

BOARD OF TRUSTEES
AGENDA

<input type="checkbox"/>	Workshop	<input checked="" type="checkbox"/>	Regular	<input type="checkbox"/>	Special
--------------------------	----------	-------------------------------------	---------	--------------------------	---------

- (A) Report Only Recognition

Presenter(s):

Briefly describe the subject of the report or recognition presentation.

- (B) Action Item

Presenter(s): Andy A. Rocha

Briefly describe the subject of the report or recognition presentation.

The third party administrator contract for Self Insured Workers Comp Claims is set to expire on January 31, 2013. As part of RFQ#11-06, the Purchasing Department received a year 3 rate guarantee of \$42,486.

- (C) Funding Source: Identify the course of funds if any are required

The fiscal impact would be \$42,486 and the funding source is: 199-00-2210-02-000-300000

- (D) Clarification: Explain any question or issues that might be raised regarding this item.

Alternatives to renewing the contract would be to bid the service out, but the current price we are receiving for the services is \$2,514 less than the 2nd lowest bid we received two years ago. Also, as mentioned above, pricing submitted by JI Companies was set in the original bid. (See attached pricing sheet). Furthermore the services provided by JI Companies have been excellent

**SSAISD BOARD AGENDA
SUMMARY FORM**

AGENDA TITLE: RENEWAL OF CONTRACT WITH JI COMPANIES FOR THIRD PARTY ADMINISTRATORS FOR SELF INSURED WORKERS COMP CLAIMS – YEAR 3 OF RFQ#11-06

PURPOSE: [] DISCUSSION
[X] ACTION

REQUESTED BY: Andy A. Rocha – Director of Purchasing

PRESENTER: Andy A. Rocha – Director of Purchasing

MEETING DATE: JANUARY 16, 2013

I. DESCRIPTION OF ITEM FOR DISCUSSION AND/OR APPROVAL

The third party administrator contract for Self Insured Workers Comp Claims is set to expire on January 31, 2013. As part of RFQ#11-06, the Purchasing Department received a year 3 rate guarantee of \$42,486.

II. BACKGROUND INFORMATION

The district uses a third party administrator for workers comp claims and JI Companies has provided this service for the last two years. The contract is up for renewal and in their bid submission, JI Companies submitted pricing for years 1 thru 5. As stated in the RFQ, in addition to year 1, the contract could be renewed for four additional years in one year increments. This request is to renew for year 3 only.

III. ALTERNATIVES CONSIDERED (if applicable)

Alternatives to renewing the contract would be to bid the service out, but the current price we are receiving for the services is \$2,514 less than the 2nd lowest bid we received two years ago. Also, as mentioned above, pricing submitted by JI Companies was set in the original bid. (See attached pricing sheet). Furthermore the services provided by JI Companies have been excellent.

IV. RECOMMENDATION AND IMPACT

The business office would like to Board of Trustees to consider renewing the contract with JI Companies for year three (3). The fiscal impact would be \$42,486.

V. 2012-2013 DISTRICT GOAL AND CORRESPONDING DEPARTMENTAL INITIATIVE

Not applicable.

VI. FUNDING SOURCE-PROGRAM AND/OR BUDGET CODE

199-00-2210-02-000-300000



Approved by Executive Director



III. Based upon claim counts of 20 records only, 172 medical only, and 47 indemnity, would be the estimated annual cost? (please include any administration fees, etc.)

Flat Annual Fee (Includes Annual Administrative Fee)	Contract Year	Cost for Life of Contract			
		Year 1	Year 2	Year 3	Year 4
	\$41,249	\$41,249	\$42,486	\$42,486	\$43,761

Rates stated above reflect an increase of 3% for years two and four. JI's intention is for all adjustments to be reviewed and agreed by both parties. The annual adjustment is based on the consumer price index which is a statistical time-series measure of a weighted average of prices of a specified set of goods and services purchased by consumers. As a fixed quantity price index, it provides a measure of inflation. It is also considered a cost-of-living index. JISS uses the CPI index for the Southern region.

IV. Based upon 47 open claims, what would be the fee for processing these open claims? (run-off)

All open claims are included in JI's administration costs; therefore, there will be no fee for processing open claims.

V. Provide information on additional cost, if any, for quarterly on-site claims review meetings with South San Antonio ISD staff

All quarterly onsite claims review meetings with District staff are included in JI's administrative fee.

Please refer to Exhibit 1 for JI's Certificate of Insurance.

Proposer/ Agent Address:
10535 Boyer Blvd., Suite 100
Austin, Texas 78758
Phone:
512-427-2300
E & O Coverage:
\$5,000,000
Ded / Limits:
* Please refer to note below
Company:
JI Specialty Services, Inc.
Joseph W. Hrbek
Phone
512-427-2300

Agent Address:
10535 Boyer Blvd., Suite 100
Austin, Texas 78758
Phone:
512-346-0219
E & O Coverage:
\$5,000,000
Ded / Limits:
\$25,000
Representative:
JI Special Risks Insurance Agency, Inc.
Parker Chambers
Phone
512-346-0219

\$50,000 each claim; \$250,000 S.L.R. – for claims arising out of professional services for a licensed commercial insurance company that are subject to Texas Insurance Code Chapter 541 and \$50,000 for all other claims



SOUTH SAN ANTONIO INDEPENDENT SCHOOL DISTRICT

The following bids were received by the South San Antonio Independent School District on Thursday, January 6, 2011 at 2:00 P.M. All bids were received in accordance with accepted bidding procedures and within the date and time set for the formal bid opening. The results of the submitted bids are found in the formal bid tabulation and in the bid documents on file in the Purchasing Department.

BID TABULATION ON: TPA FOR SELF INSURED WORKERS COMP CLAIMS RFQ #11-06 OPENING DATE: 1/6/2011 PAGE 1 OF 1-

PROPOSER	ANNUAL CLAIM COUNTS				or ANNUAL CAP OF	OPEN CLAIM COUNTS				or Annual Cap of	Annual Admin. Fees	Annual Cost
	RECOR D ONLY	MEDICAL ONLY	INDEMNITY	TOTAL		RECORD ONLY	MEDICAL ONLY	INDEMNITY	TOTAL			
1-2-1 Claims*	\$ 10.00	\$ 120.00	\$ 650.00		\$ 48,000.00						\$ 4,500.00	\$ 48,900.00
Sedgwick					\$ 47,470.00							\$ 47,470.00
CAS	\$ 35.00	\$ 150.00	\$ 725.00		\$ 64,075.00						\$ 3,500.00	\$ 64,075.00
TASB**	\$ 20.00	\$ 125.00	\$ 725.00		\$ 65,975.00				\$10,000.00		\$ 4,500.00	\$ 65,975.00
The Littleton Group	\$ 25.00	\$ 150.00	\$ 880.00		\$ 72,160.00		\$ 50.00	\$ 375.00				\$ 72,160.00
JI Companies***		\$ 130.00	\$ 795.00		\$ 41,249.00							\$ 41,249.00 ***
Gallagher Basset					\$ 45,000.00							\$ 45,000.00
Tristar					\$ 58,000.00							\$ 58,000.00

