sedgwick

Response to request for proposal

WAKE COUNTY
NORTH CAROLINA

caring counts.

November 2019

Letter of Transmittal

November 5, 2019

Tom Wester
Wake County Finance Dept. – Procurement Services
Wake County Justice Center, 2nd Floor – Ste. 2900
301 S. McDowell Street
Raleigh, NC 27601

Re: Request for Proposal (RFP) # 19-083, Risk Management Third Party Administrator Services

Dear Mr. Wester and the Wake County Evaluation Committee,

On behalf of Sedgwick Claims Management Services, Inc. (Sedgwick), formerly York Risk Services Group, Inc. (York), thank you for the opportunity to respond to your request for proposal (RFP) for Wake County's (County) workers' compensation program. The County has been a valued partner since 2006, through York's acquisition of Key Risk Management Services in 2018, and we want to reiterate our commitment to the County now and in the future.

Sedgwick is a well-establish and growth-oriented organization with a distinct focus on customer service. You can expect to continue receiving the same outstanding level of service from the same team that has been serving the County since the program's inception. We will continue to be proactive in how we communicate with the County, finding new opportunities for enhanced capabilities and even greater value as we leverage the technology, reporting capabilities and added resources that come from York merging with Sedgwick.

The benefits and highlights of our existing relationship with the County include:

- We are an extension of the County. Cami Andersen, senior claims examiner, has been your primary point-of-contact for 20 consecutive years. Cami works in partnership with you and the County Attorney's office.
- A caseload maximum of no more than 130 open indemnity claims
- A workers' compensation program with proven results, as shown below:
    - Since 2015 the average total paid cost per claim has steadily decreased from $8,842 to $2,492 in 2018
    - Subrogation recovery totaling $484,114.37 for 2006 through 2018
- 2018 bill review results:
    - 73% net savings
    - $124,669.32 total reductions
    - Return on investment (ROI): 13:1

Sedgwick ensures compliance with the E-Verify requirements of the General Statues of North Carolina. We attest and affirm that we are aware and in full compliance with Article 2 of Chapter 64, (NCGS64-26(a)) relating to the E-Verify requirements.

Please feel free to contact me with any questions at 336.497.8116 or ashley.martin@yorkrisk.com. We look forward to working with the County and exploring how we can continue to grow together as the program evolves. Thank you again for considering Sedgwick.

Sincerely,

Ashley Martin
Account Executive
Sedgwick Claims Management Services, Inc.

Table of Contents

1.0 Executive Summary

As a customer-led and service-driven organization, our colleagues understand the honor and responsibility that comes with being entrusted to take care of the County's employees. In 2006, we were pleased to partner with the County to provide workers' compensation claims administration services. We are committed to continue aligning with the County's culture and collaborative nature, acting as your trusted advisor and a member of your team. We are excited about continuing partnership and all of the upcoming enhancements for your program as we transition to Sedgwick.

Industry leadership

Sedgwick is recognized as the leading TPA for public entities such as the County. With our 50 years of experience, 27,000 colleagues, more than $25 billion in claim payments and 4.4 million cases/claims handled annually, no other firm can deliver the breadth of experience and resources to further develop and manage a best-in-class workers' compensation program.

In our proposal, we have outlined a best-practice program that will leverage all of our resources and experience from managing programs for public entities, including counties, to enhance your program and reaffirm our commitment to you.

Our valued North Carolina public entity partners include:

Claims team responsibilities

The claims team is integral to the service delivery of the program. Working with the County over the past 13 years, your claims team has provided outstanding claims and customer service to the County's injured workers. This tenured team of claims professionals will continue to service your program. A brief description of the key personnel and their role is outlined below:

Latanya Scott, senior claims manager

Latanya has been serving the County's program for 13 years and has more than 24 years of experience. Ms. Scott is responsible for the development and management of your examiners and the claim files they manage. Ms.

Scott is part of our management structure, carries no caseload and focuses on first-level outcomes and colleague development.

Cami Andersen, senior claims examiner

Cami has been serving the County's program for 20 consecutive years and has more than 30 years of experience. Ms. Andersen's role is to analyze reported higher-level workers' compensation claims to determine benefits due; ensure ongoing adjudication of claims within company and County standards and industry best practices; manage subrogation of claims; and negotiate settlements.

Traci Drury, claim examiner

Traci has been serving the County's program for over a year and has more than 16 years of experience. Ms. Drury's role is to analyze lower-level workers' compensation claims to determine benefits due and ensure ongoing adjudication of claims within company and County standards and industry best practices. Ms. Drury performs adjustments on medical only claims for the County.

Summary of proposed services

As your current partner providing risk management TPA services, we recommend a re-implementation meeting upon contract award to ensure the current program is sufficiently meeting the County's needs. Key re-implementation items may include revisions to your client service instructions and any other operational or technology changes the County may be interested in implementing. As Sedgwick is the incumbent TPA, the County will not have to incur costly transition expenses inclusive of data conversion, interface development and extensive training of the County's current structure. We will continue to provide the following uninterrupted services:

- Claims administration
- PPO network access
- Bill review services
- Pharmacy benefit management
- Utilization review
- Diagnostic network
- MMSEA reporting services

Primary contact

Ashley Martin
Account Executive
ashley.martin@yorkrisk.com
336.497.8116
667.260.5086 (fax)

2.0 Scope of Services

(Proposal Section 2.0) This section of the response should include a general discussion of the Proposer's overall understanding of the project and the scope of work proposed as outlined in Sections 1.3.1 to 1.4.

BASIC QUALIFICATIONS FOR THOSE SUBMITTING PROPOSALS

All those desiring to submit a proposal for workers' compensation claims administration services must meet the following basic qualifications:

A. Consultant will prepare checks and/or drafts for claim payment from a North Carolina claims office. Consultant is responsible for overpayments resulting from errors/misconduct.

The County's service team will continue to schedule claim payments through the claims management system. The process for issuing checks is completed through Sedgwick's centralized check printing office located in Dublin, Ohio.

The accurate payment of indemnity benefits is one of the most important functions of a claims examiner. Our examiners maintain benefit approval diaries throughout the life of the claim to ensure timely payments. Latanya Scott will continue to review the benefit approval diaries to confirm that the payments are going out as required by the state jurisdiction. In addition, each claims examiner can schedule future payments based on the medical period of disability and can modify or terminate this cycle at any time. Managers review and approve a report listing each check, sorted by claimant name, number, and payee name, prior to releasing the checks for payment.

If any overpayment is discovered, we will continue to send an overpayment letter describing the amount and reason for the overpayment and requesting full recovery from the injured employee through deduction from additional benefits, subject to any jurisdictional requirements.

Sedgwick will continue to actively monitor and track overpayments and recovered amounts in the electronic claim file. Any claim in overpayment status is electronically flagged by the claims system. We have various overpayment recovery processes on behalf of our clients but normally do not use collection vendors.

Looking to the future, we are excited to offer the County the enhanced capability of our self-service portal called mySedgwick in which you can allow your injured employees to set up Sedgwick's direct deposit feature.

B. Consultant must be able to furnish accurate and timely data with an appropriate audit trail including, but not limited to the following areas of performance:

Sedgwick will continue to furnish accurate and timely data with an appropriate audit, including, but not limited to, the following areas of performance, as noted below. We have detailed our process for the following areas:

- **Claim processing turnaround time;**

The County currently sends all first report of injury (FROI) forms necessary to begin the claims process encrypted via email within 24 hours. The County's special handling instructions are documented in the claims system for examiners to follow and adhere to. Sedgwick will send claim acknowledgments via email within one business day of receipt of the claim.

- **Medical audit;**

Your claims team reviews ongoing medical for potential reassignment or assignment to medical case management. Claims should meet one of the following criteria for conversion from medical only to indemnity:

- The injured employee starts losing time from work
- The medical reserve exceeds $2,000
- Subrogation potential has been confirmed
- A higher level of investigation for compensability is appropriate
- The case involves litigation

Several factors support consistency in the referral process. If an injured employee starts losing time from work, the medical only examiner provides an electronic note, and Latanya Scott reviews the facts of the claim and reassigns the file to Cami Andersen.

The claim status and examiner are changed in the system, and the indemnity claims management process begins. We can produce a report showing the conversions upon the County's request. Latanya Scott will continue to review all medical only claims for closure.

- **Duplicate claims screening effectiveness;**

The claims management system has an extensive number of real-time and batch-level edits and data validations incorporated throughout our operational workflows. Duplicate claim logic is integrated throughout the claim setup processes. For example, the logic determines if a claim exists with the same Social Security number and presents the examiner with a possible duplicate claims validation when setting up the claim.

- **Quality control;**

At Sedgwick, we encourage our colleagues to focus on doing the right thing at the right time. Quality control measures are important, but we want our colleagues to focus on fulfilling the needs of the injured employee as soon as the facts will allow and well before control measures are needed. Demonstrating caring, urgency and empathy in delivering benefits is critical in securing optimal outcomes for the County.

One key component of our commitment to quality is our PLUS program: Partnership, Leadership, Unparalleled Service. PLUS is an internal auditing program that provides consistent measures of quality based on our best practices. As part of this program, we track a number of key performance indicators, such as having an action plan in place, reserving files accurately, and resolving and closing files quickly. A monthly random sampling of claims for each examiner plus weekly reports allows our supervisors to quickly and proactively identify any issues for early resolution. The audit covers the following areas:

- Excess reporting
- Investigation
- Reserves
- Payments

- Strategy resolution
- Recovery
- File management

Unique to Sedgwick, PLUS was abstracted from some of the best quality programs in the world and modified to apply specifically to claims, providing objective, quantifiable, and actionable measures of quality. As the name implies, there is never a point where quality is "good enough." Sedgwick will actively seek out any opportunities to improve. Examiners who fail to meet expectations by scoring less than 90% are given an action plan that provides a means by which they can ultimately exceed expectations. The Sedgwick PLUS process provides us with:

- Standardized measurement of quality
- Promotes a culture of continuous improvement
- Ensures consistency of our work product
- Creates reports to analyze quality results
- Sets challenging goals and raises the bar

Any additional training required as a result of the audit findings is implemented immediately by the management team. Sedgwick tracks PLUS scores and takes them into account during performance reviews. The County's senior claims examiner, Cami Andersen, received an outstanding audit score of 96% in 2018.

- **Timeliness of compensability determination;**

The goal of three-point contact is to understand all of the facts surrounding the claimed injury (who, what, when, where, why and how) and make a determination as to compensability. It is also imperative to establish a rapport with the injured employee at the beginning of the claim to set expectations about the claim process. The examiner must also give a clear and thorough explanation of benefits. This may be by phone, email or via a letter. We ensure a complete investigation and make an informed compensability determination while establishing and maintaining a rapport with the injured employee.

Upon receipt of the indemnity claim, we contact the County Attorney's office to verify the details of the accident and any other pertinent information that the County has regarding the employee. Next, Cami Andersen, senior claims examiner, contacts the medical care provider or employee, depending upon the circumstances and the response from the County Attorney's office. Details gathered during physician contact include the history of injury, diagnosis, prognosis, treatment plan, medication information, and work status.

The examiner also contacts the employee for an explanation of events. This initial contact with the injured employee allows us to set expectations for the claim process and may include a recorded statement if the claim is serious or questionable. The examiner also provides the injured employee's individual claim number and information regarding ongoing investigation or initiation of benefits as well as the employee's responsibilities during the claim.

If the initial verbal communication proves unsuccessful, we will send an email to the employee's County email address, indicating a need for immediate contact. Sedgwick will make a minimum of two additional telephonic contact attempts within the next four business days. All attempts will be documented in the file.

- **Reserve adequacy and accuracy;**

The County relies upon the expertise of the claims examiner to identify the exposure. The exposure and reserves are discussed at each claim review and documented in the file.

- **Complaint resolution;**

Latanya Scott, senior claims manager, and Ashley Martin, account executive, are jointly responsible and accountable for continuing to monitor and manage the performance of the claims colleagues. Ms. Martin is the coordinator of all efforts to resolve issues and will deploy other departments and management to escalate the effort appropriately while following an agreed-upon action plan to resolution.

Each complaint is handled individually by the assigned claims examiner, senior claims manager, the operations manager or account executive. When a complaint arises, the appropriate party works directly with the source of the complaint to resolve the issue. Individual claims are escalated to management or the client level for resolution assistance as necessary. Sedgwick has a complaint reporting process that will track and trend any escalated complaint to resolution.

No complaints have ever been made against your current clams servicing team.

- **Ineligible and not covered screening effectiveness;**

Sedgwick agrees to continue furnishing accurate and timely data with an appropriate audit trail of ineligible and not covered screening effectiveness.

- **Quarterly, Monthly and Annual reports on an accurate and timely basis;**

Sedgwick will continue to provide quarterly, monthly and annual reports on an accurate and timely basis. Please refer to the appendix for County-specific reports.

