

**FIRST AMENDMENT TO**  
**THIRD PARTY CLAIMS ADMINISTRATION AGREEMENT**

This First Amendment to the Third Party Claims Administration Agreement (this “**First Amendment**”) is effective as of October 1, 2023 (the “**First Amendment Effective Date**”) and amends the Third Party Claims Administration Agreement effective as of October 1, 2023 (the “**Agreement**”) between Gallagher Bassett Services, Inc., a Delaware corporation (“**GB**”) and Williamson County, Texas, a political subdivision of the State of Texas (“**Client**”). Capitalized terms used herein but not otherwise defined herein shall have the meanings ascribed to such terms in the Agreement.

In consideration of the mutual promises contained herein, the Parties agree as follows:

1. **Exhibit A** of the Agreement is deleted in its entirety and replaced with the Exhibit A attached hereto and incorporated herein by reference.
2. In all other respects, the Agreement shall remain unaltered and in full force and effect.

IN WITNESS WHEREOF, the Parties have executed this First Amendment by their duly authorized representative as of the First Amendment Effective Date.

**GALLAGHER BASSETT SERVICES, INC.**

**WILLIAMSON COUNTY, TEXAS, A  
POLITICAL SUBDIVISION OF THE STATE  
OF TEXAS**

By:



By:

Title:

General Counsel

Title:

Name:

Liz Staruck

Name:

Date:

October 23, 2023

Date:

**EXHIBIT A**  
**COST & TERMS**

<b>FEE PER CLAIM - HANDLE TO CONCLUSION</b>	<b>Est. Claim Frequency</b>	<b>Per Claim Fee</b>	<b>Projected Service Fee</b>
<b>Workers' Compensation</b>			
WC Medical Only	111	\$175	\$19,425
WC Indemnity (TX)	51	\$1,260	\$64,260
Incidents - Workers' Compensation	203	\$50	\$10,150
<b>Total Workers' Compensation Fee Per Claim</b>	<b>365</b>		<b>\$93,835</b>
<b>Liability</b>			
Auto Liability/Bodily Injury	20	\$950	\$19,000
Auto Liability/Property Damage	50	\$425	\$21,250
Auto/Physical Damage	0	\$310	\$0
General Liability/Bodily Injury	5	\$950	\$4,750
General Liability/Property Damage	0	\$425	\$0
Professional Liability	11	\$795	\$8,745
Incidents - Liability	0	\$50	\$0
<b>Total Liability Fee Per Claim</b>	<b>86</b>		<b>\$53,745</b>

<b>ADMINISTRATIVE SERVICES</b>	<b>Quantity</b>	<b>Rate</b>	<b>Fee</b>
<b>Administrative Services</b>			
Administration / Data Management			\$9,000
RMIS Standard License (2 RMIS Users)			Included
RMIS Additional Full-Access Users	0	\$500	\$0
RMIS Additional View-Only Users	8	\$250	\$2,000
<b>Total Administrative Services</b>			<b>\$11,000</b>

<b>TOTAL USD</b>			<b>\$158,580</b>
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Gallagher Bassett is proposing a three year agreement in which the per claim rates and associated fees increase 3.5% from year one to year two, increase 3.5% from year two to year three.

For the following two one-year optional renewal years, Gallagher Bassett proposes the per claim rates and associated fees increase 3.5% from year three to year four, and increase 3.5% from year four to year five.

We have included \$0 Settlement Authority at no cost in year one. We look forward to earning the trust of the County during the first year of our partnership and would look to raise Settlement Authority in year two. In the event the County mandates \$0 Settlement Authority beyond year one, GB reserves the right to bill a fee \$5,500 in year two, to be adjusted annually thereafter.