*1-2-1 Claims price is averaged over 5 year

**need to add \$4500 to TASB Annual cost - 1 time

*** JI Companies year 3 and 4 price is \$42,486. Year 5 is \$43,761

VENDOR AND STAFF PRESENT:

NO VENDORS AT BID OPENING
 DIRECTOR OF PURCHASING: ANDY A. ROCHA
 SECRETARY: ELVIRA VASQUEZ

TOTAL AWARD: \$41,249 FOR YEAR 1 AND 2 OF CONTRACT

\$42,486 FOR YEAR 3 AND 4. \$43,761 FOR YEAR 5

AWARDED TO: JI COMPANIES

BIDS MAILED - 79

BIDS RECEIVED - 8

NO BIDS

EXPENSE ACCOUNT:

BID ITEM(S) ARE FOR:

THIRD PARTY ADMINISTRATOR OF WORKERS COMPENSATION CLAIMS

FOR: ANDY ROCHA, DIRECTOR OF PURCHASING

COPY OF CURRENT CONTRACT

**WORKERS' COMPENSATION
THIRD PARTY ADMINISTRATION AND LOSS CONTROL
SERVICE AGREEMENT**

This Agreement is made and entered into to be effective as of the 1st day of February, 2011, by and between South San Antonio ISD (hereinafter referred to as "SOUTH SAN"), and JI Specialty Services, Inc. (hereinafter called "JISS").

WHEREAS, SOUTH SAN desires to engage the services of JISS to provide third party administration, claims handling, medical bill review, loss control, pre-authorization and concurrent review services in connection with its self-insured workers' compensation program, upon the terms and conditions hereinafter set forth; and

WHEREAS, JISS is willing to act on behalf of SOUTH SAN to provide third party administration, claims handling, medical bill review, loss control, pre-authorization and concurrent review services in connection with SOUTH SAN's self-insured workers' compensation program, upon the terms and conditions hereinafter set forth and JISS is willing to provide contracted services, acting alone and/or through the subcontracted services of various other firms that are mutually agreed on by the parties to this Agreement in the future;

NOW, THEREFORE, for and in consideration of the premises and other good and valuable consideration, the parties agree as follows:

1 SCOPE OF SERVICES

- 1.1 Subject to the terms and conditions hereof, SOUTH SAN hereby retains JISS to provide third party administration, claims handling, medical bill review, pre-authorization and concurrent review services and loss control in connection with SOUTH SAN's self-insured workers' compensation program, and JISS hereby accepts such retention and agrees to render such services as are hereinafter set forth.
- 1.2 JISS shall provide these services as an independent contractor of SOUTH SAN. JISS shall perform solely in the interest of SOUTH SAN, and shall exercise at least such degree of care, prudence, caution and judgment as JISS exercises in the conduct of its own affairs and/or that of a company providing similar administrative services and other services contained in this Agreement.
- 1.3 JISS shall have the following responsibilities and the commensurate authority as agent for SOUTH SAN on matters involving claims management services for Workers' Compensation and Employers' Liability claims under the self-insured program under which SOUTH SAN handles said claims:

- 1.3.1 To examine all loss reports, claims and lawsuits pertaining to Workers' Compensation and Employers' Liability which require investigation and/or adjustment on the part of JISS.
 - 1.3.2 To assign for investigation, supervise the investigation of and adjust such matters as are encompassed by Section 1.3.1; adjust and handle to a conclusion those matters SOUTH SAN believes it is contractually or otherwise obligated to pay and, ensure protection of any SOUTH SAN's rights or entitlement to subrogation or contribution, if there be any.
 - 1.3.3 To take any and all other actions that are anticipated by, or necessary as a result of, the service obligations of JISS as set forth in section 2 of this Agreement.
- 1.4 Approval. Whenever JISS is required to obtain the approval of SOUTH SAN or report to SOUTH SAN, such approval shall be sought from and such report shall be delivered to Lisa Baker, or such other person as said parties may from time to time direct in writing.

2 JISS OBLIGATIONS

- 2.1 Claims Administration. JISS, acting alone and/or through the subcontracted services of various other firms that are mutually agreed on by the parties to this Contract, agrees to provide SOUTH SAN with claims administration, investigation, and adjustment services usual and necessary for the handling of workers' compensation and employers' liability claims, as required by the Texas Labor Code and the Texas Department of Insurance, Division of Workers' Compensation (DWC) and the Claims Handling Minimum Standards set forth in Exhibit A. JISS shall perform the duties described in Exhibit B.
- 2.1.1 Allocated claim costs for customary claims expenses such as, but not limited to, contracted legal services, benefit review conferences, court costs, court reporter and transcription fees, witness fees and witness travel expense, travel expense incurred by JISS at the request of SOUTH SAN, professional investigation and audit assistance, independent medical examinations, medical peer reviews, medical cost containment (bill review and repricing, medical case management, preauthorization and concurrent review of procedures as required under the TDI-DWC rules, etc.), cost of obtaining public records, extraordinary expense for photos, photocopies, and telephone calls, all outside expense items required for the collection of subrogation on behalf of SOUTH SAN by approved subrogation attorneys, such other professional assistance as is necessary to

properly handle all matters assigned to JISS and which is not possible or feasible for JISS to provide with its own personnel, and expert witnesses, will be chargeable to the appropriate claim file as an allocated loss adjustment expense.

- 2.2 **Pre-Authorization and Concurrent Review.** JISS agrees to provide SOUTH SAN with utilization review services as required to process workers' compensation pre-authorization and concurrent review requests pursuant to 28 Tex. Admin. Code §134.600 and any other applicable regulations. JISS shall perform the duties described in Exhibit B. JISS will apply DWC pre-authorization, concurrent review, and treatment guidelines in performing its obligations under this Agreement.
- 2.3 **Medical Bill Review.** JISS agrees to provide SOUTH SAN with medical bill review services pursuant to 28 Tex. Admin. Code Chapter 133, Subchapters C and D and any other applicable regulations. JISS shall perform the duties described in Exhibit B. JISS will apply DWC medical fee guidelines and treatment guidelines in performing its obligations under this Agreement.
- 2.4 **Loss Control Services.** JISS, acting alone and/or through the subcontracted services of various other firms that are mutually agreed on by the parties to this Agreement, agrees to provide SOUTH SAN, with loss control services as agreed to by SOUTH SAN in a loss control plan of service to be mutually agreed upon by the parties. JISS shall perform its duties in accordance with the stipulations set forth in Exhibit B.
- 2.5 **Additional Utilization Review Services.** In addition to pre-authorization and concurrent review services set forth above, JISS shall be available to provide utilization review services to SOUTH SAN, upon request by SOUTH SAN's workers' compensation coordinator. Additional utilization review services include the following: voluntary certification of health care treatment and treatment plans that do not require preauthorization or concurrent review; case management and retrospective utilization review; chart/file review and evaluation; drug utilization analysis; initial work-up for medical peer reviews (except where required in connection with a standard pre-authorization or concurrent review); and attendance/testimony at DWC proceedings. JISS shall be compensated for these additional utilization review services as set forth in Exhibit C.
- 2.6 **Subcontractors.** JISS may subcontract its responsibilities under this agreement only with the prior written approval of SOUTH SAN, which shall not be unreasonably withheld.