- **Compliance with North Carolina workers' compensation regulations.**

New information regarding changes to the North Carolina workers' compensation statutes or regulations is communicated by our workers' compensation practice group. If the change requires training, the practice group works with Sedgwick University to develop content and training delivery. Our audit process is supplemented to ensure that the examiners are appropriately applying the change(s) to their claims handling in a way that is consistent with the regulatory or legislative change.

C. Consultant must handle employee injuries on a direct basis with a toll-free number, email, and other electronic means of communication.

Sedgwick agrees to continue handling employee injuries on a direct basis with a toll-free number, email and other electronic means of communication. Establishing contact and communication with the employee, physician and the County is critical in securing a successful outcome.

While best practices establish a framework and expectations, Sedgwick is working to drive a culture of caring. Our caring count® philosophy empowers examiners to offer compassionate, personalized care for injured employees. We maximize opportunities to communicate with empathy and urgency. This advocacy-based approach helps build rapport with injured employees, facilitating their return to health, reducing the chance of litigation and resulting in better overall outcomes.

Examiners currently communicate with parties based on the following criteria:

- Incident only claims are set up in our claims system but no further investigation is performed.
- Medical only claims may include a one-point contact to the employer depending upon the completeness of the information reported or if there are questions based on the information presented. Medical bills and reports are continuously reviewed upon receipt to ensure there are no inconsistencies with the reported mechanism of injury and the injury itself, as well as to ensure appropriate treatment protocols, etc.
- Indemnity claims require a minimum three-point contact with the claimant, employer and medical provider. Additional contacts may be necessary based upon the details of the accident, presence of witnesses, potential for subrogation, etc. When appropriate, recorded statements or on-site investigations will be obtained. Medical information will continue to be reviewed for appropriateness of treatment and other actions on a continual basis.

Communication with the County: Examiners maintain contact with the County by email and telephone. Communication between Sedgwick and the County is continuous based on the circumstances of the claim.

Communication with employees: Following receipt of an accident report, Sedgwick contacts employees based on the claim type and the criteria outlined above. Our goal will be to review the facts of the accident with the employee and explain the claim process. The examiner will offer a medical panel if one has not already been offered. Examiners communicate with employees by telephone, email and formal letter delivered by the USPS. The examiner makes follow-up contacts based on the developments of the claims. This will primarily involve contact before and after physician appointments to confirm the employee's work status and address any benefit questions the employee may have. Follow-up communication with the employee may involve the examiner, the telephonic nurse or both.

Communication with medical providers: The examiner also contacts medical providers based on the claim type and criteria outlined above. Our goal will be to confirm accident history, diagnosis, causal relationship and disability status. Examiners communicate with medical providers by telephone, email, fax and formal letter delivered by the USPS. Follow-up communication with medical providers will take place both before and after physician appointments to confirm the employee's work status. Follow-up communication may involve examiners or telephonic nurses.

Sedgwick's standards require that all forms of communication be returned within one business day. All communication is documented in the claim file upon occurrence.

We understand that continued voice-to-voice contact is not always possible with injured employees at critical points in the claim. With our mySedgwick tool, employees can view claim or case status and information, including when their last check was issued, when the next check will be issued or deposited. Sedgwick also developed the ability to push important communications to injured employees through text and/or email. For example, the injured employee will receive a text or email explaining the details each time we make an indemnity payment. We find that knowing when to expect payment helps ease the injured employee's anxiety. The County can expect to use the mySedgwick tool once the County transitions into Sedgwick's system.

D. Only adjusters licensed and residing in North Carolina will be used in servicing this contract.

Sedgwick agrees to continue servicing your account with examiners who reside and are licensed in North Carolina. Cami Andersen, senior claims examiner, resides in Wake County and Traci Drury, claims examiner, resides in Mecklenburg County. Sedgwick has a strong presence in North Carolina and has four office locations in the state.

E. Investigated files/cases are the property of Wake County and not the property of the Consultant or any of the Consultant's employees or subcontractors.

Sedgwick agrees that all claim records will remain the property of the County. The County has the right to review all files at any time, as well as the right to determine if the files should be retained or destroyed.

All claims data (payment and reserve transactions, file notes, etc.) is retained in the claims system for the life of the claim. We will continue to retain this information unless otherwise obligated by stated contract provisions for distribution of claims data upon termination of services.

F. Consultant will provide adequate internal control procedures to protect Wake County from any type of loss.

Sedgwick agrees to continue providing adequate internal control procedures to protect Wake County from any type of loss. At Sedgwick, we encourage our colleagues to focus on doing the right thing at the right time. Quality control measures are important, but we want our colleagues to focus on fulfilling the needs of the injured employee as soon as the facts will allow and well before control measures are needed. Demonstrating caring, urgency and empathy in delivering benefits is critical in securing optimal outcomes for all stakeholders.

Sedgwick's claims management system technology helps examiners manage their daily tasks by displaying key deliverables. The system displays diaries that will be coming due or are due that day, claims that need immediate attention, pending bills that must be addressed, and claim errors (i.e., EDI and index errors) that need to be corrected. These proactive prompts allow Sedgwick's colleagues to identify any potential issues prior to occurrence.

Latanya Scott will continue to focus on technical quality by performing ongoing reviews of all open indemnity claims at various points in their lifespan. Standard reviews are required at 30 days, 90 days and then every 90 days ongoing. Additional reviews can be scheduled based upon the individual merits of the claim. She will continue to focus on providing meaningful direction, jurisdictional requirements and timeliness and accuracy of the examiner's decision-making.

Senior claim manager reviews are supplemented by our quality review process, which is completed by our auditors. As stated earlier, our internal PLUS audits provide Latanya Scott with additional feedback, which is used to measure and coach the staff.

Lastly, Sedgwick undergoes an independent examination of internal controls by an external CPA firm to verify that all controls are in place and working as designed. We are certified as SSAE 18/SOC1 and SOC2 compliant and undergo renewal of this certification semi-annually for SOC1 and annually for SOC2.

G. Consultant will forward to Wake County copies of all memorandums provided by the North Carolina Industrial Commission and the North Carolina Rate Bureau regarding rule changes and revisions to the law.

Sedgwick agrees to continue forwarding the County copies of all memorandums provided by the North Carolina Industrial Commission and the North Carolina Rate Bureau regarding rule changes and revisions to the law.

H. Consultant will provide Wake County with its policy or protocol for handling medical records and any disclosures or inquiries related to medical records in accordance with N.C.G.S 97-25.6 and any requirements of disclosing covered entity in accordance with HIPAA.

As a claims administrator, Sedgwick has various legal and regulatory requirements with which we are required to comply. We are principally governed by the state's departments of insurance, workers' compensation agencies, and other professional licensing agencies governing nurses and private investigators, among others. Compliance varies from state to state.

Sedgwick has a well-established policy in place regarding security and data protection. We follow strict security procedures to restrict access to confidential information, limit authority by function, protect against fraud and theft and safeguard confidential information regarding injured employees. Colleagues undergo mandatory annual security and privacy awareness training. HIPAA does not govern all claims that Sedgwick handles, but certain Sedgwick claims professionals come into contact with information that may be deemed protected health information (PHI) under the privacy regulations issued under HIPAA. The privacy rules place restrictions on the ability of Sedgwick to use and disclose PHI. All Sedgwick colleagues with access to PHI must comply with the policies and procedures.

Only those colleagues assigned to the County program will have access to the County's information. This includes the claims team, account executive, and PLUS audit team. Other Sedgwick colleagues that are not directly working with the County's claims team will not have access.

I. Consultant will provide Medicare Reporting services for workers' compensation claims required by Section 111 of the Medicare, Medicaid and SCHIP Extension Act of 2007 (MMSEA). Consultant must outline the services to be provided under Section 111, provide an explanation of all associated costs, and describe Medicare reporting procedures for open, closed and settled claims.

Sedgwick is capable of continuing to meet the full spectrum of Medicare secondary payer compliance to include: the mandatory insurer reporting requirements under Section 111 of the MMSEA, conditional payment identification and resolution, and Medicare set-asides. Sedgwick, on behalf of the County, is currently reporting directly to CMS with Medicare Reporting Compliance Expert (MRCE), which is our proprietary reporting system. MRCE is completely integrated with our MRCE module for Medicare reporting. All bodily injury claims are checked for Medicare beneficiary status on a monthly basis, and as necessary, reported in a manner consistent with the CMS NGHP user guide.

Medicare reporting procedures

We determine for the County whether an injured party is a Medicare beneficiary and gather the information required for Section 111 reporting. CMS allows us to submit a query to the benefits coordination and recovery center (BCRC) to determine the Medicare status of the injured party prior to submitting claim information for

Section 111 reporting. The query record must contain the injured party's:

- Social Security Number (SSN)
- Last name
- First initial
- Date of birth
- Gender

On the query response record, the BCRC will provide us information on whether the individual has been identified as a Medicare beneficiary based upon the information submitted and if so, provide the Medicare beneficiary identifier (MBI) and other updated information for the individual found on the Medicare beneficiary database (MBD).

We submit claim information through an electronic file exchange with the CMS BCRC. The BCRC manages the technical aspects of the Section 111 data submission process for all Section 111 RREs. Quarterly file submissions contain only new or changed claim information using add, update and delete transactions. Queries to determine if a claimant is, or has become a Medicare beneficiary occur on a monthly basis as determined by CMS protocols.

For Section 111 reporting, we provide the identity of a Medicare beneficiary, whose illness, injury, incident, or accident is at issue so as to enable an appropriate determination concerning coordination of benefits, including any applicable recovery. Data elements include:

- Name, address, DOB, and SSN of Medicare beneficiary
- Employer/carrier, defendant/insurer, or self-insured name, address, and contact
- Date of accident or incident, and description of accident or incident
- Alleged injuries and physical, emotional problems associated with accident
- Medical care/treatment received resulting from injuries related to incident
- Names, address, and contact of physicians, clinics, or hospitals providing treatment
- ICD-10 codes for specific body parts and treatment

We report for liability insurance, no-fault insurance, and workers' compensation claims. This includes, but is not limited to:

- General liability insurance
- Homeowners' liability insurance
- Automobile liability insurance
- Product liability insurance
- Malpractice liability insurance
- Personal injury protection insurance coverage

- Workers' compensation plans of the 50 states, the District of Columbia, American Samoa, Guam, Puerto Rico, and the Virgin Islands, as well as the systems provided under the Federal Employees' Compensation Act and the Longshoremen's and Harbor Workers' Compensation Act

Ongoing responsibility for medical (ORM) refers to our customer's responsibility to pay, on an ongoing basis, for the injured party's (Medicare beneficiary's) medicals associated with the claim. This and its corresponding termination is a critical element for remaining compliant with CMS's reporting requirements and most frequently applies to no-fault and workers' compensation claims but may occur in some circumstances with liability insurance (including self-insurance). Our trigger for reporting this responsibility is when a determination to assume responsibility for medical payments is made, or is otherwise required, not when (or after) the first payment for medicals under ORM has actually been made. The dollar amounts for ORM are not reported, just the fact that ORM exists or existed. We do not report "medical only" claims and other claims that meet specific CMS criteria. When ORM ends, we report the ORM termination date. This signals to Medicare the last date on which our customer had ongoing responsibility for medical care associated with the claim. Any payments made by Medicare thereafter are to be considered primary, or Medicare's responsibility.

To ensure continued CMS compliance when a settlement, judgment, award, or other payment in addition to or apart from ORM is made, referred to as total payment obligation to claimant (TPOC), we report this event on behalf of our customer as well. Thresholds for liability and worker's compensation claims can vary depending upon the amount and date of settlement.

It is critical to report ORM claims with information regarding the cause and nature of the illness, injury or incident associated with the claim. Medicare uses the information submitted in the alleged cause of injury, incident or illness and the ICD diagnosis codes to determine what specific medical services claims if submitted to Medicare, should be paid first by the customer and considered only for secondary payment by Medicare. We ICD-10 codes provided in these fields provide enough information for Medicare to identify medical claims related to the underlying injury, incident or illness claim reported. If DOA is prior to 10/1/15 and no further treatment was rendered on 10/1/2015 or after, ICD-9 codes are reported. If the DOA is prior to 10/1/15 and the injured party had treatment on 10/1/2015 and forward, ICD-10s are reported. If DOA is after 10/1/15, we report ICD-10 codes. Our system is designed to ensure that we don't report ICD-9 and ICD-10 codes in one claim.

Relevant data and transaction tables are captured in the claim system to ensure compliance with Medicare reporting, NCCI medical capture and other regulatory reporting requirements.

Please refer to section 5.0 for Sedgwick's fees for Medicare Reporting services.

