

Clerk's Contract and Agreement Cover Page

Year: 2009

Legistar File ID#: 2008-0544

Multi Year:

Amount \$34,375.00

Contract Type:

Professional Services

Contractor's Name:

CCMSI

Contractor's AKA:

Execution Date:

10/1/2008

Termination Date:

12/31/2009

Renewal Date:

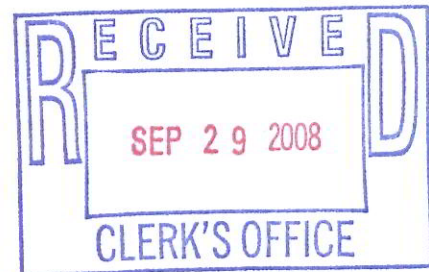
Department:

Finance

Originating Person:

Annamarie Mampe

Contract Description: FY 2009 Third Party Administrator for Casualty Claims



Monday, September 29, 2008

MAYOR
Daniel J. McLaughlin

VILLAGE CLERK
David P. Maher

14700 S. Ravinia Ave.
Orland Park, IL 60462
(708) 403-6100

September 29, 2008

Ms. Lori Mittelstaedt
Cannon Cochran Management Services, Inc.
3333 Warrenville Road, Suite 550
Lisle, Illinois 60532

RE: 2008-2009 Addendum to the Service Agreement for Third Party Administrator

Dear Ms. Mittelstaedt:

Enclosed is one (1) original signed *2008-2009 Addendum to the Service Agreement for Third Party Administrator of the Village of Orland Park's self-insurance program* in an amount of Thirty Four Thousand Three Hundred Seventy-Five and No/100 (\$34,375.00) Dollars to be billed in quarterly installments. This contract is for the fifteen (15) month period October 1, 2008 through December 31, 2009.

Your contact regarding this agreement is Stephana Przybylski at (708) 403-6166.

Please return a fully executed contract for my files to

Denise Domalewski
Village of Orland Park
14700 S. Ravinia Ave.
Orland Park, IL 60462

Sincerely,



Denise Domalewski
Contract Administrator

cc: Stephana Przybylski
Annmarie Mampe



VILLAGE HALL

TRUSTEES
Bernard A. Murphy
Kathleen M. Fenton
Brad S. O'Halloran
James V. Dodge
Edward G. Schussler III
Patricia Gira

**ADDENDUM TO SERVICE AGREEMENT BETWEEN
VILLAGE OF ORLAND PARK AND
 CANNON COCHRAN MANAGEMENT SERVICES, INC.**

THIS ADDENDUM is made and entered into this 1st day of October, 2008, by and between the Village of Orland Park (the "Client"), and Cannon Cochran Management Services, Inc., ("CCMSI"), a Delaware corporation. By this Addendum, the October 1, 2007, to September 30, 2008, Service Agreement is automatically continued with the pricing provisions outlined below. This pricing is effective on October 1, 2008, and terminates on December 31, 2009.

Section H. 3. (c) under "Term and Termination" has been amended to read as follows:

(c) Provide an electronic transfer of data if such is feasible, with the cost of providing such borne by the Client. The electronic transfer of data will be subject to a flat fee of \$2,500.

FEE AND PAYMENT SCHEDULE

Life of Contract: 15 months – 10/1/08-12/31/09		
<i>Services:</i>		<i>Fees:</i>
Claims Administration (minimum deposit)		\$31,250*
<u>WORKERS COMPENSATION</u>		
Indemnity	\$780	
Medical Only	\$135	
<u>AUTO</u>		
BI	\$650	
PD	\$375	
<u>GENERAL LIABILITY</u>		
BI	\$650	
PD	\$400	
POL, EPL, PL OR PLE	\$780	
<p>*Note: Claims will be analyzed by the number of claims as well as the type of claim on an on-going basis and priced on a per claim fee as outlined above. Any additional charges over the \$25,000.00 minimum claim fee will be billed at the expiration of the policy term and quarterly thereafter. <i>\$31,250 10/1/08</i></p> <p>The flat rate unit prices includes:</p> <ul style="list-style-type: none"> • Claims adjudication • Prompt and courteous customer service • Strict adherence to state regulations and statutes • Preparation for, compliance with and response to regulatory audits • Timely payment of all benefits • Fraud detection and prevention • Litigation Management • Hearing office representation <p>These prices do not include those costs typically identified and expense as allocated loss expenses. Please see details below of those typical allocated loss expense items</p>		