- 2.7 Coordination. JISS shall regularly participate in meetings with SOUTH SAN to coordinate management of SOUTH SAN's workers' compensation claims. JISS shall cooperate with SOUTH SAN in the execution and documentation of services provided in connection with SOUTH SAN's workers' compensation claims management.

3 SOUTH SAN'S OBLIGATIONS

- 3.1 Service Coordination. SOUTH SAN shall coordinate services provided by JISS in connection with matters handled by JISS. SOUTH SAN shall work with JISS to attempt to resolve any problems or misunderstandings that may arise under this Agreement. SOUTH SAN shall cooperate with JISS in the execution of the services set forth in this Agreement.
- 3.2 File Access. SOUTH SAN shall provide JISS with physical access to claims files, and copies of pertinent medical information from the claims files requested by JISS as required for proper services in accordance with DWC rules and guidelines. Nothing in this Agreement shall be construed as to require the release of information protected from disclosure by state or federal law.
- 3.3 Compliance. Except as set forth in this Agreement regarding the service obligations of JISS, SOUTH SAN will be responsible for compliance with all applicable regulations pertaining to workers' compensation as a self-insured political subdivision under Chapter 504 of the Texas Labor Code.
- 3.4 Data Communication. SOUTH SAN agrees to provide and maintain adequate internal data communications, phone lines, computer equipment, and software sufficient to perform its obligations under this Agreement.
- 3.5 Funding the Claims Disbursement Account. SOUTH SAN shall be solely responsible for the timely funding of the Claims Disbursement Account described in Section 6 of this Agreement.
- 3.6 Escheat. SOUTH SAN shall not be responsible for compliance with and remittance due under any applicable escheat laws of any jurisdiction.

4 COMPENSATION

- 4.1 Fees. SOUTH SAN shall pay JISS fees in accordance with the fee schedule attached as Exhibit C. Interest may be charged on the amount of all past due fees at the rate of one percent (1%) per month or, if lower, the maximum allowable rate under applicable law. Fees shall be deemed past due on the 30th day after the date of JISS's invoice. SOUTH SAN shall be responsible for all collection costs incurred by JISS in connection with overdue invoices.

- 4.2 Adjustments. The basis for JISS compensation under this Agreement shall be reviewed annually. Adjustments shall be equitable and based upon services rendered by JISS and the volume of services rendered by JISS. A revised fee schedule shall be agreed to by both parties in writing.
- 4.3 Monthly Payments. Payment of fees under this Agreement shall be made on a monthly basis, except for fees payable at the beginning of each year (if any). JISS shall submit a monthly invoice to SOUTH SAN which shall be payable within thirty (30) days of submission of the invoice and accompanying documentation.
- 4.4 Inspection of Records. JISS and SOUTH SAN shall at reasonable times and during normal business hours, either through their own employees or through their accountants or auditors, have the right to inspect the books and records of the other party for the sole purpose of verifying the total number of claims. Nothing in this Agreement shall be construed as to require the release of information protected from disclosure by state or federal law.
- 4.5 Event of Termination. In the event of termination of this Agreement, JISS shall be entitled to compensation at the rate specified herein prorated up to the date of termination. Not later than six (6) months after the termination or cancellation of this Agreement, SOUTH SAN and JISS will perform a final accounting to determine the amount due to either party under this Agreement so as to reflect the actual number of claims handled hereunder. The amount determined shall be due and payable not later than thirty (30) days from the receipt of the invoice issued upon completion of the accounting.
- 4.6 Renewal. The fees described in Exhibit C shall be applicable only during the initial term hereof and shall be renegotiated upon each renewal of this Agreement.
- 4.7 Additional Fees and Expenses. SOUTH SAN shall pay JISS a fair and reasonable additional fee for additional services, assessments, taxes, or expenses required of JISS because of governmental regulation of SOUTH SAN that was not known or contemplated at the time this Agreement was executed. Any such fee shall be explained in writing to SOUTH SAN and justified by JISS.

5 ACCESS TO AND OWNERSHIP OF RECORDS AND FILES

- 5.1 Property of SOUTH SAN. All information developed for or specifically relating to the obligations of JISS pursuant to this Agreement, including but not limited to all source documents; stored data; technical, claims, and

underwriting information; and reports prepared by JISS pursuant to this Agreement shall be the property of SOUTH SAN.

- 5.2 **Inspection.** All storage media, temporary and permanent, containing data files or other information of any kind relating to SOUTH SAN will be available for inspection by SOUTH SAN's authorized representatives at all times during regular business hours.
- 5.3 **Electronic Data.** All electronic data shall be delivered at no expense to SOUTH SAN at the conclusion or termination of this Agreement or at a subsequent time agreed to by the parties, in a machine-readable format.
- 5.4 **Storage.** During the term of this Agreement, JISS will, without additional charge, retain and store closed files in their existing state, which includes electronic images. The parties acknowledge that JISS utilizes document imaging to manage files and that paper documents are destroyed within a prescribed timeframe after imaging pursuant to JISS document management procedures. Electronic images are in a file format readily available and accessible to SOUTH SAN for viewing and printing. After termination or cancellation of this Agreement, JISS shall return all files to SOUTH SAN. JISS shall be permitted to make copies of any files, at its own expense, for purposes of its corporate archives.
- 5.5 **JISS Proprietary Information.** Notwithstanding anything to the contrary set forth in this Section, SOUTH SAN recognizes and agrees that this Agreement does not grant SOUTH SAN an ownership or proprietary interest in the automated management information systems used by JISS. SOUTH SAN and its agents shall refrain from communicating any proprietary information regarding JISS's automated management information systems to third parties or others not employed by or under the control of SOUTH SAN. SOUTH SAN shall keep all proprietary information regarding the JISS's automated management information system confidential and not reproduce, disclose, or disseminate any information without the prior written consent of JISS, unless required by law.