**GBCARE MEDICAL MANAGEMENT SERVICES**

<b>SERVICES</b>	<b>CHARGES</b>
<b>Fee Schedule (Bill Review / UCR)</b>	\$8.50 Per Bill
<b>All Other Savings</b> <ul style="list-style-type: none"> <li>• System Savings</li> <li>• Clinical Validation/Nurse Review (CV)</li> <li>• Preferred Provider Networks (PPO)</li> <li>• Out Of Network (OON)</li> <li>• Specialty Networks/Physical Therapy (PT)</li> </ul>	27 % of Savings 27 % of Savings 27 % of Savings 27 % of Savings 27 % of Savings
<b>Electronic Receipt of Medical Bills</b>	\$2 additional Per Bill in all applicable states
<b>Telephonic Case Management</b>	\$90 Medical Triage one time per file \$340 per claim (each 30 days)
<b>Utilization Review Program</b>	\$105 Outpatient Pre-Certification \$29 Letter Only Authorization Program
<b>UR Physician Review</b>	\$270 per Review
<b>California UR IMR Processing</b>	\$125 per IMR Request
<b>Medical Case Management and Vocational Rehabilitation - Hourly</b>	\$115 per hour plus expenses \$135 per hour plus expenses - AK, CA, HI, NY \$175 per hour plus expenses CAT \$225 per hour plus expenses CAT - AK, CA, HI, NY
<b>Priority Care 365</b>	\$95 per call - Language line charges apply where utilized
<b>Other State Services:</b> <ul style="list-style-type: none"> <li>• California MPN Service</li> <li>• Illinois PPP Service</li> <li>• New York PPO Service</li> <li>• Texas HCN Service</li> <li>• West Virginia MHCP Service</li> </ul>	For claims handled in the designated states (otherwise, Not Applicable)  No additional fees beyond the normal Cost & Terms No additional fees beyond the normal Cost & Terms No additional fees beyond the normal Cost & Terms Percent of savings: 9.5% of total savings to include bill review, network access & Nurse triage. Available option if client enrolls in a West Virginia MHCP. If selected, fees include \$45 per claim. Network Management and Administration of \$45 per hour when required
<b>Medical Cost Projection (MCP) and Clinical Recommendations</b>	\$150 per Hour
<b>Pharmacy Benefit Management (PBM)</b>	Cost of prescriptions -- no charge for Bill Review or PPO reductions for PBM transactions
<b>Durable Medical Equipment (DME) Program</b>	Cost of medical equipment - no charge for Bill Review or PPO reductions for Prospective DME transactions

<b>SERVICES</b>	<b>CHARGES</b>
<b>Dental Review Program</b>	Charged on a per review basis

Client and GB agree as follows: If a vendor other than the GBCARE Medical Management Services preferred vendor is utilized, an administrative fee may apply in exchange for bona fide administrative services. The administrative services may include, but not be limited to overhead costs for the oversight and management of medical management vendors which includes the development and oversight of quality standards, development and maintenance of EDI interfaces and reports, and ensuring proper mandatory state compliance and reporting.

**OTHER SERVICES**

<b>SERVICES</b>	<b>CHARGES</b>
RMIS Additional Users (RMIS Standard License includes a set number of Full Access Users outlined under Administrative Services, and unlimited use of GB standard scheduled training classes)	RMIS View-only User, \$250 annually per user
	RMIS Full Access User, \$500 annually per user
Loss control	\$140 per hour
OSHA Reporting	\$6,000, OSHA platform to produce compliant OSHA 301 Report, 300 and 300a Logs, and electronic data file. Oversight and accuracy of all OSHA data is responsibility of the employer prior to posting or submitting any OSHA log.
Subrogation and Recovery	20% of net recovery amount less legal and collections expense based on recovery date  Recoveries include subrogation, credits, lien waivers, file transfer (based on lien to date at time of transfer), and contribution or coverage handled in a separate action.  Applies to all coverage types
<b>Gallagher Bassett Investigative Services (GBIS)</b>	
Special Fraud Investigations - SIU, Outside Field Investigations, Surveillance Investigations, Targeted Field Investigations	Prevailing hourly rate plus expenses
Targeted Database Searches, Self Service Database Searches	Prevailing rate per report
<b>Gallagher Bassett Litigation Management Program (GBLMP)</b>	
Invoice and Matter Management platform for adjusters/counsel	If utilized, 2% of net legal invoice (invoice net of disbursements and invoice review savings). Charged as discount off total payment remitted to counsel and will be reflected as an allocated expense on the claim file.
5 client licenses for Legal Analytics platform	
Attorney-led legal bill review	
<b>Gallagher Bassett Compliance Services (GBCS)</b>	
Medicare Set-Aside Services: Allocation, CMS Submission, Medicare Eligibility Inquiry (MEI), SSDI Verification, Medical Cost Projection (MCP)	Prevailing rate per each service Rush fees apply for MSA completed within 5 business days MSA Revision fees apply
Medicare Secondary Payer Services: BCRC Notification, Conditional Payment Research (CPR), Conditional Payment Negotiations (CPN), Conditional Payment Notice Evaluation, Conditional Payment Dispute, Securing Final Demand for Settlement (SFD), Release / Settlement Agreement Review, Lien Research and Resolution (Advantage Plan, Medicaid, Part D)	Prevailing rate per each service
<b>Taxes</b>	
Taxes	All applicable taxes will be added to the service fees where required

**PROGRAM SPECIFIC TERMS AND CONDITIONS**

**1. Claim Count Reconciliation:**

- Actual - Claims will be reconciled and billed monthly for the first 18 months and then at the 24th month and then every 12 months thereafter.

**2. Billing and Payment Terms:** Fees will be billed monthly during the service period.

**3. Claim Pricing Terms:**

**Handle to Conclusion:**

Claims will be handled for the life of the file. There will be no additional per claim fees for existing claims except if it changes category.