J. Consultant will have a fully integrated risk management information system capable of importing claims data into Wake County's claims management system. See details in Special Requirement F below.

Sedgwick agrees and will continue to comply. As the County's current claims administrator, we are fully integrated with the County's internal claims management system, FileHandler. We have established a monthly export/import of claim data, including financial data, from our claim system into the County's that occurs on the 1st of each month for previous month data.

REQUIRED MINIMUM STANDARDS FOR CLAIMS HANDLING

A. Prompt Contact: Injured employees and the treating physicians will be contacted personally or by telephone within one (1) business day of receipt of notification of a lost-time injury. Notification will be made either by receipt of a North Carolina Industrial Commission Employer's Report of Injury Form 19, email, or by telephone with a follow-up Form 19.

Sedgwick agrees to continue providing prompt contact with your injured employees and treating physicians within one business day of receipt of notification of a lost-time injury. Establishing contact and communication with the employee, physician and the County is critical in securing a successful outcome.

Examiners currently communicate with parties based on the following criteria:

- Incident only claims are set up in our claims system but no further investigation is performed.
- Medical only claims may include a one-point contact to the employer depending upon the completeness of the information reported or if there are questions based on the information presented. Medical bills and reports are continuously reviewed upon receipt to ensure there are no inconsistencies with the reported mechanism of injury and the injury itself, as well as to ensure appropriate treatment protocols, etc.
- Indemnity claims require a minimum three-point contact with the claimant, employer and medical provider. Additional contacts may be necessary based upon the details of the accident, presence of witnesses, the potential for subrogation, etc. When appropriate, recorded statements or on-site investigations will be obtained. Medical information will continue to be reviewed for appropriateness of treatment and other actions on a continual basis.

Communication with the County: Examiners maintain contact with the County by email and telephone. Communication between Sedgwick and the County is continuous based on the circumstances of the claim.

Communication with employees: Following receipt of a North Carolina Industrial Commission Employer's Report of Injury Form 19, Sedgwick contacts employees based on the claim type and the criteria outlined above. Our goal will be to review the facts of the accident with the employee and explain the claim process. The County has a process in place for initial treatment. Employees are provided a list of approved providers that the County has established. Examiners communicate with employees by telephone, email and formal letter delivered by the USPS. The examiner makes follow-up contacts based on the developments of the claims. This will primarily involve contact after physician appointments to confirm the employee's work status and address any benefit questions the employee may have. Follow-up communication with the employee may involve the examiner, the telephonic nurse or both.

Communication with medical providers: The examiner also contacts the medical provider via mail or phone to request medical records based on the claim type and criteria outlined above. Our goal will be to confirm accident history, diagnosis, causal relationship and disability status. Examiners communicate with medical providers by telephone, email, fax and formal letter delivered by the USPS. At the time of authorizing appointments, the medical providers are asked to provide medical notes following the appointments. Follow-up communication with medical providers to confirm the employee's work status may involve examiners or telephonic nurses.

Sedgwick's standards require that all forms of communication be returned within one business day. All communication is documented in the claim file upon occurrence.

Once the County is migrated into Sedgwick's systems, the mySedgwick tool will allow employees to view their claim or case status and information, including balances by leave type and payment history. Sedgwick also developed the ability to push important communications to injured employees through text and/or email. For example, the injured employee will receive a text or email explaining the details each time we make an indemnity payment. We find that knowing when to expect payment helps ease the injured employee's anxiety.

B. Investigation: Investigation will commence upon receipt of the Form 19 or sooner if notice of the accident has been given. Investigation of all lost-time accidents will be conducted immediately upon receipt notification. The initial investigations will be concluded within fourteen (14) days from receipt of the claim.

Sedgwick will continue to investigate claims upon receipt of Form 19 or sooner if notice of the accident has been given. Investigation of all lost-time accidents will be conducted immediately upon receipt notification. The initial investigation will be concluded within fourteen days from receipt of the claim.

Once a workers' compensation claim is reported, Latanya Scott reviews the claim and determines if there are any red flags, subrogation opportunities, or special requirements based upon the reported information. Latanya will then assign the claim to an examiner based upon the complexity of the claim and dedication/designation requirements with instructions, where appropriate.

Indemnity claims require a minimum three-point contact with the claimant, employer and medical provider. Additional contacts may be necessary based upon the details of the accident, presence of witnesses, potential for subrogation, etc. When appropriate, we obtain recorded statements or conduct on-site investigations. We review medical information for appropriateness of treatment and other actions.

C. Prompt Payment: Within 14 days after written notice of injury, one (1) of the following must be accomplished:

i. Benefits should be paid pursuant to North Carolina Workers' Compensation Rules, or

ii. File a statement of fully explaining why compensation was denied; all denials must be approved by Wake County Attorney's Office prior to filing.

The accurate payment of indemnity benefits is one of the most important functions of a claims examiner. Sedgwick's claims system allows our examiners to pay benefits in accordance with the work status entered. This guarantees accurate benefit payments and supplies the County with an outline of the work status history from claim creation to resolution. Our examiners maintain system-automated benefit approval diaries throughout the life of the claim to ensure timely payments.

In accordance with our payment processing procedures, examiners will:

- Initiate indemnity payments within 14 days of the onset of disability or as required by North Carolina state statute.
- Process subsequent checks on a timely basis in accordance with jurisdictional requirements.

- Schedule long-term payments in the system, to be produced within the system as appropriate to their due date.
- Issue payments required due to awards, judgments or orders within five days of receipt.
- Pay all substantiated bills within 21 days of receipt. If the bill is not to be paid, we notify the vendor of the reason for nonpayment.

D. Medical Management: All contacts and summaries of the discussions will be documented in the files. As allowed by the North Carolina Industrial Commission Rules and North Carolina General Statutes, the Consultant will obtain from the physician the following:

- **Update on the injured employee's diagnosis and prognosis;**
- **Work status;**
- **Estimated length of disability;**
- **Ability of the injured employee to return to work in a modified capacity;**
- **Current physical or mental limitations;**
- **Proposed treatment plan;**
- **Maximum medical improvement projection;**
- **Whether the employee will incur any permanent impairment as a result of their injury.**

Sedgwick will continue to document all contacts and summaries of discussions in the claims files. As allowed by the North Carolina Industrial Commission Rules and North Carolina General Statutes, we will obtain the appropriate documentation as listed above from the treating physician. We will continue to retain this information unless otherwise obligated by stated contract provisions for distribution of claims data upon termination of services.

Sedgwick's streamlined technology captures claim information from every step of the process — from triage and intake through clinical services. Examiner notes, claims management documentation (reserves, payments, diaries, action plans, etc.), requests/authorizations and records are all viewable in our claims management system. This expedites the process for referrals and communicating critical information to move the claim toward resolution.

Sedgwick requires claims examiners to place thorough, complete notes in the claim record. Documents and pertinent information obtained through investigation and other activities are added to the claim file as notes. Specific to resolution strategies, the initial action plan on all the County cases will document the steps required to bring the claim to a conclusion. Each time the action plan is updated, the resolution strategy also will be updated.

E. Nurse Case Management/Vocational Rehabilitation: Prior to assigning a Nurse Case Manager or Vocational Rehabilitation Specialist to any of Wake County claims, the Consultant will first call and solicit permission from Wake County Attorney's Office to assign a case manager and Wake County Attorney's Office has sole authority and approval of whom is assigned for case management services.

Before assigning a nurse case manager or vocational rehabilitation specialist to any of the County claims, Sedgwick will continue to first call and solicit permission from the County Attorney's office to assign a case manager as you have sole authority and approval of whom is assigned for case management services.

Sedgwick will continue to partner with your choice nurse case management partners, Carolina Case Management

and GENEX. In addition to the County's preferred partners, Sedgwick also offers clinical care solutions which we have provided detailed information about further along in the proposal on pages 25 and 26.

F. Subrogation: The potential for subrogation must be recognized in all cases where the potential liability of a third party becomes reasonably clear. Prior to pursuing any subrogation, the Consultant will first discuss the case with Wake County and solicit their approval to pursue the negligent third party. The evidence of identification and pursuit of subrogation must be clearly documented in the file. Wake County's subrogation interest will be protected at all times, unless Wake County so instructs Consultantotherwise.

When an attorney represents an injured employee and the attorney is seeking restitution from a third party, every attempt will be made to get that attorney to cooperate in the protection of time limits to bring actions which could affect Wake County's interest.

Any case involving subrogation, wherein an employee, his attorney or any party seeks to reduce Wake County recovery on its workers' compensation lien by any amount through negotiations, must first be referred to Wake County Attorney's Office for approval. This relates to any partial recovery as well. Releases involving recovery require the signature and approval from the Wake County Attorney's Office before submission to the Industrial Commission for approval.

Sedgwick agrees and will continue to adhere to your requirements around subrogation. Subrogation opportunities are identified during the initial investigation and throughout the life of the claim, as additional information is obtained. The claim is flagged in our system and appropriate codes are entered. A subrogation review diary is automatically established, and the system will generate subrogation review notices to Cami Andersen and Latanya Scott. The pursuit of subrogation will continue to be coordinated with the County Attorney's office to determine the extent you want us to pursue this on your behalf and to assist in the determination of any waiver of subrogation or other contractual agreements that may exist.

G. Reserving: All files must be reserved to reflect exposure based upon the injury and disability throughout the life of the claim without reduction for present value. Reserves will be set within seven (7) days of receipt of a lost-time notification and will be adjusted when medical information or investigation indicate the existing reserve is inadequate or excessive. The following criteria must be used when establishing a reserve: The investigation, the injury, the projected medical and indemnity benefits to be paid, and the cost of outside vendors (i.e. attorney, rehab services, surveillance).

Sedgwick will continue to reserve files to reflect exposure based upon the injury and disability throughout the life of the claim without reduction for present value. Reserves will be set within seven days of receipt of a lost-time notification and will be adjusted when medical information or the investigation indicates the existing reserve is inadequate or excessive.

We base our philosophy on the idea that each claim is unique, with exposures particular to that loss depending upon the injured employee, the facts of the accident and the injuries or damage sustained. Our examiners set reserves to reflect the most probable outcome of each claim based on the available facts at that time.

Our reserve worksheet, which is contained online in our claims system, breaks the reserve into detailed categories within each major category. For example, for workers' compensation, the indemnity reserve would include temporary total disability, permanent total and partial disability, and vocational rehabilitation.

For workers' compensation, indemnity reserve calculations take into consideration the extent and credibility of the injury; jurisdiction; the Official Disability Guidelines (ODG); availability of modified duty employment; permanent partial disability where applicable; and the demeanor of the claimant and witnesses. Medical reserve calculations consider jurisdiction, the nature and extent of the injury, medical provider, the need for physical therapy, prescription medication or durable medical goods, surgery and hospitalization, etc.

These analyses assist the examiner in projecting the County's financial exposure based on the most probable outcome.

H. Claim Reviews: Wake County will have the right to conduct quarterly claim reviews of Wake County files with 30days' notice to Consultant.

The County will continue to have the right to conduct quarterly claim reviews of County files. Sedgwick allows claim reviews by the County at any time. We provide quarterly claim reviews to ensure that Sedgwick and the County are meeting their agreed objectives.

Periodic claim reviews facilitate regular communication and ensure that we continue to work with the County to resolve cases promptly, with the best outcomes. Each claim will continue to be reviewed in a number of categories including, but not limited to, reserving, reporting and the development of a claim action plan. Reviewing the action plan allows us to discuss how we plan to move the claim toward resolution.

I. Duplication of Files: Consultant will not duplicate or release any portion of any Wake County claim file to any outside party without the express written consent of Wake County.

Sedgwick acknowledges and confirms that it will never duplicate or release any portion of any County claim files to any outside party without the express written consent of the County.

J. Claims Costs and Expenses: Before incurring any costs or expenses relating to the handling or investigation of a claim, the Consultant must first get approval from the County Attorney's office. This includes but is not limited to Independent Medical Exams, other expert reviews or opinions, surveillance, transcripts or any other expense not reasonably anticipated in the routine investigation and management of a claim.

Sedgwick acknowledges and confirms that before incurring any costs or expenses relating to the handling or investigation of a claim, Sedgwick will continue to first get approval from the County Attorney's office. This includes but is not limited to independent medical exams, other expert reviews or opinions, surveillance, transcripts or any other expense not reasonably anticipated in the routine investigation and management of a claim.