6 CLAIMS DISBURSEMENT ACCOUNT

- 6.1 **Establishing the Account.** In order to enable JISS to perform its duties under this Agreement, SOUTH SAN agrees to establish an Account to be used by JISS for the payment of claims on behalf of SOUTH SAN (the "Claims Disbursement Account").
- 6.2 **Payments and Charges.** JISS will pay all claims and allocated loss adjustment expenses out of the Claims Disbursement Account. SOUTH SAN will pay all charges in connection with the Claims Disbursement

Account. Payments made by JISS from the Claims Disbursement Account shall only be made in accordance with the Claims Handling Minimum Standards attached as Exhibit A.

- 6.3 Funding the Account. SOUTH SAN agrees to transfer funds, as needed, to the Claims Disbursement Account in order to enable JISS to properly adjust claims and to perform its obligations. Funds shall be transferred from a master account controlled by SOUTH SAN to the Claims Disbursement Account as checks are presented for payment. JISS shall not be liable for any failure to perform under this Agreement or to pay claims hereunder if it arises out of the failure of SOUTH SAN to properly fund the Claims Disbursement Account.
- 6.4 Use of Funds. Monies in the Claims Disbursement Account shall be used to pay claims costs, as well as all allocated loss adjustment expenses, including, but not limited to: all court costs, fees and expenses; all benefit review conference costs and expenses; cost of appeal bonds; fees for service of process; attorney's fees; fees for trial preparation; costs of undercover operatives and detective expenses; fees for consultation; fees of attorneys for an estimate or adjustment of claims beyond supervision as described herein; fees of experts, costs of legal transcriptions of testimony taken at any inquest, criminal or civil proceeding; costs of copies of any public records; costs of depositions and court reported or recorded statements; photocopying costs; and any other similar fee, cost or expense reasonably chargeable to the investigation, negotiation, settlement or defense of a claim or loss or of the protection and perfection of the subrogation rights of SOUTH SAN. All payments for such costs shall be made out of the Claims Disbursement Account.
- 6.5 JISS Not Liable. JISS shall not be liable for, and shall not advance its own funds for, the payment of claims for benefits associated with this Agreement, all such obligations being solely those of SOUTH SAN. JISS shall not under any circumstances be considered the insurer or underwriter of any liability to provide benefits associated with this Agreement.

7 COMMENCEMENT AND TERMINATION

- 7.1 Term. This Agreement shall be effective for a period of 1 year(s), beginning at 12:01 a.m. Central Time on February 1, 2011 and shall remain in effect continuously until 12:01 a.m. Central Time on the 31st day of January, 2012, unless terminated pursuant to the terms of this Section. Upon expiration or termination of this Agreement for any reason, the obligations of the parties hereunder shall thereupon cease but the provisions of this Agreement which confer rights upon either party and which limit or delineate the responsibility

of either party shall remain in effect, as to the parties' conduct prior thereto. This Agreement may be renewable upon mutual agreement of both parties for up to four (4) additional one-year period(s).

- 7.2 **Termination Without Cause.** This Agreement may be terminated without cause by either party by written notice of termination given to the other party to be effective as of a specified date not less than 90 days from the date of such notice.
- 7.3 **Termination For Cause.** Upon written notice by one party to the other, this Agreement may be terminated for the reasons specified below and in accordance with the terms outlined below:
- 7.3.1 By SOUTH SAN for failure of JISS to provide services substantially in accordance with the terms of this Agreement. SOUTH SAN agrees that prior to exercising any right to terminate under this Section, it will provide JISS with specific notice of what it perceives to be deficiencies in the services being provided. If JISS does not correct the service deficiencies, to the satisfaction of SOUTH SAN, within thirty (30) days of receipt of the notice, then SOUTH SAN may terminate the Agreement.
- 7.3.2 By JISS for failure of SOUTH SAN to perform its obligations substantially in accordance with the terms of this Agreement. JISS agrees that, prior to exercising any right to terminate under this Section, it will provide SOUTH SAN with specific notice of what it perceives to be deficiencies in performance by SOUTH SAN. If SOUTH SAN does not correct the deficiencies within thirty (30) days of receipt of the notice, then JISS may terminate the Agreement.
- 7.3.3 By either party upon the enactment of, or recognition of the existence of, any law, promulgation of any regulation or action of any State or Federal agency or authority which makes or declares illegal the continuance of this Agreement or the performance of any of the services of JISS hereunder.
- 7.4 **File Access and Transfer.** Upon termination of this Agreement, JISS agrees to provide SOUTH SAN with immediate access to any claims files regarding active claims and to assist in the orderly transfer of files for the benefit of SOUTH SAN's employees.
- 7.5 **Claims Run-Off.** If SOUTH SAN desires for JISS to handle the run-off of any claims made prior to the date of termination, then it will give JISS

written notice thereof and JISS shall provide claims administration services as set forth in Section 2.1 on a claim-by-claim basis. JISS shall be paid for its services in accordance with its normal market rates, as modified from time-to-time and agreed to by SOUTH SAN, at an agreed upon charge per claim file. If SOUTH SAN desires for JISS to handle pre-authorization or concurrent review services, as set forth in Sections 2.2 and 2.3 respectively, for claims made prior to the date of termination, then JISS shall be paid for its services in accordance with its normal market rates.

8 AGREEMENT HONORABLE UNDERTAKING

8.1 The purposes of this Agreement are not to be defeated by a narrow, technical construction of its provisions. This Agreement shall be considered as an honorable undertaking and shall be subject to a liberal construction for the purpose of giving effect to the intentions of the parties.

9 PREVENTION OF PERFORMANCE

9.1 General. Neither party shall be liable to the other for any delays or damages or any failure to act due to, occasioned, or caused by reason of federal or state laws or the rules, regulations, or orders of any public body or official purporting to exercise authority or control respecting the operations covered hereby, or due to, occasioned, or caused by strikes, action of the elements, acts of God or other causes beyond the control of the parties. Delays due to the above causes shall not be deemed to be a breach of or failure to perform under this Agreement.

9.2 Disaster Recovery. Notwithstanding anything to the contrary contained in this Agreement, JISS shall, at all times during the term of this Agreement, maintain a disaster recovery program, including access to backup claims processing system and data storage. Such disaster recovery program shall be of a type and quality at least equal to that maintained by other vendors in the business of providing the same type of services.

10 ERRORS AND OMISSIONS

10.1 Errors and Omissions Insurance. JISS expressly represents to SOUTH SAN that it possesses and will maintain sufficient errors and omissions insurance to cover liabilities which it might incur under this Agreement. Upon request, JISS will provide to SOUTH SAN a copy of all coverage documents together with any endorsements, amendments or other changes thereto.

