

**ADDENDUM NUMBER I**  
**TO**  
**SERVICE CONTRACT FOR MULTIPLE LINES**  
**CLAIMS HANDLING**

This is the First Addendum to the Agreement entered into between JOHNS EASTERN COMPANY, INC., hereinafter called the SERVICE AGENT, and MARION COUNTY BOARD OF COUNTY COMMISSIONERS, hereinafter called CLIENT, dated October 1, 2016.

This Addendum affects the remuneration to be paid by the CLIENT to the SERVICE AGENT for the handling of claims from October 1, 2017 through September 30, 2018.

3. **Fund for Payment of Claims.** The Client has the sole obligation and responsibility for funding the payment of claims under the Law and Rules. The Service Agent assumes no duty to fund any such claims at any time and shall have no obligation to advance funds for any such payment. The Client agrees to maintain all necessary funds for payment of claims in accordance with the Law and Rules and to inform the Service Agent of all relevant details with respect to any such accounts in order for the Service Agent to perform its duties under this Agreement. The Client shall add to or increase the amount in any such accounts as needed, and, in any event, within five (5) business days from the Service Agent's notice to the Client to such effect. The Client shall be responsible for all fees, fines or claims incurred and/or any loss or damages sustained by the Service Agent in the event Client does not meet its obligations under this paragraph 3.
  
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;
- c. Fees and expenses for surveillance, private investigators, or otherwise;
- d. Fees for the indexing of injured employees and third party 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 medical consultations or hearings, and appraisals;
- f. Fees for recorded statements;
- g. Fees for any field investigation will be \$85.00 per hour, \$0.55 a mile and \$1.00 per color photograph and administrative expense. We will bill at these rates all activities involving handling, controlling, or settling a Client's liability on a claim and fees are charged back to and paid from the claim file;
- h. Fees for over-night or special mail service for various documents;
- i. Fees for examining and reducing hospital and medical bills as appropriate will be \$5.95 per bill, 30% of all savings over and above Fee Schedule reductions, and 35% out-of-network and hospital audit savings,
- j. Telephonic medical management
  - (i) all medical only and lost time cases - \$195.00/ file
  - (ii) selected cases only - \$895.00per case\*per claim fee is billed one-time when the claim is reported for the life of the contract or closing of the file
- k. Photocopying and/or CD-ROM copies and review of relevant documentation;
- l. Fees for Pre-Certification of Hospital Admissions, On-Site Case Management, Peer Review, Medical Care Audits, and Hospital Bill Audits; and

m. 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.

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 claims handling for Workers' Compensation, General Liability, Auto Liability, Property, Errors & Omissions, and Employers' Liability exposures whose dates of loss fall between October 1, 2017 and September 30, 2018 will be an annual minimum and deposit of \$204,750.00. We will bill this minimum and deposit monthly, with the first payment due on October 1, 2017.

b. Any future year cost increase requires 120 days written notice to the Client and would become effective upon the anniversary date of the contact.

**Reports-** Standard Johns Eastern PDF reports are provided at no charge. However, if specific custom reports are needed and programming is required there will be an hourly fee of \$200.00 billed. The programming quote will be provided to the CLIENT prior to completion for approval to proceed with programming.

All other terms and conditions of the original Contract remain unchanged.

**IN WITNESS WHEREOF**, the parties have executed this Agreement effective for all purposes as of October 1, 2017.

Approved as to Form and Legality

  
\_\_\_\_\_  
County Attorney

Date: 8/22/17

MARION COUNTY BOARD OF COUNTY  
COMMISSIONERS

  
\_\_\_\_\_  
Carl Zalak, Chairman

Date: AUG 22 2017

Attest:



Clerk of Court, David R. Ellspermann

Date: AUG 23 2017

WITNESSES:




Date: 8/15/17



Date: 8/15/17

JOHNS EASTERN COMPANY, INC.



Beverly Adkins, AIC, AIM  
Executive Vice President



Date: 8/15/17

**COPIES**