SERVICE SPECIFIC SUBMITTAL REQUIREMENTS

Due to the unique services provided by a third-party administrator, Wake County is concerned with the nature and quality of the administrator's adjusting services. To help ensure that Wake County selects the best administrator, please address the following items in your bid proposal:

A. Address and telephone number of the claims office that would handle Wake County's program.

The County's service team has and will continue to manage your program remotely within the state of North Carolina. Through York's merger with Sedgwick, we now have four office locations within the state. The service team resides closest to Sedgwick's Raleigh, North Carolina, office located at:

2841 Plaza Place, #120
Raleigh, NC 27612
919.785.5800

B. Name and telephone number of the claims manager or supervisor that would be designated as the person responsible for the administration of all of Wake County's claims. A brief biography of the claims person you will designate to administer Wake County's claims and the name and biographies of any other adjusters and/or examiners assigned to the handling of Wake County's files should be included, as well as an indication of the length of service with your firm and their industry experience.

The claims team is integral to the service delivery of the program. Over the past 13 years in working with the County, your claims team has provided excellent claims and customer service to the County's injured workers. This tenured team of claims professionals will continue to service your program. A brief description of the key personnel and their role is outlined below:

Latanya Scott, senior claims manager
667.260.5056

Latanya has been serving the County's program for 13 years and has more than 24 years of experience. Ms. Scott joined Sedgwick through its 2019 acquisition of York Risk Services Group, Inc. Ms. Scott's role is critical to overall colleague satisfaction and claim outcomes. Ms. Scott is responsible for the development and management of your examiners and the claim files they manage. Ms. Scott is part of our management structure, carries no caseload and focuses on first-level outcomes and colleague development.

Ms. Scott focuses on technical quality by performing ongoing reviews of all open indemnity claims at various points in their lifespan. Standard reviews are required at the onset of a new claim, 30 days after initial assignment of the claim and every 90 calendar days ongoing.

Cami Andersen, senior claims examiner

Cami has been serving the County's program for 20 consecutive years and has more than 30 years of experience. Ms. Andersen joined Sedgwick through its 2019 acquisition of York Risk Services Group, Inc. As a senior claims examiner, Ms. Andersen's role is to analyze reported higher-level workers' compensation claims to determine benefits due; ensure ongoing adjudication of claims within company and County standards, and industry best practices; manage subrogation of claims and negotiate settlements. Ms. Andersen processes workers' compensation claims determining compensability and benefits due to long-term indemnity claims, monitors

reserve accuracy and files necessary documentation with the state of North Carolina. Ms. Andersen also handles litigated claims as well as develops and manages action plans to resolution, coordinates RTW efforts and approves claim payments.

Traci Drury, claim examiner

Traci has been serving the County's program for over a year and has more than 16 years of experience. Ms. Drury joined Sedgwick through its 2019 acquisition of York Risk Services Group, Inc. Ms. Drury's role is to analyze lower-level workers' compensation claims to determine benefits due and ensure ongoing adjudication of claims within company and County standards and industry best practices. Ms. Drury performs adjustments on medical-only claims for the County. She processes workers' compensation claims determining compensability and benefits due; monitors reserve accuracy and files necessary documentation with the state of North Carolina.

For a complete biography of the claims personnel who will continue to be designated to administer the County's claims, please refer to the appendix.

C. What is the average number of indemnity and medical-only files these claims personnel are assigned on a yearly basis? What is the average number of other accounts for which adjusters will be handling claims while also assigned to Wake County?

Name and role	Caseload per year	Number of other accounts
Cami Andersen Senior claims examiner	130	3
Traci Drury Claims examiner	367	13

D. How often does your current diary system allow claims supervisory personnel to review open claims? What criteria do your supervisors utilize when selecting a claim for review?

When the claim is set up in our system, automatic diaries are set up for Latanya Scott, senior claims manager and the examiners Cami Andersen and Traci Drury. The claims system allows Latanya to review open claims at any time.

Latanya will focus on technical quality by performing ongoing reviews of all open claims. We require standard reviews at 30 days after receipt and every 90 days thereafter (or sooner if needed) throughout the life of the claim. Long-term maintenance claims, which have no statute of limitations due to lifetime medicals or cannot be settled, are reviewed annually. Additional reviews are scheduled based upon the individual merits of the claim. All supervisory reviews will be documented in the claim notes.

E. Describe the financial safeguards your company utilizes to prevent duplicate or excessive medical and indemnity payments. Describe your organization's methods for assuring the timely and accurate payment of claims.

Indemnity payments

The accurate payment of indemnity benefits is one of the most important functions of a claims examiner. If any type of overpayment is discovered, we send an overpayment letter describing the amount and reason for the

overpayment and requesting full recovery from the injured employee through deduction from additional benefits, subject to any jurisdictional requirements.

Sedgwick actively monitors and tracks overpayments and recovered amounts in the electronic claim file. Any claim in overpayment status is electronically flagged by the claims system. We have various overpayment recovery processes on behalf of our clients but normally do not use collection vendors.

Duplicate edits are in place in the system based on date of service, current procedural terminology (CPT) coding and federal tax ID markers. Exact duplicates, in which all data elements match, are automatically denied without reviewer intervention. Partial or potential duplicates, in which some but not all data elements match, are flagged for human review.

Data integrity is validated on a monthly basis through the use of the standard month-end reporting process. Claims and financials are reconciled to the previous month's figures in conjunction with the current month's claims and transactions.

In addition to code validation, our system uses extensive logical validation. All coding is validated on input and each time a change is made online by the users.

Medical payments

The bill review system has a powerful automated duplicate detection system that continuously checks both work in progress and online history (at least 12 months) of previously processed bills to identify bills as either perfect or potential duplicates. Potential duplicates are automatically identified when two providers treat a claimant on the same day. When the date of service, procedure code, and one of the above patient data elements match, the system automatically flags the bill. An exception report listing potential duplicates is produced by the system and requires evaluation by the bill review staff. If the bill is actually a duplicate, the user accesses the bill in the system and flags the appropriate charges or the entire bill as a duplicate. Catching duplicates does not stop within our bill review process. Within the claims management system, a rejection report is generated on a daily basis and shared with the examiner, who also has the opportunity to determine if a bill is a partial or full duplicate. This is reviewed prior to check issuance.

F. The Consultant shall maintain a fully integrated risk management information system. The Consultant shall have the capability to provide the following:

The claims system is fully integrated to FOCUS, the risk management information system (RMIS) that the County currently has access to. The data in this system is refreshed nightly.

FOCUS is a simple, intuitive and engaging RMIS that the County accesses to understand information, analytics and reports in a whole new way. FOCUS lets the County turn volumes of data into actionable information that can be understood at a glance. FOCUS offers data visualization and dashboards that provide meaningful insights into what that information actually means. By clearly and effectively communicating metrics, we will continue to help the County better manage risks with less time and effort. FOCUS will continue to give the County multiple ways to access and understand the County's claims through a detailed understanding of claims patterns, claim trends, claim cost drivers as well as detailed access to individual claims.

FOCUS also has robust and dynamic reporting capabilities. Reports can be easily tailored to specific data fields, such as departments, divisions or by location. We are able to track all claims and financial data and up to 39

client-designated customizable fields that can be set as numeric/monetary/ date/string up to 80 characters. Custom fields will be replicated from the claims to the RMIS.

We are excited to offer the County a new RMIS called viaOne. Once the County is scheduled to move to Sedgwick's claim system, viaOne will become available to the County, and you will benefit from the capabilities described above but with added features, such as:

- Optimal efficiencies with up-to-the-minute (real-time) claims data
- State-of-art push technology to receive email and text alerts
- A fully integrated OSHA solution
- Optional single sign-on integration
- A reporting portal that provides an analytical platform to easily identify and visualize claims and managed care performance trends and outcomes
- Dynamic and interactive report views, allowing users to perform root cause analyses using filtering capabilities

We have included more details about viaOne under section 3.0 Company Background and Relevant Experience. Screenshots and sample reports of the viaOne system are included in the appendix.

- **Full Wake County access to Consultant's risk management information system, not limited by date of injury. Our expectation is that this access must be available within one month of the contract start date. However, if there are circumstances that prevent Proposer from meeting this timeline for access, please provide details in your response, along with a proposed alternate schedule.**

The County will continue to have full access to the RMIS. As your current claims administrator, access to the RMIS is already in place.

- **System access shall include report access, including but not limited to loss runs that can be filtered by date of injury, department, claim type and other claim parameters; and check registers that include information such as claimant name, date of injury, check number, check date, check amount, and payment type. Please provide report samples.**

System access will continue to include complete report access, including but not limited to loss runs that can be filtered by date of injury, department, claim type and other claim parameters; and check registers that include information such as claimant name, date of injury, check number, check date, check amount, and payment type. Please refer to the appendix for report samples.

- **Monthly export/import of claim data, including financial data, from Consultant's claims system into Wake County's internal claims management system (currently FileHandler) to occur the 1st of each month for previous month data. The process, if possible, shall be a direct update of Wake County's internal claims management system. Otherwise, the minimum requirements are 1. Consultant's creation of a .txt file in a specified format (Wake to provide format specs). 2. The .txt file must be accessible to be picked up by Wake County's import**

service and 3. The file shall contain all of Wake County claims, and claim data, including financial data, from Consultant's claims system. This process must be implemented and fully and accurately functional within two months of contract start date. If there are circumstances that prevent Proposer from meeting this timeline, please provide details in your response, along with a proposed alternate schedule.

Sedgwick will continue to provide a monthly export/import of claim data, including financial data from the Sedgwick claims system into the County's internal claims management system, FileHandler. As the current claims administer, this integration is already in place and occurs on the 1st of each month for previous month data. The file will continue to contain all of the County claims, and claim data, including financial data from our system.

G. Describe any cost-containment services your company will be able to provide, such as applying the North Carolina Fee Schedule, utilization review, pre-certification of hospitalizations, PPO's, review of medical bills,etc.

Sedgwick provides a full suite of cost-containment services. Sedgwick colleagues across multiple disciplines, including claims examiners, nurse case managers, physicians and behavioral health specialists, work together with shared goals and accountability. This integrated approach creates a collaborative care environment and shared accountability that consistently fosters excellent service and outcomes for injured employees.

Sedgwick offers cost containment tools to support every claim scenario. These services include clinical care solutions as well as review and support solutions:

Clinical care solutions:

Clinical consultation/nurse triage

One of the first contacts we have with an employee after a workplace injury is through our 24/7 clinical consultation (nurse triage). Our nurses use industry-proven guidelines to direct self-care, telemedicine or in-person care with a local provider associated with the highest-quality treatment outcomes. In 2018, claims that went through the clinical consultation program resulted in a 24% lower average incurred compared to claims that did not use our triage service. The result is timely access to quality medical care for injured employees, reduction in medical and claim costs and the opportunity to provide a better overall employee experience.

Telephonic case management

Sedgwick's telephonic case management (TCM) program includes a collaborative process that begins with the first notice of injury. The nurse ensures treatment is medically appropriate, necessary and successful at moving the injured employee down the path of recovery. Claims are identified for TCM using decision optimization software that continuously combs claim data to see if the claim meets one of many combinations that indicate TCM could impact claim outcome.

Surgery nurse

By improving the patient's pre- and post-operative health and preparedness, costly complications are avoided and recovery times are improved. The surgery nurse program provides daily lessons via phone, email or mobile device that improve the injured employee's strength and wellbeing. Post-op home readiness tips are provided and the nurse can also help with smoking cessation. This program has resulted in 63% lower physical therapy and

pharmaceutical costs for clients. Injured employees return to work 57% faster.

Behavioral health

Sedgwick's behavioral health specialists can provide specialized assistance to help employees address psychosocial concerns. The behavioral health specialist also serves as a patient advocate, fostering a non-threatening, friendly, professional relationship.

Return to work (RTW) management

Sedgwick's claims examiners, nurses and RTW specialists provide immediate and continual RTW management strategies that match individual claim circumstances and complexity. RTW specialists can help with issues such as extensive restrictions and durations, lack of modified or light duty jobs, or providers not following the Official Disability Guidelines (ODG) related to returning to work.

Field and catastrophic case management

When an injury is more severe or complex, Sedgwick provides field case management services. On-site nurses are available to accompany the injured employee to medical appointments and can discuss a RTW strategy with the provider based on the functional ability of the injured employee.

Sedgwick also provides industry-leading catastrophic case management oversight services and will customize a plan to meet the specific needs identified by the client. We have nurses available 24 hours a day, 365 days a year to assist with catastrophic events. We deploy registered nurses to ensure the immediate needs of injured employees and their families are met. Sedgwick, in partnership with its vendor network, has approximately 36 nurses within close proximity of the County, three of which are vocational specialists.

Utilization review

Our utilization review registered nurses review treatment requests where allowable by law. The nurses can validate or negotiate the necessity, setting, frequency, intensity and duration of care. If a nurse feels treatment falls outside of the treatment plan guidelines, he/she may consult with a physician advisor. Physician advisor and treating physician discussions often result in consensus for treatment, RTW goals and potential alternative treatment strategies.