- 10.2 Ordinary Care/Good Faith. JISS shall use ordinary care and reasonable diligence in the performance of its duties under this Agreement.
- 10.3 SOUTH SAN Liability. SOUTH SAN agrees that JISS, its officers, directors, and employees shall not be liable for and SOUTH SAN agrees to pay the cost of defense, indemnify, and hold harmless JISS, its directors, officers, and employees from and against all liabilities, claims, actions, expenses (including attorney's fees and costs related to the investigation of any such claim, action or proceeding), obligations, losses, fines, penalties, and assessments resulting from or arising out of the non-performance or the negligent performance of SOUTH SAN's obligations under this Agreement and any action taken by SOUTH SAN that results in a "bad faith" claim or claim for the "breach of the duty of good faith and fair dealing" against JISS. SOUTH SAN's liability shall not apply to the negligence of other persons not a party to this Agreement, except as set forth above.
- 10.4 JISS Liability. JISS agrees that SOUTH SAN shall not be liable for and JISS agrees to pay the cost of defense, indemnify, and hold harmless SOUTH SAN from and against all liabilities, claims, actions, expenses (including attorney's fees and costs related to the investigation of any such claim, action or proceeding), obligations, losses, fines, penalties, and assessments resulting from or arising out of the non-performance or the negligent performance of JISS's obligations under this Agreement and any action taken by JISS in its discretion that results in a "bad faith" claim or claim for the "breach of the duty of good faith and fair dealing" against SOUTH SAN. JISS's liability shall not apply to the negligence of other persons not a party to this Agreement.
- 10.5 Payment of Benefits. Notwithstanding the foregoing, SOUTH SAN shall be solely responsible for the payment of any benefits required to be paid under the Texas Labor Code and any applicable regulations.
- 10.6 Prompt Notification. SOUTH SAN and JISS agree to promptly notify the other of all actions described above. The parties shall each bear their own costs of defense until a determination of responsibility has been made by mutual agreement or has been finally adjudicated by a court of competent jurisdiction. JISS and SOUTH SAN agree to cooperate fully to resolve any issue of which party has the ultimate responsibility to defend.

11 MISCELLANEOUS

- 11.1 Entire Agreement. This Agreement and the attached Exhibits contain the entire agreement between the parties relating to the rights granted and the obligations assumed. Any oral representations or modifications to this

Agreement shall be of no force and effect, unless reduced to writing and signed by SOUTH SAN or its authorized agent, and JISS.

- 11.2 Governing Law. This validity of this Agreement and any of its terms and provisions, as well as the rights and duties of the parties hereunder, shall be interpreted and construed pursuant to and in accordance with the laws of the State of Texas and any suit to resolve same shall be brought in the District Courts of Travis County, Texas.
- 11.3 Assignment. This Agreement shall not be assigned by either party without the prior written consent of the other party.
- 11.4 Notice. Any notice, request, demand and other communication to be given hereunder by either party to the other shall be in writing and may be effectuated by delivery of U.S. certified mail, return receipt requested. Notice hereunder shall be sufficient if properly addressed and mailed to:

Lisa Baker
Director of Budget & Fiscal Services
South San Antonio ISD
5622 Ray Ellison Drive
San Antonio, Texas 78242-2214

Mr. Francis J. Fey
President/CEO
JI Specialty Services, Inc.
10535 Boyer Blvd., Suite 100
Austin, Texas 78758

or such other address as either party may notify the other of in writing.

- 11.5 Successors Bound. The terms, provisions, covenants, obligations and conditions of this Agreement shall be binding upon and shall inure to the benefit of the successors in interest and the assigns of the parties, provided that no assignment or transfer by or through either party, in violation of the provisions of this Agreement, shall vest any rights in the assignee or transferee.
- 11.6 Waiver/Breach. The waiver of a breach of any term or condition of this Agreement shall not be deemed to constitute a waiver of a subsequent breach of the same term or condition, or a breach or subsequent breach of any other terms or conditions.
- 11.7 Severability. In the event any provision of this Agreement is held to be unenforceable for any reason, the unenforceability thereof shall not affect the

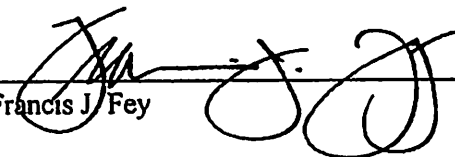
remainder of this Agreement, which shall remain in full force and effect and enforceable in accordance with its terms.

- 11.8 Headings. The headings contained herein are for convenience of reference only and are not intended to define, limit or describe the scope or intent of any provision of this Agreement.
- 11.9 Further Assurances. All parties shall promptly and duly execute and deliver to the other such further documents and assurances and take such actions as such party may reasonably request in order to more fully carry out the intent and purpose of this Agreement.
- 11.10 Costs of Litigation. In the event of litigation between the parties hereto that arises out of the contractual relationship created hereunder, the prevailing party shall be entitled to recover reasonable attorneys' fees and other costs of litigation in addition to any other remedies that may be available, both legal and equitable.
- 11.11 Legislative/Regulatory Requirements. If any legislative or regulatory change creates a new obligation or liability in connection with any services performed, fees received, or payments made by JISS pursuant to this Agreement, the parties agree to work together in good faith to develop a mutually acceptable amendment to this Agreement that addresses the financial or service impact of the change. SOUTH SAN shall be solely responsible for all withholding, deposit, and reporting requirements of federal, state, and local authorities applicable to claims payments under this Agreement.
- 11.12 Retained Right of Management. Nothing in this Agreement is intended to or shall operate as a bar to SOUTH SAN's continuing right to oversee the performance any of the duties for which JISS has been retained, or have been delegated herein in order to protect its interests therein. This paragraph shall not serve to reduce the compensation received by JISS under this Agreement.
- 11.13 Confidentiality. JISS will protect and exercise all efforts to maintain confidential the practices and procedures followed by SOUTH SAN in its workers' compensation claims management. SOUTH SAN will protect and exercise all efforts to maintain confidential the practices and procedures followed by JISS in its workers' compensation management efforts. JISS agrees to treat all claims information as confidential, not to disclose or permit any third party or entity access to claims information without permission from SOUTH SAN, and to ensure that any employees of JISS who receive access to claims information or business practices of SOUTH SAN are advised of its confidentiality.

11.14 Execution. This Agreement may be executed in one or more counterparts, each of which shall be an original and all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, SOUTH SAN and JISS have caused this Agreement to be executed by the person authorized to act in their respective names.

JI SPECIALTY SERVICES, INC.

By: 
Francis J. Fey
Title: President/CEO
Date: 9 May 2011

SOUTH SAN ANTONIO ISD


By: 
Name: Andy A. Rosta
Title: DIR. OF PURCHASING
Date: 5/13/2011

EXHIBIT A

CLAIMS HANDLING MINIMUM STANDARDS

The following outlines claims management standards desired by SOUTH SAN.

