

# SERVICE CONTRACT

This contract is made effective July 1, 2022, between The City of Broken Arrow (COBA) and Two Oaks Investments, LLC, dba Consolidated Benefits Resources (CBR).

COBA desires to retain CBR to provide services for workers' compensation claims administration.

CBR conducts and operates a claims management program for the investigation, processing, accounting, and payment of workers' compensation claims under the Oklahoma Workers' Compensation Code and/or the Administrative Workers' Compensation Act.

## Section A: Agreements

### *CBR Agrees To:*

1. Provide a workers' compensation claims management program in accordance with the highest standards of its profession and CBR's usual and customary practices including, but not limited to:
2. Compliance with COBA's claim requests during the life of the contract.
3. Preparation and/or assistance with the filing of the Oklahoma MITF quarterly reports, the Oklahoma MITF annual reports, and Oklahoma Workers' Compensation Commission renewal.
4. Approve and pay medical bills, after reviewing and reducing them after application of the Medical Fee Schedule, utilization of PPOs for additional discounts, and review of the ODG guidelines for utilization review.
5. Provide copies of documentation designating CBR's Oklahoma licensed adjusters upon request.
6. Attend scheduled meetings with representatives of COBA to review and discuss claims and loss prevention strategies.
7. Coordinate receipt of information and reports with outside medical providers in support or denial of an alleged injury.
8. Investigate all submitted claims to determine validity in establishing that temporary total disability exists and make payment on a weekly basis.
9. Determine validity and make payment of all Permanent Partial Disability (PPD), Permanent Total Disability (PTD), Vocational Rehabilitation, Taxes, Fees, and any other costs or benefits due under the statutes.
10. Develop work related injury claim files after receipt of the First Notice of Injury.
11. During the term of the Contract, and any extensions or renewals of the Contract, maintain in good standing its permit issued by the Oklahoma Workers' Compensation Commission to act as a servicing organization.
12. Generate at least monthly unit or participant loss analysis reports with Plan totals to reflect medical and indemnity payments, reserves, litigation status, expense reconciliation and alphabetical claim listing.

13. Maintain insurance coverage which reflects the following:
  - a. Statutory workers' compensation
  - b. \$1 million errors and omissions
  - c. \$500,000 fidelity bond or employee dishonesty policy
  - d. \$1 million combined single limit of general liability, owned automobiles, non-owned automobiles, or hired automobiles.
14. Medical Case Managers will be jointly approved by COBA and CBR on injuries when such professional management dictates.
15. Obtain recorded statements and/or personal interviews of all new reports of injury that are questioned by participants or questionable in the view of CBR regarding compensability.
16. Process all bills for payment and notify adverse party as to the amount of the claim.
17. Aid in protecting the subrogation rights of COBA.
18. Coordinate Legal defense with outside attorney selected by COBA.
19. Coordinate Excess Insurance filings for COBA with their approved agent if COBA obtains excess insurance. These filings include file quarterly loss data reports, notify and coordinate claims that penetrate the SIR or Aggregate layer, file necessary reports to obtain claim reimbursement from the Excess Carrier and remit reimbursements to COBA.
20. Submit data pursuant to Medicare Section 111 on behalf of COBA.
21. Submit applicable data to the Insurance Services Office on behalf of COBA.
22. Submit applicable data to the Oklahoma Workers' Compensation Commission on behalf of COBA.
23. Make recommendations for settlement of claims.

*COBA Agrees To:*

24. Establish a Bank Account for CBR to access to pay claims and related expenses, and keep it adequately funded. CBR will provide check registers each week.
25. Submit First Reports of Injury to CBR as soon as practicable, preferably within 24 hours of injury.
26. Provide member contacts for workers' compensation coordination.
27. Timely pay all Service Fee invoices.

## **Section B: Service Fees**

See Attachment "A"

## Section C: Terms and Cancellation Rights

1. The contract is a “life of contract” in that should the contract terminate, CBR’s role and services cease. If open claims remain when the contract has been terminated and these claims still require professional services, CBR’s services can be extended beyond the termination date if mutually agreed upon by both parties. Service fees for an extension are also subject to agreement by both parties.
2. The term of this contract shall remain in force and effect for a period from July 1, 2022, through June 30, 2023, subject to the cancellation right in this paragraph. The contract can be renewed at the same service fee for additional contract periods. Parties shall provide 60 days’ notice of intent not to renew prior to end of contract periods to other party.
3. In the event COBA files for Chapter 7 or Chapter 11 bankruptcy protection or loses/surrenders its permit to self-insure in Oklahoma, this contract will terminate 30 days after date of filing of bankruptcy or ending date of the Oklahoma self-insurance permit. CBR’s services can be extended beyond this contract termination date if mutually agreed upon by both parties.
4. In the event COBA deems that CBR is not performing its services in the industry’s usual and customary manner, COBA will give CBR written notice by certified mail specifying the way COBA deems that CBR has failed to perform its services. CBR shall have 30 days from receipt of notice in which to correct defects in its performance. If the defects are not corrected, COBA may cancel this contract on 30 days written notice to CBR. Likewise, CBR may cancel this contract with 30 days’ notice to COBA if COBA fails to perform any material obligation under this Contract and COBA fails to correct defects of their performance obligations.
5. Either party may cancel this contract without cause upon (60) sixty days’ notice of the other party’s receipt of written notice of cancellation.
6. This contract supersedes all prior understandings between the parties and may only be modified by further written agreement signed by the parties hereto.
7. Each of the provisions of this contract shall be enforceable independently of any other provision of this contract and independent of any other claim or cause of action.
8. This Contract may not be assigned by CBR without the express written approval of COBA.
9. All records, of any kind, relating to this Contract or to claims received, reviewed processed or paid, shall be the property of COBA and shall be available for inspection or audit by COBA at any time. Upon termination or cancellation of this Agreement, all such records shall be transferred to COBA or its designee.

Official notice may be served in writing as follows:

Kelly Cox, Human Resources Director  
City of Broken Arrow  
PO Box 610  
Broken Arrow, OK 74013

Consolidated Benefits Resources  
Attn: Richard M. Fisher, President  
PO Box 581630  
Tulsa, OK 74158

## Section D: Signatures

This contract is offered for execution jointly by COBA and CBR.

### City of Broken Arrow

By \_\_\_\_\_

\_\_\_\_\_  
Date

### Consolidated Benefits Resources (CBR)

By \_\_\_\_\_  
Richard M. Fisher

\_\_\_\_\_  
Date

## **ATTACHMENT “A”**

### **Pricing for Contract Period July 1, 2022, through June 30, 2023**

#### **Annual Fee:**

During the term of the contract, CBR will charge an annual fee of \$80,000 to be billed monthly at \$6,666.67.

#### **Medicare Research Fee:**

If COBA approves, and CBR must do extensive work relating to Section 111 reporting or conditional payment defense involving the Centers for Medicare and Medicaid Services (CMS) on behalf of COBA, CBR will charge an hourly fee of \$100 per hour.