Physician advisor/peer review

Our physician advisors are called in to support key decisions that can significantly impact a claim. They enhance the utilization review process and provide medical and pharmaceutical expertise to ensure clients and their injured employees continue on the right path to achieve the best possible outcomes. Integrating both in-house advisors and trusted network partners, we offer the advantages of streamlined workflow, consistent procedures and built-in system options for easy referrals.

Prescription drug management

To control pharmacy costs, Sedgwick's pharmacy benefit management (PBM) network combines automated claim-specific formulary, utilization edits and aggressive workers' compensation discounts. In addition to the PBM network, Sedgwick provides continual prescription drug management with pharmacy utilization review (UR) and complex pharmacy management services.

In an era of growing concern over the misuse of pain medications, Sedgwick continues to achieve positive results for our clients. Our complex pharmacy management program helps control the use of narcotics, opioids and other inappropriate drugs prescribed to treat work-related injuries.

Review and Support solutions:

Medical bill review

Sedgwick's bill review program provides maximum savings quickly and efficiently. Our bill review process applies fee schedules, usual and customary rates, PPO reductions, UR treatment plans and clinical edits. We provide out-of-network reviews and negotiation services designed to provide additional reductions. Our medical bill review procedures are electronically connected with the claims system, which allows prompt and accurate processing.

The County's 2018 bill review results:

- 73% net savings
- $124,669.32 total reductions
- ROI: 13:1

Network solutions

Sedgwick has established a network management team to continually evaluate the industry for the best providers and network opportunities for our clients. We recognize that treatment with a quality provider can improve the outcome of a claim, and networks often bring a high level of credentialing and validation to provider access. Our network solutions include PPO and specialty networks. We produce provider panel postings for all jurisdictions and have validated demographics for 226,524 providers to support ease of direction, suggestion of medical care to top quality providers.

Specialty networks include:

- Pharmacy benefit management
- Medical equipment and supplies
- Physical medicine and rehabilitation
- Radiology and diagnostics
- Home health
- Rideshare transportation solution
- Translation

H. Describe any other in-house services that your firm can provide (i.e. return to work programs, vocational rehabilitation, OSHA reporting, etc.) and the additional costs, and/or cost-savings versus outside vendors, if any, associated with these services.

Return to work program

Sedgwick claims examiners, nurses and vocational specialists provide immediate and continual RTW management

strategies. We focus on the functional abilities of the injured employee and match individual claim circumstances with RTW coordination strategies. Examiners use proprietary technology tied to the ODG that electronically tracks RTW, restricted duty, intervals between lost work days, and on/off work days. In complex cases involving extensive restrictions and durations, lack of modified or light duty or when providers are not following ODG guidelines, Sedgwick's vocational experts can help facilitate RTW. Our expert team collaborates with medical providers to determine the employee's functional capabilities, coordinates job placement options and addresses complicated RTW issues. Our RTW specialists are master's level certified rehabilitation counselors with expertise in the Americans with Disabilities Act to ensure employers comply with requirements.

To facilitate a safe and healthy RTW, our vocational experts provide the following services:

- Early RTW intervention within the first 30 days for non-complex medical claims
- Case management for complex RTW scenarios including those involving the claim, or functional, environmental and job-related challenges
- Interactive process meetings via telephone to document discussions of reasonable accommodations
- Completion/submission of required jurisdictional forms
- Review and completion of functional job descriptions
- Specialized vocational services:
    - On-site job analysis of the various components of a position
    - Ergonomic evaluations
    - Analysis of skills that transfer to other positions
    - Transitional placement program (through not-for-profit organizations)
- Consultation and evaluation of existing RTW policies
- Transitional work placement for challenging light or modified duty requirements that assigns injured employees to local nonprofit organizations in positions that meet their functional requirements.

The claims examiner, nurse or RTW specialist is required to follow-up with the employer and employee after return to work to ensure the employee is actually working and to determine if they are having any issues related to the transition. By coming full circle on each claim, we ensure a smooth return to work and stay at work.

Sedgwick's standard RTW services are included in the claims fee; any customized RTW staffing and services would incur a fee.

Vocational rehabilitation

Recognizing return to work barriers and engaging a vocational rehabilitation counselor can significantly impact a claim and can often resolve the claim in an expedited manner. For injuries that require field vocational rehabilitation, Sedgwick engages a master's degree-level vocational counselor.

The vocational rehabilitation counselor uses multiple assessment tools and techniques to develop a RTW plan for the injured employee that is in line with limitations defined by the medical provider. These assessment tools

include, but are not limited to, job analysis, job placement, job modification, labor market surveys, transferable skills analysis, and vocational evaluation and testing. Together, with the County and the injured employee, we will collaboratively develop an action plan for job modification, job placement, or retraining. Sedgwick will only assign vocational rehabilitation at the County's direction. Historically, the County has selected the vendor that is used.

OSHA reporting

Sedgwick understands the importance of supporting the County with OSHA reporting and our capabilities continue to grow and develop. We currently work with the County's risk management consultant to complete OSHA reports, by sending any information needed (i.e., check register). Currently, we offer dynamic tools in our RMIS system that allows the County greater ease of reporting on several levels:

- Global OSHA schedules: Our clients have the ability to create OSHA logs (300 or 300A) that also enables the user to track and report at the location level. We also provide clients with the ability to generate their own OSHA 301 forms.
- OSHA injury tracking: Our proprietary RMIS system, FOCUS, allows our partners to define OSHA Reporting Establishments and export a CSV file in the format accepted by OSHA
- OSHA data management: Early adopter phase - this provides the ability to edit and save some of the key OSHA related fields directly in FOCUS, thus reducing the number of edits to make after generating a log.

For an overview of the OSHA reporting capabilities available through viaOne, please refer to the appendix.

I. Does the cost-per claim fee include recovery of subrogation losses?

Yes, the cost-per claim fee includes recovery of subrogation losses.

J. Describe additional file expenses not included in your quoted cost-per claim.

Please refer to our cost proposal under section 5.0 for a list of additional file expenses not included in Sedgwick's quoted cost-per claim. Invoices for these services will be paid as allocated loss adjustment expenses on individual claims.

K. Provide a description as to how your firm would structure the payment of claims and handle monthly billings.

The County's service team issues claim payments through the claims management information system. The process for issuing checks is done through Sedgwick's centralized check printing office located in Dublin, Ohio.

The accurate payment of indemnity benefits is one of the most important functions of a claims examiner. Our examiners maintain benefit approval diaries throughout the life of the claim to ensure timely payments. Latanya Scott will continue to review the benefit approval diaries to confirm that the payments are going out as required by the state jurisdiction. In addition, each claim examiner can schedule future payments based on the medical period of disability and can modify or terminate this cycle at any time.

If any type of overpayment is discovered, we will continue to send an overpayment letter describing the amount and reason for the overpayment and requesting full recovery from the injured employee through deduction from additional benefits, subject to any jurisdictional requirements.

Sedgwick will continue to actively monitor and track overpayments and recovered amounts in the electronic claim file. Any claim in overpayment status is electronically flagged by the claims system. We have various overpayment recovery processes on behalf of our clients but normally do not use collection vendors.

Looking to the future of the program, Sedgwick offers clients a self-service portal that provides employers the capability to set-up our direct deposit feature. Employees can sign up to receive electronic payments directly into their bank account.

L. Describe your firm's formal program for managing lawsuits and litigation expenses. Include the qualifications of the persons handling this program and a list of defense firms you would propose using.

The County handles litigation in-house; however, if outside firm recommendations were needed, Sedgwick would propose Brewer Defense and MGC.

Sedgwick is committed to taking the appropriate cases to trial and verdict. However, industry-wide statistical analysis shows that the vast majority of cases are resolved by other means (i.e., settlement, dispositive motion, tender to another party). Therefore, litigation management focuses, as early as possible, on the preferred method of resolution and strategy in order to achieve closure in the most efficient, timely and economical manner. This includes identifying what questions exist to reach a decision point and a mutual strategy to answer those questions as quickly and inexpensively as possible.

Our examiners partner with defense counsel through timely communication and strategy sessions. As required by the demands of each individual claim, the examiner will continue to complete any investigative task and will not abandon the file to defense counsel. Our examiners work hand-in-hand with counsel to develop and implement a strategy for resolution or prepare for defense. We promptly convey ongoing developments to our client as required. Additionally, the examiner generally is responsible for settlement negotiations and is charged with keeping both the client and defense counsel updated on the discussions with plaintiff counsel. As ongoing communication with defense counsel is necessary to keep the case on track, we require that defense counsel provide us with a status report at a minimum of every 60 days or as material facts change on the case.

Sedgwick's philosophy is that legal expense management requires a proactive approach throughout the litigation process to ensure the best outcomes at the lowest possible cost.

One key aspect of expense management is legal bill review. Our examiners are responsible for the review of all legal bills in accordance with the criteria outlined in our litigation management guidelines. Any overcharges or discrepancies are resolved with the law firm, and any trends identified are elevated to management and client services to either meet with the firm to correct the billing trend or to recommend alternative counsel to our customer.

In addition to legal bill review, other key aspects of our litigation management guidelines contribute to legal expense management:

- Our examiners maintain control of the claim file and continue to perform the duties of a claim handler while ensuring defense counsel only performs those tasks requiring an attorney.
- Within 30 days of referral, we require counsel to provide an initial case evaluation as well as a corresponding legal budget.

- At a minimum of every 60 days, examiners discuss the legal strategy with counsel to ensure it remains current.
- Budgets and legal strategies are updated as litigation develops and changes.
- Our examiners continually review the claim to weigh the costs and benefits of ongoing litigation versus settlement of the case to achieve the best possible outcome.

M. Advise as to the limits of liability provided under your firm's professional liability coverage. Are your employees bonded? If so, please describe.

The limits of liability for professional liability coverage:

Insurer: National Union Fire Insurance Company of PA

Limit of liability: $10,000,000

Employees are bonded for the states that require the examiner or Sedgwick to be bonded.

N. Please provide a copy of your most recent annual report/financial statements.

Please refer to the appendix for a copy of Sedgwick's most recent annual report/financial statement.

O. How long has your company been administering workers' compensation claims?

Sedgwick has administered workers' compensation claims for more than 50 years. As your current claims administrator since 2006, the County has benefited from having the same senior claims examiner, Cami Andersen, and senior claims manager, Latanya Scott, since that time. Your service team offers ongoing consistency and a wealth of knowledge about the County's program and culture.

P. Consultant will pay claim costs through a bank account that is replenished by Wake County to a specified balance. Weekly funding requests will be sent to Wake County each Friday. Replenishment funding will be based on checks issued during the current week. Weekly requests will include a check register and reconciliation showing the funding amount required to bring the account back to the specified balance. Large pending payments may be requested via a special funding request, with the threshold for special requests to be determined. Any proposed alternate funding process must be detailed within the response to this RFP.

Currently, Sedgwick sends weekly funding requests to the County each Friday. Weekly requests include a check register and reconciliation, showing the funding amount required to bring the account back to the specified balance. Large pending payments are requested via a special funding request.

Alternate funding process options

Sedgwick will support a client-established relationship with various banks. This option would allow the County to maintain your existing banking relationship. This arrangement is fully managed by the County; however, Sedgwick provides full assistance on implementation and working with your designated bank. Sedgwick will pay claims directly from the account on behalf of the County. No escrow is required for this option.

Sedgwick could also establish a loss fund account on behalf of the County. This allows Sedgwick to offer many banking related services such as the positive pay fraud protection feature. We offer a variety of funding options,

including daily, weekly, semimonthly or monthly replenishment cycles. The initial escrow deposit is calculated based upon your historical paid amounts. This relationship is based on checks issued.

The formula for calculating the initial escrow is:

Frequency	Funding factor	Funding terms (days)	Payment methods available
Daily	5	1	ACH debit
Weekly	15	5	ACH debit, ACH credit, FedWire
Semimonthly	30	10	ACH debit, ACH credit, FedWire
Monthly	45	10	ACH debit, ACH credit, FedWire

Six months historical paid/180 x funding factor = escrow deposit

We welcome the opportunity to discuss both options in more detail.

Q. Due to the storage, transmission, processing, and access to confidential or sensitive data, Consultant agrees to comply with thefollowing:

a. Confidentiality Commitment
Consultant agrees to preserve the confidentiality, integrity, and availability of County data with physical, technical, and administrative controls that conform to generally recognized industry standards and best practices.

Sedgwick agrees and will continue to comply with this requirement.

b. Applicable Federal Laws, State Laws, and GeneralStatutes
Consultant shall comply with all applicable state laws, federal laws, regulations and general statutes relating to confidentiality, privacy, and security of data. In the event any governmental restrictions may be imposed which would necessitate the alteration of the material, quality, workmanship or performance of the services of this Agreement, it shall be the responsibility of Consultant to notify the County at once, indicating the specific regulation which requires alterations. The County reserves the right to accept any such alterations, including any price adjustments occasioned thereby.