A. Processing

1. Files must be created and reserved within two (2) working days after receipt of initial report of injury.
2. Diaries must be established so that each case is reviewed at least every thirty (30) days, or more frequently where needed. Confirmation of review should be documented and monitored by the claims supervisor.
3. All payments will be made promptly and in accordance with the State of Texas Workers' Compensation Act and Rules.
4. Medical bills must be audited for causal relationship and reasonableness of charges by the administrator or by an outside agency approved by SOUTH SAN and, if appropriate, reduced accordingly. All relative value scale fee guidelines shall be used.
5. Medical only claims will be reviewed for possible closure at a minimum of every sixty (60) days.
6. In relation to claims reserved in excess of \$10,000, copies of specific written correspondence from the administrator to doctors, claimants, attorneys, rehabilitation counselors, investigators and/or state agencies shall be provided to SOUTH SAN upon request, with at least five (5) days advance notice.
7. Duplicate files of all claims reserved in excess of \$25,000, including reserve worksheets, surveillance reports, file postings, and all correspondence will be provided to SOUTH SAN upon request, with at least fifteen (15) days advance notice.

B. Reserving

1. Reserves will be estimated and maintained on the basis of most probable final cost and properly documented and dated by the reserve worksheets. The reserve worksheets will be electronically maintained in the Risk Management Information System (RMIS).

2. With the exception of medical only claims, reserve worksheets will be completed for all initial and revised incurred loss estimates.
3. Reserve worksheets will take into consideration the categories of indemnity, medical, rehabilitation and allocated expenses as well as the major subcategories of each.

C. Excess Reporting

1. Status reports will be directed to excess carriers as required by policy provisions, and in all cases where reserves reach or exceed fifty percent (50%) of SOUTH SAN's per occurrence self-insurance retention.
2. Updated reports to the excess carrier will be provided upon material changes in case status, upon reserve recalculation, and no less frequently than required by the excess policy. The administrator must work with SOUTH SAN and its agent of record to provide excess carriers with updated information as soon as possible prior to excess coverage expiration date.
3. SOUTH SAN will be provided copies of all reports to excess carriers.

D. File Documentation

1. Completed reserve worksheets will be electronically contained within all files.
2. All file activity, including telephone conversations or personal meetings and diary reviews, will be clearly documented to reflect the date and time, individual involved, content of discussion, and plan of action.
3. Specific direction on the investigation and handling of all indemnity cases will be established within three (3) working days from receipt of the initial report, and clearly evidenced within the electronic claim file.
4. Administrator's basis for acceptance or denial of compensability must be clearly documented in the electronic claim file.
5. Copies of all correspondence, including quarterly reports to SOUTH SAN and reports to excess carriers, will be contained in the electronic claim file.

E. Investigation and Case Management

1. Within three (3) working days from receipt of initial report of injuries, contact will be made with SOUTH SAN to confirm whether compensability is acknowledged or should be questioned.
2. Initial contact with injured employee must be accomplished or attempted within 24 hours from receipt of the DWC-1 on cases involving known compensable lost-time or on cases where the degree of the compensable lost-time is unknown. Upon initial contact, the administrator will document the employee's description of injury and pertinent past medical history. Successful and unsuccessful attempts to contact injured employees must be documented by date and time, method of contact, with whom message was left, etc.
3. Prior to all initial payments of temporary income benefits, and unless a medical report has been received, the medical provider facility will be contacted to establish extent of injury, causal relationship to the alleged incident, and estimated return to work date.
4. On all questionable indemnity cases, informative statements will be secured from the claimant, witnesses and supervisor within fourteen (14) days of receipt of the first report, unless the file reflects a reasonable explanation for delay.
5. Surveillance should be considered, following authorization by SOUTH SAN where length of temporary disability or extent of permanent disability is questioned. SOUTH SAN reserves the right to require surveillance on any claim.
6. Outside investigator services will be employed only when necessary. Documentation of assignment will include specific reasons for referral. Direction and control will be exercised over the investigator's activities.
7. Telephone contact with SOUTH SAN will be conducted frequently to confirm continued disability, provide status information, and to discuss availability of light duty (or otherwise modified) or part-time work.
8. Telephone or personal contact will be maintained with temporarily disabled employees no less frequently than biweekly, to maintain reports and to monitor medical progress and return to work status.

9. Medical reports will be obtained, or the medical providers contacted for same, as frequently as needed for verification of continuing indemnity payments.
10. Independent medical examinations will be scheduled with qualified physicians in cases where treatment, length of disability, extent of disability or maximum medical impairment rating assigned is in question. Appointment letters will include copies of all medical reports, relevant information concerning the case, job information, and a detailed description of opinions being sought.
11. Subrogation will be investigated and subsequently ruled out or pursued in all cases which may involve third-party negligence with concurrence and consultation with SOUTH SAN.
12. Coordination with SOUTH SAN's workers' compensation staff is expected.

F. Litigation Management

1. Legal counsel will be selected on the basis of legal expertise and experience in handling workers' compensation cases. SOUTH SAN retains the option to provide or recommend legal counsel.
2. Upon referral, a letter will be directed to defense counsel outlining case history, status, and work to be performed. The administrator will communicate the SOUTH SAN claims philosophy to the defense counsel.

G. Document Imaging

1. JISS maintains electronic claim files. Through the use of document imaging, JISS scans, indexes, and stores every document with its respective claim in electronic form. Each document image is stored electronically, with the proper claim number, enabling the adjuster or client to view or print all documents related to each claim.
2. Availability of Scanned Documents. The process followed by JISS allows for multiple reviews by the scanner, indexer, and adjuster of the quality of the scanned document and to make sure that the scanned document is linked with the correct claim. This process reduces the chance of a lost document or misplaced claim file as the claim is in the system and easily accessible.

In addition to improving the overall workflow of the claims adjudication process, document imaging allows JISS to control administrative costs by eliminating the need to maintain physical files and storage.

3. **Retention of Scanned Documents.** JISS complies with all record retention requirements and maintains stringent security controls on all electronic data stored for its clients. Each day, a backup tape is made of all systems files, including all scanned images. This tape is stored in a secured offsite location. The offsite data provides JISS with a backup in the event of a disaster such as fire, flood, or vandalism.

EXHIBIT B
SCOPE OF SERVICES

1. Claims Administration

In order to meet and fulfill its responsibilities under the terms of this Agreement, JISS shall:

- 1.1 Cooperate to the fullest extent possible with SOUTH SAN.
- 1.2 Perform all reasonable administrative and clerical work necessary to the performance of its duties and responsibilities hereunder.
- 1.3 All claims handling and loss adjustment services shall be made by properly trained, qualified, and licensed personnel employed by JISS.
- 1.4 Supervise, adjust and/or resist all potentially compensable events reported during the term of this Agreement within its scope of authority as delineated by Section 1.3 of the Agreement, subject to any exceptions or limitations as may appear elsewhere in the Agreement, and in full compliance with applicable state, local or federal law.
- 1.5 Maintain an electronic file for each reported potentially compensable event which shall be reviewable at any reasonable time by SOUTH SAN or any person or persons designated by SOUTH SAN.
- 1.6 Review, analyze, make appropriate recommendations and provide necessary follow-up on all loss reports and other insurance matters within the scope of this Agreement.
- 1.7 Provide phone consultations to SOUTH SAN on an as-needed basis.
- 1.8 Provide SOUTH SAN and its agent with any and all information reasonably requested pertaining to any matter within the terms and scope of this Agreement.
- 1.9 Provide SOUTH SAN or its designated legal representative copies of any and all materials requested pertaining to any matters encompassed by the terms and scope of this Agreement (cost to be borne by SOUTH SAN).
- 1.10 Be available to meet with representatives of SOUTH SAN at mutually agreeable times and places.