**Additional Charges:**

There will be additional charges for ongoing Data Management (RISX-FACS®), RMIS users, Administration, Banking fees and monthly reports for as long as GB handles claims.

**4. Account Administration includes the following:**

- Client Services
- Client Accessible Dashboards & Reports via GB's RMIS & Analytics Platform
- 4 Telephonic Claim Strategy Meeting(s)
- Detailed Status Reports All Lines of Business @ \$50,000
- Settlement Consultation All Lines of Business @ \$0
- Loss Fund /Banking Services (SIMMS)
- Claim Reporting
- Data Transfer to Carrier(s)
- Acknowledgement Letter to Injured Employee WC
- Acknowledgement Letter to Client WC
- Acknowledgement Letter to Reporting Unit WC
- Acknowledgement Letter to Claimant Liab
- Acknowledgement Letter to Client Liab

**5. Claim Charges:** Claim and incident fees will be assessed on a per occurrence, per claimant, per line of coverage basis.

**6.** This material is the proprietary, confidential property of Gallagher Bassett Services, Inc. It has been provided to you for the sole purpose of considering a quote for claims administration services. It is not to be duplicated or shared in any form with anyone other than the individuals of such prospective client that have a business need to know the information. It must be destroyed or returned to Gallagher Bassett Services, Inc. after its intended use.

**7.** Gallagher Bassett Services, Inc. will not pay a fee, commission, or rebate to any party for the privilege of presenting our proposal or in order to secure the awarding of any program to Gallagher Bassett Services, Inc.

**8.** Pricing is based on using GBCARE Medical Management Services preferred vendors for Bill Review, PPO, out-of-network, utilization review, telephonic case management, MSA and field case management.

## **GENERAL CONTRACT TERMS AND CONDITIONS**

1. Independent Adjusters - If applicable, following any significant loss as a result of a single event (hurricane, tornado, flood, earthquake, etc.), GB reserves the right to retain outside resources (adjusters) when appropriate and those fees will be paid as an Allocated Expense off the file.
2. The pricing quoted in this Cost & Terms is based upon the data and information provided by Client, as well as existing legislative and regulatory requirements. Material inaccuracies or changes to the foregoing may require adjustments to the quoted pricing.
3. Taxes - All applicable taxes will be added to the service fees where required.
4. Allocated Expenses: Shall be your responsibility as applicable and shall include, but not be limited to:
  - Legal Fees
  - Legal Bill Review
  - Medical Examination
  - Professional Photographs
  - Travel made at client's request
  - Costs for witness statements
  - Court reporter service, translation, and interpretation
  - Record retrieval and copying services (Including medical and legal)
  - Accident reconstruction
  - Experts' rehabilitation costs
  - Chemist
  - Fees for service of process
  - Collection cost payable to third parties on subrogation
  - Architects, contractors
  - Engineer
  - Any other similar cost, fee or expense reasonably chargeable to the investigation, negotiation, settlement or defense of a claim or loss which must have the explicit prior approval of the client
  - Police, fire, coroner, weather, or other such reports
  - Property damage appraisals
  - Vehicle appraisals (vehicle damage assessment)
  - SIU, surveillance and sub rosa investigation
  - Official documents and transcripts
  - Pre- and post-judgment interest paid
  - Outside Field Investigations
  - Subrogation at 20% of net recovery
  - Index Bureau Reporting (All Coverages)
  - Second Injury Fund Recovery
  - Data Intelligence Self-Service Reports
  - Medical Management - Medical Management services may include, but are not limited to:
    - Preferred provider organization networks
    - Utilization review services
    - Automated state fee scheduling
    - Light duty/return-to-work programs
    - Medical case management and Vocational rehabilitation network
    - Prospective injury management services
    - Hospital bill audit services



## **DEFINITIONS**

### **Incidents**

An incident is a loss reported electronically through ClaimLine and/or the Web, or set up manually at the branch. GB will review the incident and make a courtesy call (if necessary) to determine if it is a claim or incident. GB will have full discretion in the determination and handling of these incidents and/or their conversion into claim status.

### **Workers' Compensation - Medical Only Claims**

A work-related Claim that meets all of the following criteria:

- Payments for either indemnity or vocational rehabilitation were not required
- The Claim has not become contested or in suit
- No investigation required to determine compensability or subrogation requirements
- No loss notices, captioned reports, client meetings (other than routine meetings where the claim is listed and noted) or settlement consultation approvals were required
- Payments on the Claim do not exceed \$5,000
- Days open do not exceed 180 days

### **Workers' Compensation - Indemnity Claims**

A work-related claim that is not a Medical Only Claim.

