state fee schedule
Nurse Case Management	At cost
Index Bureau	\$11.00/claim annual fee
MMSEA-SCHIP Compliance	\$25.00 per claim with hit
Safety Loss Control Services	\$125 per hour

Managed Care Services

- Telephonic Nurse Case Management
- On-site Nurse Case Management
- Vocational Rehabilitation Specialist
- Provider Bill repricing
- PPO reductions
- Independent Medical Exams

Legal Services

- Defense counsel including depositions
- Subpoenas
- Subject Matter Experts (expert testimonies)
- Paralegal costs
- Court reporting
- Document copying
- Videotaping
- The costs for a petitioner to travel to a specialist for an Independent Medical Examination or a surgery.

Outside Investigation

- Surveillance
- Private investigators/fraud investigation
- Engineers
- Courier service
- "Skip" tracing services

Public Records

- Index Bureau Reporting
- MMSEA-SCHIP 111
- Police reports
- Fire reports
- Coroner's reports
- Medical records

MMSEA-SCHIP Compliance

Background

The Centers for Medicare and Medicaid Services (“CMS”) is responsible for the oversight of the Medicare Program, including the Medicare Secondary Payor program (“MSP”). MSP refers to situations where another entity, such as Client, is required to pay for medical services prior to any payment being made by Medicare. Section 111 of the Medicare, Medicaid and SCHIP Extension Act of 2007 (MMSEA) contains certain mandatory reporting requirements for entities that provide benefits under workers compensation and other liability insurance plans. Certain data elements must be reported to CMS’ Coordination of Benefits Contractor in a specified form and manner as defined by CMS so that CMS may determine when CMS, or another entity such as Client, has liability for payment of medical services.

Relationship of Parties

CCMSI and Client have entered into a business agreement whereby CCMSI provides claim management services to Client, including but not limited to, assisting Client in its compliance with the Medicare, Medicaid and SCHIP Extension Act (MMSEA), and

CCMSI has entered into an Agreement with Gould & Lamb, LLC (G&L), whereby G&L will act as the Reporting Agent (RA) for Client, if so designated by Client, pursuant to the MMSEA and provide other applicable Medicare Set-Aside compliance services.

Registration

The Client shall register as an MSP Responsible Reporting Entity (“RRE”). As part of the registration, Client shall name CCMSI as its Account Manager, and name Gould & Lamb LLC, as its Reporting Agent (RA). If Client has a RA other than Gould & Lamb LLC, then Client shall advise CCMSI as to the appropriate identity of its Reporting Agent. The RA selected by Client shall be responsible for submitting mandatory reports to CMS on behalf of Client.

Responsibilities of Parties

1. Responsibilities of Client.

- (a) Client must register as a Responsible Reporting Entity (RRE).
- (b) Client must name CCMSI as Account Manager.
- (c) Client must name Gould & Lamb as Reporting Agent (RA), or designate another vendor as its RA.
- (d) Client must cooperate with CCMSI and timely report all claim information subject to MMSEA reporting.
- (e) Client must authorize CCMSI to utilize G&L as its exclusive vendor for MSA and CSA services.

2. Responsibilities of CCMSI.

- (a) CCMSI must electronically submit all necessary data to comply with MMSEA reporting to G&L.
- (b) CCMSI must update their systems to transmit all current information requested by G&L in a timely manner and enable G&L to comply with all current and future CMS reporting requirements.
- (c) CCMSI shall not be responsible for fines, penalties or damages of any nature which might occur as the result of receiving incorrect information from Client, or untimely filings resulting from delays of Client in providing the information required by CMS.

3. Responsibilities of Gould & Lamb, LLC (if selected as Client's 'RA')

- (a) Upon receipt of all fields of information requested by G&L from CCMSI via electronic transfer, G&L shall determine if the claimant is Medicare eligible by performing a Medicare Query Function ("MQF").
- (b) G&L will, when determining that a claimant is Medicare beneficiary, electronically file with CMS all initial information which may be required by MMSEA compliance and any ongoing required reports.
- (c) G&L must submit the Mandatory Insurance Reporting (MIR) files in a timely and accurate manner.
- (d) G&L must update their systems to transmit and comply with all required CMS directives and in the format mandated by CMS.
- (e) G&L will not be responsible for fines, penalties or damages of any nature which might occur as the result of the filing of incorrect information provided by CCMSI or Client, or untimely filings resulting from delays of Client or CCMSI in providing the information required by G&L to perform timely MMSEA reporting services.

Indemnification

As protection for CCMSI and Client against fines or penalties levied against Client by CMS for MMSEA data non-compliance, the contract between CCMSI and G&L contains the following indemnification provision under Section 5.1.

"Gould & Lamb, LLC shall indemnify and hold Client and each of their affiliates and assigns (collectively, the "Indemnified Parties") harmless from and against any claim, damage, fine, loss and expense, arising in connection with, or as a result of, any error, omission, or negligent performance of its obligations hereunder, which indemnity shall include all reasonable costs of litigation and attorneys' fees incurred by the Indemnified Party. Without in any way limiting the indemnity set forth in this Agreement, all work performed by Gould & Lamb shall be done in a good and professional manner. The provisions of this paragraph shall survive the expiration or termination of this Agreement.

G&L shall not indemnify Client, nor be responsible for any losses, damages or fines incurred by Client as a result of errors, omissions, inaction, or incorrect information of the Client or any errors on the part of CMS or other government agency."

Payment Schedule: The Client shall pay to CCMSI service fees as outlined in this fee proposal. Monthly billing shall be paid within thirty (30) days of new billing cycle.

Effective Date: 7/1/2017