- 1.11 Provide all services in compliance with the Claims Handling Minimum Standards in Exhibit A.

2. Pre-Authorization And Concurrent Review

2.1 Health care treatments and services requiring pre-authorization in accordance with Texas Administrative Code §134.600(p) as amended from time to time. JISS shall conduct a pre-authorization review and determine if claims submitted to SOUTH SAN requesting non-emergency health care treatment or services are medically necessary:

- (1) inpatient hospital admissions including the principal scheduled procedure(s) and the length of stay;
- (2) outpatient surgical or ambulatory surgical services defined as surgical services provided in a facility that operates primarily to provide surgical services to patients who do not require overnight hospital care;
- (3) spinal surgery;
- (4) all non-exempted work hardening or non-exempted work conditioning programs;
- (5) physical and occupational therapy services, which includes those services listed in the Healthcare Common Procedure Coding System (HCPCS) at the following levels:
 - A. Level I code range for Physical Medicine and Rehabilitation, but limited to:
 - i. Modalities, both supervised and constant attendance;
 - ii. Therapeutic procedures, excluding work hardening and work conditioning;
 - iii. Orthotics/Prosthetics Management;
 - iv. Other procedures, limited to the unlisted physical medicine and rehabilitation procedure code; and
 - B. Level II temporary code(s) for physical and occupational therapy services provided in a home setting;

- C. except for the first six visits of physical or occupational therapy following the evaluation when such treatment is rendered within the first two weeks immediately following:
 - i. the date of injury, or
 - ii. a surgical intervention previously preauthorized by the carrier;
- (6) any investigational or experimental service or device for which there is early, developing scientific or clinical evidence demonstrating the potential efficacy of the treatment, service, or device but that is not yet broadly accepted as the prevailing standard of care;
- (7) all psychological testing and psychotherapy, repeat interviews, and biofeedback; except when any service is part of a preauthorized or Division exempted return-to-work rehabilitation program;
- (8) unless otherwise specified in this subsection, a repeat individual diagnostic study:
 - A. with a reimbursement rate of greater than \$350.00as established in the current Medical Fee Guideline, or
 - B. without a reimbursement rate established in the current Medical Fee Guideline;
- (9) all durable medical equipment (DME) in excess of \$500 billed charges per item (either purchase or expected cumulative rental);
- (10) chronic pain management/interdisciplinary pain rehabilitation;
- (11) Drugs not included in the Division's formulary;
- (12) Treatment and services that exceed or are not addressed by the Commissioner's adopted treatment guidelines protocols and are not contained in a treatment plan preauthorized by the carrier;
- (13) Required treatment plans; and
- (14) Any treatment for an injury or diagnosis that is not accepted by the carrier pursuant to Labor Code §408.0042 and §126.14 of this title (relating to Treating Doctor Examination to Define the Compensable Injury).

- 2.2 Health care requiring concurrent review for an extension of previously approved services in accordance with Texas Administrative Code §134.600(p) as amended from time to time. JISS shall conduct a concurrent review and determine if claims requesting extension of non-emergency health care treatment or services are medically necessary.
- (1) inpatient length of stay;
 - (2) all non-exempted work hardening or non-exempted work conditioning programs;
 - (3) physical and occupational therapy services as referenced in section 2.3 above;
 - (4) investigational or experimental services or use of devices;
 - (5) chronic pain management/interdisciplinary pain rehabilitation; and
 - (6) required treatment plans.]
- 2.3 Qualified personnel. All pre-authorization and concurrent reviews and related determinations shall be made by appropriately trained and qualified personnel employed by JISS. JISS shall employ sufficient appropriately trained and qualified personnel to service SOUTH SAN's pre-authorization and concurrent review requests promptly as required by regulation.
- 2.4 Required medical information. JISS shall make reasonable efforts to obtain from the treating doctor requesting pre-authorization or concurrent review, medical information adequate to substantiate the need for treatment or services recommended, within the parameters of the law, as required for JISS compliance with applicable regulations. JISS may require the treating doctor to identify the location and estimated time of the recommended treatment or service, and the name of the health care provider performing the treatment or service, if other than the treating doctor. JISS may request the treating doctor to submit current medical documentation and other information by facsimile transmission.
- 2.5 Notification of decision. JISS shall notify the treating doctor of the decision to grant or deny pre-authorization or concurrent review by telephone or facsimile transmission within three (3) working days of receipt of the treating doctor's request for pre-authorization or concurrent review. JISS

shall send written confirmation of approval or denial of pre-authorization or concurrent review, including the reason for any denial, to the injured employee and the treating doctor (or the treating doctor's designated representative) and the injured employee's representative, if known, within twenty-four (24) hours after notification of denial or approval.

- 2.6 Review of denied requests. JISS's medical director shall review each request for pre-authorization or concurrent review which is denied or, in the alternative, JISS's medical director may obtain a peer review of the denial of any pre-authorization or concurrent review request. Written documentation of the review shall be included in SOUTH SAN's records.
- 2.7 Recordkeeping. JISS shall maintain accurate records, conforming to the format required by DWC, to reflect information regarding each pre-authorization and concurrent review request and the approval/denial process. The records required under this provision will include a pre-authorization or concurrent review request intake form the pre-authorization or concurrent review request, the notification letter, and any medical documentation or other relevant information obtained by JISS in connection with a pre-authorization or concurrent review.

3. Audit of Bills From Health Care Providers

- 3.1 Medical bill review services. JISS shall provide medical bill review services as set forth in applicable regulations and cooperate with SOUTH SAN in the execution of its responsibilities as set forth in 28 Tex. Admin. Code, Chapter 133, Subchapters C and D. JISS shall audit bills received from health care providers; the audit may include, but is not limited to, examination for:
- 3.1.1 compliance with the fee guidelines established by law, regulation, or network contract;
 - 3.1.2 compliance with the treatment guidelines established by law, regulation, or network contract;
 - 3.1.2 duplicate billing;
 - 3.1.3 inappropriate itemization of services;
 - 3.1.4 billing for treatments or services unrelated to the compensable injury;
 - 3.1.5 billing for services not documented or substantiated;
 - 3.1.6 accuracy of coding in relation to the medical record and reports;
 - 3.1.7 correct calculations; and

- 3.1.8 provision of unnecessary and/or unreasonable treatments or services.
- 3.1.9 JISS will not change codes on the medical bills submitted by the provider without affording the provider the opportunity to submit additional documentation, prior to payment.