Sedgwick agrees and will continue to comply with this requirement.

c. Non-Disclosure and Confidentiality Agreement
Consultant shall implement feasible safeguards to restrict access and ensure the security, confidentiality, and integrity of Confidential Information and execute the Wake County Non-Disclosure and Confidentiality Agreement.

Sedgwick agrees and will continue to comply with this requirement.

d. PHI Data Protection
In the performance of this Agreement, Consultant may acquire or have access to Protected Health Information ("PHI"). In such cases, Consultant shall implement feasible safeguards to restrict access and ensure the confidentiality, integrity, and availability of PHI and execute the Wake County Business Associate Agreement.

Sedgwick agrees and will continue to comply with this requirement.

e. **Risk Assessments / Right to Audit**
(OPTION1 - if Consultant stores, transmits, processes, or has access to Wake County data): Consultant shall periodically (at least annually) perform a SOC 2 Type II audit using the Security and Confidentiality trust principles and provide the County with a copy of the report. If the report contains material findings as reasonably determined by the County, then the County and Consultant shall in good faith address such findings.
(OPTION 2 – if Consultant stores, transmits, or processes Wake County data): Consultant shall periodically (at least annually) perform a data security assessment using a service provider pre-approved by the North Carolina Department of Information Technology or the County. Consultant shall provide the County with a copy of the report. If the report contains material findings as reasonably determined by the County, then the County and Consultant shall in good faith address such findings.
~~**Consultant shall permit the County with the opportunity and not the obligation to perform an audit of Consultant's data security policies, procedures, and operations. The County agrees to provide Consultant with 30 days advance Notice prior to executing the audit. If the audit results in material findings as reasonably determined by the County, then the County and Consultant shall in good faith address such findings.**~~

For the security of all of our clients, we do not allow any third party to audit our data security. In particular, we do not allow third-party access to our servers.

To satisfy the requirements under option 1, we have provided a copy of our SOC2, Type II audit in the appendix for the current claims system in use.

f. **Data Breach Incident Response and Communications**
Consultant agrees to notify the County of any suspected or confirmed data breach within 24 hours after the suspected or confirm breach is first discovered. Consultant shall exercise due care to protect Confidential Information when providing such Notification. Consultant will cooperate with the County to notify appropriate government or regulatory authorities as required by law or generate statute.

Sedgwick agrees and will continue to comply with this requirement.

g. **Business Contingency**
Consultant shall maintain a business contingency plan designed to address any emergency business shutdowns and shall provide such plan to the County upon request. In the event of an actual or perceived emergent issue, disaster, disruption of the service, or outage, Consultant shall promptly provide the County with Notice of the same as well as ongoing status updates.

Sedgwick agrees and will continue to comply with this requirement.

h. **Location of Data**
Consultant agrees that any and all County data will be stored, processed, and maintained within the continental United States. This includes backup data and any disaster recovery locations.

Sedgwick agrees and will continue to comply with this requirement.

i. **Data Ownership and End of AgreementHandling**
Consultant agrees that the County owns all right, title, and interest in its data that is related to the services provided by this Agreement. Consultant agrees that upon termination of this Agreement, it shall provide a copy of all data to Wake County in a mutually agreed format. Consultant further agrees that following successful transmission of all data to the County, any and all County data will be erased, destroyed, and rendered unrecoverable and certify in writing these actions have been completed within 60 days of the termination of this Agreement, unless required by law or otherwise directed by Wake County in writing prior to the expiration of the 60 days post agreement.

Sedgwick agrees and will continue to comply with this requirement.

1.4 General Proposal Requirements

When responding to this RFP, please follow all instructions carefully. Please submit proposal contents according to the outline specified and submit documents according to theinstructions. Failure to follow these instructions will be considered a non-responsive proposal and may result in immediate elimination from further consideration.

By submitting a proposal, Proposers acknowledge that:

1.4.1 The County reserves the right to reject any or all proposals if it determines that select proposals are not responsive to the RFP. The County reserves the right to reconsider any proposal submitted at any phase of the procurement. It also reserves the right to meet with select Proposers at any time to gather additional information.

Sedgwick acknowledges.

1.4.2 Proposals will be received by Wake County Government at the time noted on the cover page of this document. At that point, Wake County will close the receipt of proposals and begin the evaluation process. The only information that will be released will be the names of the respondent(s). No other information will be disclosed, except as required by the evaluation process, until a contract is awarded.

Wake County, solely at its option, may disclose the name(s) of any firms or companies being considered or elevated during the process. Proposers are not to contact any county staff or elected official in reference to the process due to the nature of a competitive environment and to protect the integrity of the RFP process. As information becomes available and is relevant for release, that information will be shared with respondents.

Sedgwick acknowledges.

3.0 Company Background and Relevant Experience

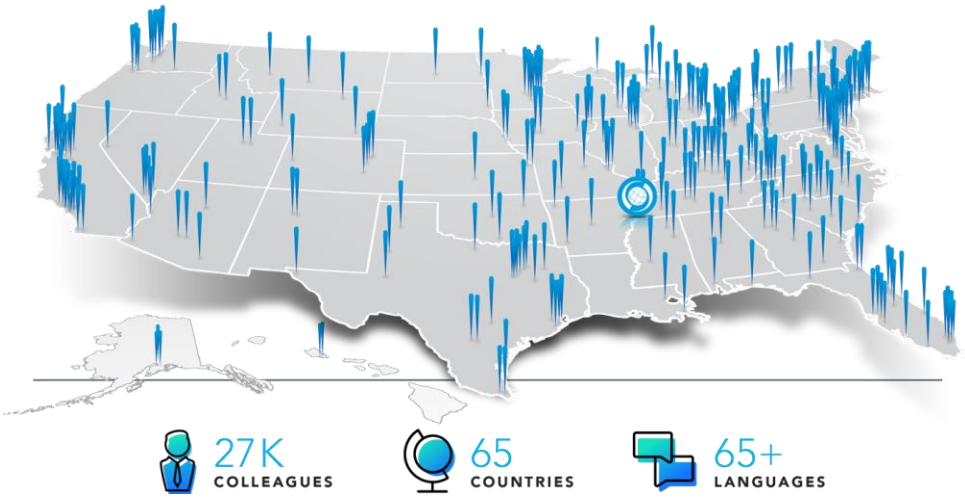
(Proposal Section 3.0) Each proposal must provide the following information about the submitting Proposer's company, so that the County can evaluate the Proposer's stability and ability to support the commitments set forth in response to the RFP. The County, at its option, may require a Proposer to provide additional support or clarify requested information.

4.3.1 Company Background

- **How long the company has been in business. In what state(s) has the company worked?**

Sedgwick became a corporation on December 22, 1969, and has been providing workers' compensation claims administration since 1971. We have 27,000 colleagues in 65 countries around the globe and are licensed to do business in all 50 states.

We have included a map of our U.S. locations below:



- **A brief description of the company size and organizational structure.**

Sedgwick was founded as a regional TPA in 1969 and has grown over the past 50 years to become a leading global provider of technology-enabled risk, benefits, and integrated business solutions. Today, more than 8,000 clients representing every industry and every time zone in the world rely on our services to protect their brand, help their employees regain health and productivity, guide their customers through the claims process and minimize any business interruption. We provide a broad range of resources tailored to our clients' specific needs in casualty, property, marine, benefits and other lines.

Sedgwick continues to grow through progressive product development, organic expansion, and strategic acquisitions. In September 2019, we welcomed 5,000 new colleagues following our acquisition of York and its subsidiaries. In addition to workers' compensation and managed care expertise, York brings 50 years of experience serving multi-policyholder programs for insurance carriers and risk pools, as well as public entity clients and alternative workers' compensation plans under the U.S. Longshore and Harbor Workers'

Compensation Act (USL&H) and Defense Base Act (DBA). Their expertise will complement our current risk management solutions and enrich our ability to help consumers navigate the increasingly complex and highly specialized claims and risk management environment.

Sedgwick is privately owned, and our majority shareholder is The Carlyle Group; Stone Point Capital LLC, La Caisse de dépôt et placement du Québec (CDPQ), Onex and other management investors are minority shareholders.

Our operational structure is divided into regional business units to ensure that each program is supported strategically by a senior level management resource. Each region has a team of operations managers and account executives working in tandem to provide a multilayered management approach to each program – whether new or existing. The business unit structure ensures that our clients always have immediate access to local resources and facilitates our capacity for growth at the local office level.

We plan to maintain this operational structure but recently added more business regions to better accommodate our growth.

Sedgwick has an experienced, stable management team. Our senior executive team includes:

David North — president and chief executive officer (CEO)

Leadership reporting directly to the president and CEO

Michael Arbour — group president, international accounts
Henry Lyons — executive vice president, chief financial officer and treasurer
Kimberly Brown — executive vice president, chief legal officer and secretary
Robert Peterson — group president, client development, executive vice president

Leadership team for operations

Ian Muress — CEO, international
Darryl Hammann — executive vice president (EVP), disability operations
Jim Ryan — president, casualty
Don Sloan — president, managed care
Tom Simoncic — president, property, Americas
Elizabeth Demaret — chief of staff and EVP, carrier relations

- **How long the company has been providing services to clients similar to the County.**

Sedgwick has been providing services to clients similar to the County for more than 50 years.

- **Any material (including letters of support or endorsement from clients) indicative of the Proposer's capabilities.**

Sedgwick has provided three North Carolina public entity references that can speak to the capabilities and the level of service that Sedgwick provides its valued clients. Prior to contacting our client partner references, please contact Ashley Martin, account executive, at 336.497.8116, and advise who will be calling from the County and when. As a courtesy, we like to provide our client partners advance notice before reference calls.

Reference #1	Reference #2	Reference #3
City of Charlotte	Cumberland County Schools	North Carolina Department of Public Instruction
Betty Coulter	Laura Young	Eileen Townsend
Risk Manager	Risk Manager	Chief of Insurance
704.336.4142	910.678.2338	919.807.3522
600 East, 4th Street Charlotte, NC 28202	2465 Gillespie Street Fayetteville, NC 28306	301 N Wilmington St. Raleigh, NC 27601
betty.coulter@ci.charlotte.nc.us	laurayoung@ccs.k12.nc.us	eileen.townsend@dpi.nc.gov

To further endorse our capabilities as an organization, we have provided a reference letter from Cumberland County Schools in the appendix.

Accountability is critical to the success of our programs. We measure timeliness and customer satisfaction through specific metrics geared to promote the best outcomes possible. We share the resulting program analytics with clients as a framework for continuing program enhancement and growth.

Our objective at Sedgwick is to deliver outstanding claims management services that exceed our clients' goals. In our efforts to continuously improve our performance, we listen to what our clients tell us about their level of satisfaction with our claims services. We collect valuable information that allows us to assess our current level of performance and identify our strengths as well as opportunities for improvement. Sedgwick implemented a client survey process to better determine overall satisfaction with our claims management programs and to identify any issues that need to be addressed. The 15 questions used are applicable to five aggregate measures:

- Empathy – confirms we have a clear understanding of our clients' business needs and expectations, enabling us to proactively make the proper decisions to resolve claims.
- Competence – concentrates on the expectation of providing consistently courteous, professional and knowledgeable colleagues to assist our clients in the daily activities of their claims management programs.
- Communication – ensures we are consistently providing clear and accurate information and communicating with our clients when significant events occur to impact the claim duration or cost.
- Reliability – confirms Sedgwick's colleagues respond appropriately to any issues or challenges that arise in the claim handling process, including investigation needs and paying bills/expenses within established timeframes.
- Responsiveness – ascertains that all communication is responded to in a prompt and courteous manner.

The client satisfaction survey is sent to our client contacts that are in frequent communication with our claims management staff. The database containing contact information is updated semi-annually. Our workers' compensation client satisfaction is an impressive 3.87 out of a 4 point scale.

- **Identify any litigation or governmental or regulatory action pending against your organization that might have a bearing on your ability to provide services to the County.**

There is no litigation or governmental or regulatory action pending against Sedgwick that would have a bearing on our ability to continue providing services to the County.

As a large TPA, Sedgwick is occasionally named in complaints arising out of its actions in managing its clients' claims. Sedgwick's record in avoiding regulatory penalties and managing its professional liability exposures is exemplary and we are not aware of any adverse litigation or regulatory action that would materially affect our operation. We employ a dedicated in-house counsel to manage all litigation brought against us directly.

- **Describe your contractual relationships, if any, with other organizations that will provide services described in your proposal.**

This is not applicable to Sedgwick.