Annual Administrative Fee		\$1,875						
<p>Annual Administrative Fee includes:</p> <ul style="list-style-type: none"> • Transition planning, implementation and management • New account set up including establishment of location code structure within our iCE database; loss fund account set and printing of check stock • Account Management • Semi-annual claim reviews • Maintenance of the loss fund account • Monthly loss runs and loss fund activities reports • Filing of all required state forms including state mandated assessments • Filing of 1099s • Reporting to excess carrier 								
Annual Risk Management Information Systems Fee (3 Users)		\$1,250						
<p>Annual Risk Management Information Fee includes:</p> <ul style="list-style-type: none"> • Internet access to the adjuster’s electronic claim files • The ability to send email to your adjusters and Account Manager • Access and utilization of templated risk management reports presently available in our iCE library. • Initial training and subsequent user support 								
Managed Care Services		See List of Services						
<p style="text-align: center;"><u>Provider Bill Re-pricing</u></p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left; width: 60%;"><u>Service</u></th> <th style="text-align: left;"><u>Fee</u></th> </tr> </thead> <tbody> <tr> <td>Fee schedule re-pricing</td> <td>\$9.00 per bill</td> </tr> <tr> <td>Usual and Customary re-pricing</td> <td>\$9.00 per bill</td> </tr> </tbody> </table> <p style="text-align: center;"><u>PPO Re-pricing</u></p> <p style="text-align: center;">Bills with additional PPO discount opportunities below the Fee Schedule will be billed at 30% of savings.</p> <p style="text-align: center;"><u>Pharmacy Network Services</u></p> <p style="text-align: center;">Pharmacy Network services are priced at 33% of savings.</p> <p style="text-align: center;"><u>Field Case Management</u></p> <p style="text-align: center;">CCMSI does not offer proprietary field case management or vocational rehabilitation services. These are available from third party providers at market price and the cost of these services would be captured as an allocated loss expense to the referral file.</p>			<u>Service</u>	<u>Fee</u>	Fee schedule re-pricing	\$9.00 per bill	Usual and Customary re-pricing	\$9.00 per bill
<u>Service</u>	<u>Fee</u>							
Fee schedule re-pricing	\$9.00 per bill							
Usual and Customary re-pricing	\$9.00 per bill							
Run-Off Claims		TBD						
Run off claims Workers Comp	\$350 per claim 1 st 12 months \$300 per claim 2 nd 12 months \$250 all succeeding 12 months							
Run-off Claims – GL Bodily Injury	\$250 per claim 1 st 12 months \$200 per claim 2 nd 12 months \$150 all succeeding 12 months							
Run-off Claims – Professional Liability	\$350 per claim 1 st 12 months \$300 per claim 2 nd 12 months \$250 all succeeding 12 months							
Run-off Claims – GL Property	\$225 Flat Fee							

Village of Orland Park – Addendum to Service Agreement
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Data Conversion		\$125/Hour
<p>This is the fee associated with consolidating all of Village of Orland Park’s historical data into CCMSI’s database. Our cost for this service is \$125 an hour and it typically averages 20/30 hours to complete. We would be willing to “cap” the cost of this service at \$7,500.</p> <p>In order to accurately and competitively asses this fee we would need to know:</p> <ul style="list-style-type: none"> • The number of data sources • The experience period data ranges (i.e., 1/1/95to 12/31/05) • The total number of claim records to be transferred <p>Whether or not all transactional information on closed claims is to be transferred or alternatively if we can transfer closed values only.</p>		
Special System Reports		\$125 an hour
<p>CCMSI will provide special reports, (reports not currently programmed or written) for a fee of \$125 per hour for system programming time. CCMSI will provide an estimate of charges before any work will be done.</p>		
<p>Workers Compensation Subtotal (\$3,383.60 quarterly) Liability/Other Lines Subtotal (\$3,491.40 quarterly)</p>	<p>\$16,918 \$17,457</p>	
<p>GRAND TOTAL</p>		\$34,375
Fee & Payment Schedule		
<p>The total fee of \$34,375 will be billed in quarterly installments of \$6,875.00 due on the first day of October 2008, January 2009, April 2009, July 2009 and October 2009.</p> <p>Run-off claims: As outlined above</p>		

Executed this _____ day of _____, 200__.

CANNON COCHRAN MANAGEMENT SERVICES, INC.

By: _____
Rodney J. Golden

Its: Chief Operating Officer/Executive Vice President

VILLAGE OF ORLAND PARK

By: Ellen J. Bauer

Its: Asst. Village Manager