4. Loss Control

- 4.1 Available Loss Control Services. These services may include, but shall not be limited to, furnishing assistance and professional consultation to SOUTH SAN in developing risk control programs; analyzing trends and hazards; evaluating results; recommending policies; encouraging the adoption of accident prevention programs; working on special projects; developing plans of service for SOUTH SAN; stimulating more safety training; improving work methods; making hazard surveys so as to check on actual reduction of exposures, to measure compliance with recommendations, to determine effectiveness of consultation, and to encourage and assist SOUTH SAN in making their own surveys; and providing industrial hygiene and industrial health services as needed. JISS will provide the above and other services at the direction of SOUTH SAN.
- 4.2 Control or Correction of Hazards. JISS will undertake to perform such authorized loss control services with reasonable dispatch, diligence and care with the objective of assisting SOUTH SAN in the furtherance of its risk control program objectives. However, JISS cannot and does not represent that its inspections, reports, and other activities will reveal all loss or injury producing conditions or violations of procedures or standards, or that others do not exist. Therefore, neither the making of any survey or inspection nor any report or recommendation shall constitute an undertaking on behalf of or for the benefit of SOUTH SAN or others, to determine or warrant that the premises or operations are safe or healthful, or are in compliance with any law, rule or regulation. Furthermore, JISS assumes no responsibility for the control or correction of hazards.

SOUTH SAN ANTONIO ISD/JI SPECIALTY SERVICES, INC.
WORKERS' COMPENSATION SERVICE AGREEMENT
FEE SCHEDULE

February 1, 2011 to January 31, 2013

Service	Pricing	Comment
Claims Handling (Standard)		
Indemnity & Medical -Only	Budget based flat fee of \$41,249.00	
Information Only	Included	
Claims Handling (Prior & Post Contract)		
Run-In Claims	Unlimited, at no added charge.	
Run-Off Claims	Normal Market rates	
DWC Representation	Included	
CCH Representation	Included	Hourly fee plus travel expenses are charged to the claim file as an allocated loss adjustment expense (ALAE) for adjuster only. All other attorney fees are subject to DWC Legal Fee Schedule and are paid as legal expense from the claim file.
Benefit Review Conferences	Included	Hourly fee plus travel expenses are charged to the claim file as an allocated loss adjustment expense (ALAE) for adjuster only. All other attorney fees are subject to DWC Legal Fee Schedule and are paid as legal expense from the claim file.

SERVICE AGREEMENT - WORKERS' COMPENSATION
South San Antonio ISD/JISS

Service	Pricing	Comment
Pre-Authorization - Nurse Review	\$90.00 per request	
Pre-Authorization - Physician Review	\$160.00 per request	
Bill Review		
Medical	\$9.95	
Hospital	\$9.95	
Pharmacy	\$9.95	
Utilization Management Services		
Field Case Management	\$95.00 per hour (plus \$45.00 per hour Travel and Wait time)	
Telephonic Case Management	\$95.00 per hour	
Additional Services: IMEs, second opinions, vocational rehab, retrospective review, etc.	Negotiated rates	Negotiated rates (if an agreed vendor is utilized, the fee will be a pass-through fee, with no markup)

**SERVICE AGREEMENT - WORKERS' COMPENSATION
South San Antonio ISD/JISS**

Service	Pricing	Comment
<p>Workers' Compensation Certified Health Care Network (HCN) access and/or access to a direct provider panel set up under section 504.053 of the Texas Labor Code applicable to political subdivisions (the "504 Option")</p>	<p>To Be Determined by mutual agreement of the parties, based upon the solution</p>	<p>JISS can provide access to WC Certified HCNs and/or assist South San in efforts to access or create a direct provider panel under the 504 Option. HCNs and the 504 Option offer access to select medical providers and in many cases provide reductions in medical fee pricing achieved through either a percentage of "savings" off of provider charges or decreased medical utilization. The parties agree to work together to identify solutions that meet the requirements and goals of South San's self-insured workers' compensation program.</p>
<p>Risk Management Information System (RMIS) services</p>	<p>Included</p>	
<p>Loss Prevention Consultation</p>	<p>\$110.00 per hour</p>	
<p>RME Coordination</p>	<p>\$200.00 per case</p>	<p>Allocated to the claim file as a pass through from the vendor if applicable.</p>
<p>Miscellaneous Services</p>		
<p>Subrogation Fees</p>	<p>Included</p>	<p>TPA services included. If attorney involvement the rate is dependent on the selection of the law firm.</p>
<p>Quarterly Reviews Offsite Storage</p>	<p>Included N/A</p>	

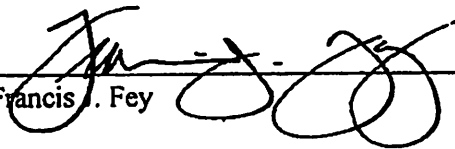
SERVICE AGREEMENT - WORKERS' COMPENSATION
South San Antonio ISD/JISS

Service	Pricing	Comment
Peer Review Coordination Fee	\$200.00 per case	Allocated to the claim file as a pass through from the vendor if applicable.
Annual Administrative Fee	\$2,500.00	
South West Index Bureau	\$7.25 per filing	Allocated to the claim file
Litigation Management	Rate dependent on the selection of the law firm	
Field Investigation Services	\$75.00 per hour	
Surveillance Services	\$80.00 per hour (plus travel and expenses)	
ACH/Banking Fees	Based on client's banking arrangements	
Reports (required and/or requested)		
Standard reports	Included	
Special Requests	Included	
E-Billing	Included	
Equal Monthly Payments	TBD; only if agreed to in writing by both parties	The parties may mutually agree to estimate any fees billed on a per unit basis and provide for equal monthly payments of such fees, subject to annual review and adjustment for actual services rendered within 60 days of the end of each 12-month agreement period.

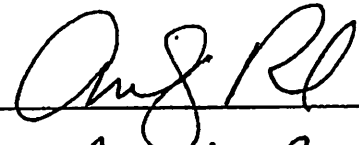
SERVICE AGREEMENT - WORKERS' COMPENSATION
South San Antonio ISD/JISS

IN WITNESS WHEREOF, South San Antonio ISD and JISS have caused this Fee Schedule to be executed by the person authorized to act in their respective names.

JI SPECIALTY SERVICES, INC.

By: 
Francis J. Fey
Title: President/CEO
Date: 9 May 2011

SOUTH SAN ANTONIO ISD

By: 
Name: ANDY A. ROCHA
Title: DIR. OF PURCHASING
Date: 5/13/2011