### **Auto Physical Damage (APD)**

Investigate, evaluate and adjudicate all first-party claims which you report involving damage or loss of real or personal property. First-party claims will be managed and administered in accordance with our product guidelines.

### **Liability Claims**

Investigate, evaluate and adjudicate all third-party claims for which you may be legally obligated. Third-party claims will be managed and administered in accordance with our product guidelines.

### **Professional Liability Claims**

All professional liability claims are stat entry only. Stat Entry claim handling will only include: claim set-up, setting of initial reserve and ongoing updates based upon guidance from client, issuing payments.

**LIFE OF PARTNERSHIP ASSUMED CLAIMS - CLAIM HANDLING FEES  
PER CLAIM, PER YEAR OPEN**

SERVICE	Est. Claim Frequency	Per Claim Fee	Projected Service Fee
<b>Liability</b>			
Auto Liability/Bodily Injury	18	\$850	\$15,300
Auto Liability/Property Damage	15	\$350	\$5,250
Auto/Physical Damage - One-time fee	2	\$310	\$620
General Liability/Bodily Injury	0	\$850	\$0
General Liability/Property Damage	0	\$350	\$0
Professional Liability	2	\$695	\$1,390
<b>Total</b>	<b>37</b>		<b>\$22,560</b>

Data Conversion / Integration Fees	#of Sources	Rate	Total
<b>Assumed Claim Data Transfer</b> (Data conversion where GB assumes the claim handling and loads historic data)			
<b>One Time Conversions</b>			
• Assumed Claims Manual Set-up	37	\$150	\$5,550
• Claims - Assumed	1	\$2,000	\$2,000
<b>Total Assumed Claim Data Transfer</b>			<b>\$7,550</b>

<b>TOTAL FEES FOR ASSUMED CLAIMS:</b>			<b>\$30,110</b>
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The above assumed claim rates will be billed per claim, per year open, capped at 3 years.

Carrier Data Transfer Cost - Client's insurance company may assess a fee to unbundle Claims or to transfer Claims from a prior claims administrator to GB. If this fee is assessed by Client's insurance carrier directly against GB, Client shall reimburse GB for the full amount of any such fee, which shall be assessed on a direct pass-through basis without markup.

Assumed fees will be trued up once actual assumed claim count has been determined, with annual audits thereafter.

There may be a fee associated with GB's assumption and storage of closed physical files.

The "Claims - Assumed" line item above is an Administrative Fee that contemplates an accelerated manual run-in timeline for Gallagher Bassett.

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	RMIS Full Access User, \$1,000 annually per user
Loss control	\$140 per hour
OSHA Reporting	\$6,000, OSHA platform to produce compliant OSHA 301 Report, 300 and 300a Logs, and electronic data file. Oversight and accuracy of all OSHA data is responsibility of the employer prior to posting or submitting any OSHA log.
Subrogation and Recovery	20% of net recovery amount less legal and collections expense based on recovery date  Recoveries include subrogation, credits, lien waivers, file transfer (based on lien to date at time of transfer), and contribution or coverage handled in a separate action.  Applies to all coverage types
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<b>Taxes</b>	
Taxes	All applicable taxes will be added to the service fees where required

## **PROGRAM SPECIFIC TERMS AND CONDITIONS**

### **1. Claim Count Reconciliation:**

- Estimate - Claims will be audited at the [18<sup>th</sup> and 24<sup>th</sup> month, and then every 12 month thereafter.]
- Actual - Claims will be [billed monthly for the first 18 months and then at the 24<sup>th</sup> and then every 12 months thereafter.]

### **2. Billing and Payment Terms:** Fees will be billed quarterly during the service period.

### **3. Claim Pricing Terms:**

#### **Life of Partnership:**

Claims will be handled for the life of the partnership with no additional per claim fees. If the client decides to non-renew all or a portion of the program, all open files will be handled in one of the following two ways:

- GB will return the files to the client (contingent upon Carrier approval) at the client's expense.
- GB will continue to handle the open files at our prevailing annual rate per year open.

#### **Assumed Claims: 3 year Annual Fee, Life of Partnership:**

Claims will be handled for the life of the partnership with an annual per claim fee charged for the first 3 years of handling. After this period ends, the claims will be handled for the life of the partnership with no additional per claim fees. If the client decides to non-renew all or a portion of the program, all open files will be handled in one of the following two ways:

- GB will return the files to the client (contingent upon Carrier approval) at the client's expense.
- GB will continue to handle the open files at our prevailing annual rate per year open.

#### **Additional Charges:**

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- Assumed Claim Data Transfer
  - Claims - Assumed
  - Assumed Claims Manual set-up

### **5. Claim Charges:** Claim and incident fees will be assessed on a per occurrence, per claimant, per line of coverage basis.

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