4.3.2 Consultant Team Experience

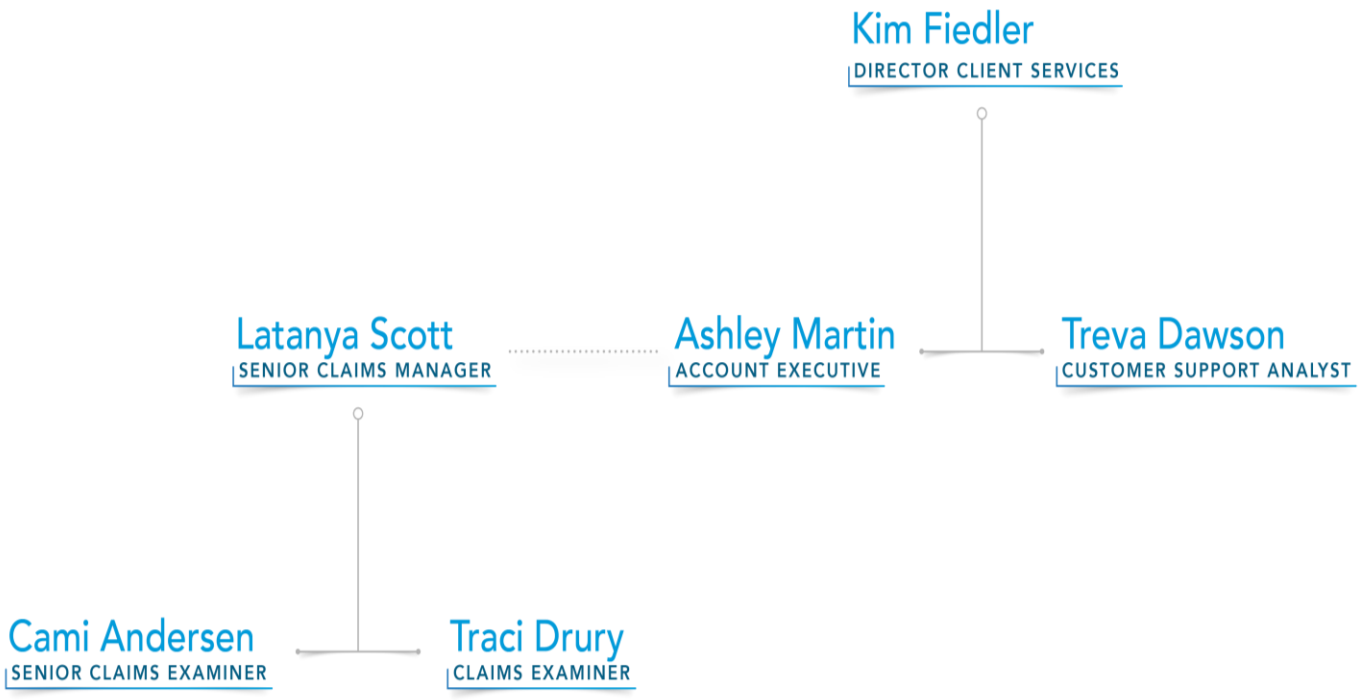
- **Identify your proposed team indicating who is responsible for the key roles; provide an organizational chart showing lines of communication and levels of authority;**

As the current TPA for the County's workers' compensation program, we propose to keep the existing service team in place. This will provide the program with resources that are knowledgeable and experienced regarding the County's program and culture.

The average years of experience in the workers' compensation industry for claims examiners designated to the County's program is 23 years. All colleagues participate in continuing education focused on ongoing personal and professional development.

Latanya Scott has more than 24 years of experience and 13 years with the County's program.

The County services team and roles would continue to be structured as follows:



- **Include the résumés of staff who will work on the engagement. If they are working on only certain portions of the project, please indicate this on their résumé;**

We have included résumés of staff and who will continue to work on the engagement in the appendix.

- **Given that the County will be evaluating several proposals, describe why you feel that your services, from a professional and technical perspective, are the best fit for the County environment. Describe the distinguishing features the County should know about your services and company.**

Noted below are the key services that distinguish Sedgwick in the marketplace and what makes us the best fit for the County as your program continues to evolve.

Existing partnership

As the County's current workers' compensation partner, we have a detailed understanding of the County's dynamic environment, culture, internal infrastructure, systems, challenges strategic initiatives and long-term objectives. We have proven over the past 13 years that Sedgwick has the knowledge, expertise, best practices, and proven results to support the County's goals and objectives. We have established a monthly export/import of claim data, including financial data, from our claim system into the county's internal system, FileHandler. This occurs on the 1st of each month for previous month data. We also meet with the County in-person for quarterly (and sometimes monthly) attorney file reviews. Your lead examiner, Cami Andersen, attends these meetings and completes the County required form. Cami and the rest of your service time, are more than just your claims team, they are an extension of the County.

Public entity expertise

At Sedgwick, we understand the unique environment and technical intricacies of exposures facing public entities. Our extensive public entity practice has experience handling counties, cities, states, public schools, university systems, transportation divisions and energy departments nationwide. We currently partner with more than 800 public entity programs, representing 11% of our book of business.

Our public entity division focuses on the needs and issues facing counties similar to the County. We have experience delivering impactful claims administration for many of our North Carolina public entity clients, such as the City of Charlotte, City of Wilmington, Cumberland County Schools, Johnston County and North Carolina Department of Public Instruction. We understand the unique nuances associated with your program, and we strive to provide state-of-the-art services that reduce your overall cost of risk.

Innovative technology

Since Sedgwick completed the purchase of York last month (September 3, 2019), there are no immediate changes to the systems the County currently has experience in working with. Looking ahead, the County will benefit from the enhanced capabilities Sedgwick offers.

Technology is Sedgwick's second largest investment after our colleagues. Our proprietary, multiline technology platforms are at the heart of our ability to deliver the customized, innovative solutions that set us apart in the marketplace. The County will benefit from our industry-leading, proprietary, multiline claims and case administration system, JURIS®, which uses data warehouse concepts, client server technology, PCs at every

workstation and document imaging.

Our highly customizable claims management system allows custom location coding, cause codes, lost days tracking, integrated guidelines, client-defined fields and ad hoc reporting; these are just a few of the many features of the continuously updated software that will be used to accurately manage the County's claims. Sedgwick provides support from its systems support team with hours of operation from 6 a.m. – 7 p.m. CST. Additionally, Sedgwick support colleagues are available off-hours by mobile phone.

viaOne

viaOne is our client access module that offers a host of web-based alternatives for claim intake, claim view access and enterprise reporting. Our entire claims administration system can be accessed by the County's multiple users to view claims information and report on virtually every data field captured in the system. The viaOne reporting portal provides an analytical platform to easily identify and visualize claims and managed care performance trends and outcomes. Our reporting tools give you access to intuitive functions that guide your data analysis. Reports created can show data at multiple levels from summary trending to fine data elements.

Each user will have full functionality of the system; however, securities will be put in place to only access their own data. Standard and customized report features include export to Excel, PDF and more, sophisticated scheduling and distribution options along with automated email notification upon report completion.

- viaOne report — viaOne report provides easy access to a number of detail and summary reports. These preformatted reports use viaOne quick filters, allowing clients quick access to data for previously-defined sets of claims. Clients may choose certain selection criteria, user-defined fields and sort, subtotal and page break options specified to each report.
- viaOne dashboard — Clients can customize dashboards to see and analyze data at a glance. Users determine the path and depth of data they see on the dashboard, and they have the ability to toggle from the aggregate, graphical view down to the individual claim level.
- viaOne query — Additionally, through the viaOne web portal, claim information is available to the County for downloading to their internal systems for ad hoc reporting or analysis. The viaOne query module allows for the ad hoc selection of data elements to be extracted and for the ad hoc definition of the extraction criteria to be used. Data is available for reporting through the viaOne web portal on a real-time basis.
- viaOne analysis — Sedgwick's data warehousing capabilities offer data integration services and a next-generation query tool. Through the data warehouse, clients integrate claims data managed by other administrators and a variety of non-claims data (i.e., data from human resource systems, surveys and exposures) that assists the user in reporting meaningful risk information. Our goal is to provide clients with a single look at their entire program rather than adding to the often-fragmented view that is created by multiple administrators and systems

We have included screenshots and sample reports of the viaOne system in the appendix.

mySedgwick

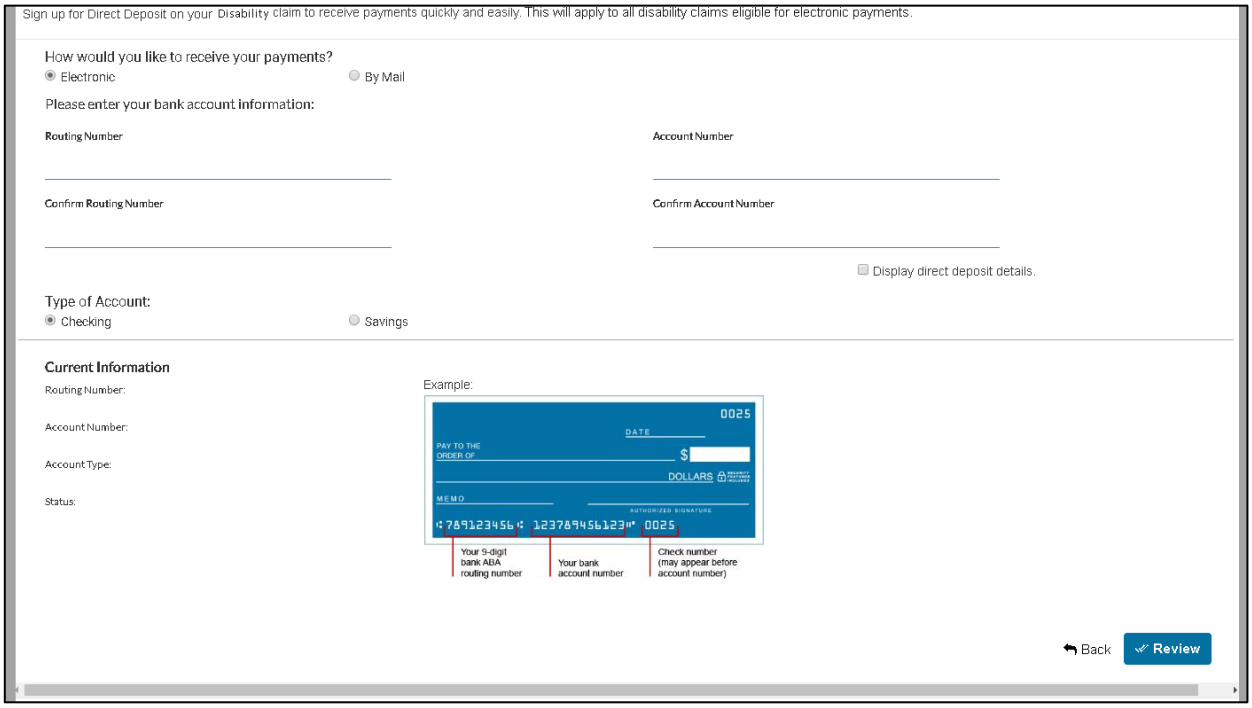
Sedgwick delivers real-time, web and mobile system access through our self-service tool, mySedgwick. County employees may log directly into mySedgwick using any web-enabled device and view claim details, update information and advance case progress. Permissions are managed so that each user has access to information and functionality appropriate to their role.

The mySedgwick tool provides many benefits to those who are maneuvering the claim process. From the opening dashboard, the tool provides a claim listing that shows an employee their absences in the last 24 months, claim payment information, notifications about their claim and an activity stream of milestones related to the claims process. Each claim is hyperlinked to enable the user to view additional claim information including details, payments, restrictions and benefits available to the injured employee. Additional options include access to a pharmacy card and medical provider listings. The County's employees would be able to upload documents and select contact preferences.

Access to mySedgwick also provides valuable resources and tools for managers navigating the day-to-day information and activities related to an employee's absence. Managers, or any authorized supervisory personnel, are able to view the collective status for their employees. The manager dashboard in mySedgwick displays new absences, those employees currently off work and includes important events and updates regarding claims. Using the dashboard view, managers can quickly and easily access a combined list of tasks requiring their attention. If needed, the manager can use the communication center to contact the examiner assigned to a claim.

Sedgwick's technology focus is to improve the experience of the County and your employees. With faster, more convenient mobile reporting, access to real-time information as well as the features offered through mySedgwick, we will enable the County and County employees to navigate the absence process better than ever before.

For those employers who use our direct deposit feature, employees can sign up to receive electronic payments deposited directly into your bank account. Available from the claim overview page in mySedgwick, this feature enables employees to enter their account and routing numbers and designate type of account. We have included additional screenshots of mySedgwick in the appendix.



4.0 Client References for Similar Assignments

(Proposal Section 4.0) The County considers references to be important in its decision to award a contract. Failure to provide this information will result in the proposal being considered non-responsive.

Please provide a comprehensive client listing with year(s) in which your firm provided services. Also provide at least three current clients who we may contact. References should be clients similar in size to the County. Please give their company name and mailing address, telephone, and email of the contact person.

At Sedgwick, we understand the unique environment and technical intricacies of exposures facing public entities like the County. Our extensive public entity practice has experience handling counties, cities, states, public schools, university systems, transportation divisions and energy departments nationwide. We currently partner with more than 800 public entity programs, representing 11% of our book of business. We have included a list of our current public entity clients within the state of North Carolina below:

North Carolina public entity clients	Dates of service
City of Charlotte	9/1/2017-present
City of Wilmington	7/1/1997-present
County of Cumberland	7/1/1996-present
County of Wayne	7/1/2004-present
Cumberland County Schools	7/1/2016-present
Davidson County	7/1/2007-present
Durham Public Schools	7/15/2015-present
Harnett County	7/1/2003-present
Haywood County	8/1/2011-present
Johnston County	7/1/2008-present
North Carolina Department of Public Instruction	7/1/2015-present
Rockingham County	7/1/2005-present

Prior to contacting our client partner references, please contact Ashley Martin, account executive, at 336.497.8116, and advise who will be calling from the County and when. As a courtesy, we like to provide our client partners advance notice before reference calls.

Reference #1	Reference #2	Reference #3
City of Charlotte	Cumberland County Schools	North Carolina Department of Public Instruction
Betty Coulter	Laura Young	Eileen Townsend
Risk Manager	Risk Manager	Chief of Insurance
704.336.4142	910.678.2591	919.807.3522
600 East, 4th Street Charlotte, NC 28202	2465 Gillespie Street Fayetteville, NC 28306	301 N Wilmington St. Raleigh, NC 27601
betty.coulter@ci.charlotte.nc.us	laurayoung@ccs.k12.nc.us	eileen.townsend@dpi.nc.gov

5.0 Cost Proposal

(Proposal Section 5.0) Proposers should submit an estimate of costs.

The County reserves the right to contact Proposers on cost and scope clarification at any time throughout the selection process and negotiation process. The County is asking Proposers to estimate costs for all categories with the understanding that they may have to make assumptions. Such assumptions should be stated. Items that should be included in this cost section include:

- **Cost of Services. Please state your fees for the key areas outlined in the Scope of Services.**

For a complete cost of services, please refer to the following pages for Sedgwick's fee proposal for all key areas outlined in the Scope of Services.

- **Provide your procedures for billing and collection of your fees. How do you reconcile the fee to the services received? Specify whether this is on a monthly, quarterly or as performed basis.**

Sedgwick's preferred method is monthly billing; however, we can continue with quarterly installments under this contract, should the County prefer to keep the current procedure in place. Sedgwick's billing department sends the invoices electronically, and payments can be made electronically or by check.

At the end of each contract term, Sedgwick may reconcile the minimum annual fee with the per claim fees described in the fee proposal below for the new claims opened during the contract term.

- **Provide a listing of hourly rates by consultant team members which could be used as a basis for additional services.**

Please refer to the fee proposal on the following pages for a listing of hourly rates which could be used as a basis for additional services.

Renewal Fee Proposal for Wake County

Contract Term: February 1, 2020 through January 31, 2023

Sedgwick appreciates the partnership we have shared over the last 13 years. As you current claims administrator, Sedgwick has full insight into your historical claim volume; our proposed pricing is based on the County's current open inventory and its reportable history. Please note that the current claim volume may differ from what was included in the loss data released with addenda one, as claim types were not provided.

Claims Services

We will provide claims handling at the following rate(s):

Life of Contract

Line of Business – Workers' Compensation	Rates
Year 1	
Annual Administration Fee	$3,500
Minimum Annual Fee	$74,200
Medical Only	$150 Fee per claim
Indemnity	$765 Fee per claim
Year 2	
Annual Administration Fee	$3,500
Minimum Annual Fee	$76,500
Medical Only	$155 Fee per claim
Indemnity	$785 Fee per claim
Year 3	
Annual Administration Fee	$3,500
Minimum Annual Fee	$78,900
Medical Only	$160 Fee per claim
Indemnity	$805 Fee per claim

Life of Contract: Life of Contract applies to claim features reported during the contract term and covers handling until conclusion without additional charge as long as the client continues to renew subsequent contracts. If any subsequent contract is cancelled or not renewed, the client may require us to return all open claims, unless we and the client agree that we will continue the administration of open claims for an additional negotiated fee per open claim feature or time and expense.

Minimum Annual Fee (MAF): Is a minimum fee the County agrees to pay annually for claims administration services. This fee shall be reconciled against the per claims fees at the end of each contract year. In the event, the total per claim fees exceed the Minimum Annual Fee, the County agrees to pay the excess amount.

Workers' Compensation Definitions:

- Indemnity Claim: Any claim resulting in lost time, litigation, serious injury, fractures, severe burns, cumulative trauma, chemical exposure, subrogation, or death.
- Medical Only: Claims for minor injuries with no lost time, no litigation, no subrogation activity and that are expected to resolve in less than six months with medical treatment. Two (2) point contact with employer and medical provider. Medical only files automatically convert to indemnity claim pricing at 6 months or when they reach $2,000 in paid medical expenses.

Services of the Account Executive, along with phone claim reviews, are provided at no additional charge.

Managed Care Fees:

Medical Bill Review

Detail	Unit	Fee
Provider Network Access and Pharmacy Bills	% of Gross Savings	16% (Year 1) 16% (Year 2) 16% (Year 3)

Case Management (optional)

Detail	Unit	Fee
Telephonic Case Management	Per Hour	$98.00
Field Case Management	Per Hour	$98.00 (Plus Mileage: IRS Reimbursement Rate & Expenses and Wait at Hourly Rate)
Life Care Plan	Per Hour	$150.00

Nurse Hotline (24/7 Nurse Triage)	Per Incident	$110.00

Return to Work Services (optional)		
Alternative RTW (MDOS)	Per Placement	$695.00 (Plus FCM hourly rate for initial visit)
Program Design and Administrative Consultation	Per Hour	$150.00
Transitional Work Services Plan and Policy Development	Per Hour	$150.00
Job Analysis / Functional Job Assessment	Per Analysis	$200.00
Ergonomic Assessment	Per Hour	$250.00
Transitional Work Services	Per Hour	$150.00
Vocational Evaluation	Per Evaluation	$950.00 (Plus Mileage: IRS Reimbursement Rate & Expenses)

Utilization Review/Certification (optional)

Detail	Unit	Fee
Nurse Review	Per Review	$97.00
Medical Director Review (additional fee when applicable)	Per Review	$198.00
Medical Director Appeal Reviews	Per Review	$278.00

Peer Review (optional)

Detail	Unit	Fee
All States		
Peer Review	Per Hour	$195.00 - $400.00

		(Depending on Specialty)
Physician Intervention Review (Pharmacy Review with Peer to Peer Contact)	Per Hour	$295.00
Rush Fee	Per Rush	$100.00

Medicare Secondary Payer Services (MSA)

Detail	Unit	Fee
Mandatory CMS MMSEA Reporting	Per Claim	$9.50*
Standard MSA	Per Referral	$2,950.00
Revised MSA	Per Referral	$500.00
Complex/Catastrophic MSA	Per Referral	$3,500.00
Rush MSA Additional	Per Referral	$525.00
MSA CMS Submission	Per Referral	$525.00
Medical Cost Projections	Per Referral	$1,750.00
Conditional Payment Request	Per Referral	$250.00
Conditional Payment Dispute Resolution	Per Inquiry	$500.00
Final Settlement Document Submission	Per Referral	$155.00
Medicare / Medicaid Investigation	Per Inquiry	$100.00
Medical Cost Projection to MSA Conversion	Per Referral	$1,200.00
Social Security Investigation	Per Inquiry	$100.00

*Mandatory CMS MMSEA reporting will only be charged on new claims reported during the new contract period. Claims that are open prior to the new contract period will not incur the per claim fee as shown above.

Our medical management services include a complete suite of all ancillary medical services, using multiple networks that address our clients' needs – including, but not limited to, pharmacy benefit management, diagnostics, durable medical equipment, transportation and translation, home health, physical therapy and independent medical exams. These services are subject to the bill review rates as quoted above, plus the applicable percentage of network savings achieved below the fee schedule or usual and customary charges.

RMIS Fees

(Services outlined below are only billed if utilized)

Service	Description	Fee
RMIS	RMIS Licensing	4 Licenses Included

General Fees, Services, Terms and Conditions

- Outside Activity/Field Investigations will be billed at time and expense.
- During the term of a multi-year contract, except for items for which pricing for each year is explicitly listed above, pricing for each year after the first full year will increase by the greater of 3% or the percentage increase as reported by the U.S. Department of Labor - Bureau of Labor Statistics (http://www.bls.gov/cpi/home.htm) for the Consumer Price Index for All Urban Consumers (CPI-U) for the U.S. City Average, All Items, covering the prior twelve-month period, valued as of the month ending two months prior (to allow time for reports to be published) to the anniversary date of the contract. For all contracts, pricing at the end of the contract term and each year thereafter will increase by such amount, provided that (i) both parties agree and enter into a renewal contract, or (ii) the parties continue with the existing contract on a month-to-month basis.
- Billing: Historically, the County has paid the minimum annual fee in advance quarterly payments. Sedgwick also offers monthly billing for your consideration. Payments shall be due and payable no later than thirty days from the invoice date.
- Pricing has been developed based on provided loss data. In the event that the loss data is erroneous or otherwise incorrect, both parties agree to discuss an equitable adjustment of service fees.
- The County may request that the services we perform be rendered in a particular or different way or additional services be provided, and we will make all reasonable efforts to comply. If such request increases our cost of providing the services, we shall be entitled to an equitable adjustment in its compensation.
- Claims and Allocated Loss Adjustment Expenses (ALAE) may be handled in two ways:
    - The County may elect to fund an account established and maintained by us. In this case, the County will maintain and provide timely replenishment of funds to pay all Claims and ALAE and to avoid penalties and late payments. We will electronically provide a monthly recap of all deposits as well as Claims and ALAE payments. The County will be responsible for bank fees with respect to the account.
    - The County may elect to maintain and fund a client-owned account from which we will issue all Claim and ALAE payments. In this case, the County will provide us with the facsimile signature of an officer, director, partner or employee of the County to print digitally on the checks. The County will be responsible for bank fees with respect to the account.
- These proposed fees will remain in effect for 90 days from the date of this proposal.

- This proposal contemplates that we will be entering into a direct contract with the County. Should we be required to contract with any other party, different terms may apply.

Allocated Loss Adjustment Expenses

Upon approval by the County, we will arrange for various services and other costs as agent for the County. These costs are referred to as Allocated Loss Adjustment Expenses (ALAE). A list of these expenses follows. Payment of ALAE is the responsibility of the County. Our fees do not cover ALAE, and we are under no obligation to pay ALAE with our own funds.

- Fees of outside counsel for claims in suit, coverage opinions and litigation and for representation at hearings or pretrial conferences
- Fees of court reporters
- All court costs, court fees and court expenses
- Fees for service of process
- Costs of undercover operatives and detectives
- Costs for employing experts for the preparation of maps, professional photographs, accounting, chemical or physical analysis, diagrams
- Costs for employing experts for the advice, opinions or testimony concerning claims under investigation or in litigation or for which a declaratory judgment is sought
- Costs for independent medical examination or evaluation for rehabilitation
- Costs of legal transcripts of testimony taken at coroner's inquests, criminal or civil proceeding
- Costs for copies of any public records or medical records
- Costs of depositions and court reported or recorded statements
- Costs and expenses of subrogation
- Costs of engineers, handwriting experts or any other type of expert used in the preparation of litigation or used on a one-time basis to resolve disputes
- Witness fees and travel expenses
- Costs of photographers and photocopy services
- Costs of appraisal fees and expenses (not included in flat fee or performed by others)
- Costs of indexing claimants
- FROI/SROI Submission
- Services performed outside of our normal geographical regions
- Costs of outside investigation, signed or recorded statements
- Out of the ordinary expenses incurred in connection with an individual claim or requiring meeting with the County
- Any other extraordinary services performed by us at the County's request
- Investigation of possible fraud including SIU services and related expenses

- Any other similar cost, fee or expense reasonably chargeable to the investigation, negotiation, settlement or defense of a claim or loss or to the protection or perfection of the subrogation rights of Customer.

We may, but need not, elect to utilize its own staff or affiliated entities to perform any of these services. Associated fees and costs will be charged as ALAE.

Appendix List

- County sample reports
- Sedgwick bios
- viaOne sample reports and screenshots
- OSHA compliance
- 2018 Sedgwick L.P. annual report
- SOC2, Type II audit
- Reference letter
- mySedgwick screenshots
- Addenda acknowledgment