

Contract Requisition: CR062166

Contract Number: C031864

Vendor Number: V028117

### **THIRD-PARTY CLAIMS ADMINISTRATION AGREEMENT**

This Third-Party Claims Administration Agreement (this "**Agreement**") is made and entered into as of October 1, 2023 (the "**Effective Date**") between Gallagher Bassett Services, Inc., a Delaware corporation ("**GB**"), and Milwaukee Board of School Directors ("**Client**"). GB and Client shall hereinafter be referred to individually as a "**Party**" and collectively as the "**Parties**."

WHEREAS, GB is a third-party claims administrator, and Client desires to retain GB to provide certain claims administration services (the "**Services**," as described below) on Client's behalf.

NOW, THEREFORE, in consideration of the mutual promises contained herein, GB and Client hereby agree as follows:

#### **SECTION 1** **SERVICES**

1.1 **General.** GB, by and through one or more affiliates and vendors, shall provide Services for Client relating to the administration of Client's Claims in accordance with the terms and conditions set forth in this Agreement and in the service instructions (the "**Service Instructions**") as agreed upon by the Parties in writing from time to time, which Service Instructions shall be incorporated into and deemed to be a part of this Agreement. As used herein, "**Claim**" means any report of injury or accident alleging or resulting in injury, damage or loss that could give rise to a demand for the payment of money by Client, and which is timely reported to GB hereunder. GB shall provide such Services as further described in the Cost & Terms attached hereto as Exhibit A ("**C&T**") and incorporated by reference herein. Each C&T shall be applicable for the period referenced therein. GB's Services may include the following:

a. Upon guidance from Client and/or retained counsel, where applicable, review, investigate, adjust, settle and/or resist Claims (i) within the Settlement Authority, or (ii) if in excess of the Settlement Authority, upon the acknowledgment of Client. "**Settlement Authority**" is the amount set forth in the Service Instructions, up to which GB is authorized to settle individual Claims.

b. Establish and update Claim reserves;

c. Maintain Claim files and records; provided that Client shall be obligated to store and preserve any physical evidence relevant to any Claim or potential Claim;

d. Assist Client in establishing a Claim loss fund account as more specifically described in Section 3 below for the funding of losses (including indemnity payments) and Allocated Expenses associated with a Claim (collectively, "**Loss Payments**"). "**Allocated Expenses**" means all expenses incurred in connection with the investigation, negotiation, defense, settlement and disposition of a Claim, examples of which are set forth in the C&T;

e. Notify only Client's agents or insurers that are expressly listed in the Service Instructions of Claims that meet the specific parameters expressly set forth in the Service Instructions;

f. Coordinate investigations on litigated Claims with attorneys retained on the Claim and with representatives of Client's insurer, as required;

g. Investigate and pursue subrogation claims on behalf of Client, where permitted;

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h. Provide a risk management information system and standard reports as described in the Service Instructions, as well as ad hoc information and reports, as requested by Client from time to time, subject to additional fees for non-standard reporting;

i. Provide risk control consulting and appraisals or other related Services, as set forth in the C&T or otherwise agreed to by the Parties;

j. Report fraudulent or suspected fraudulent Claims to state authorities, as required by applicable law, and as agreed upon by the Parties;

k. Perform Mandatory Insurer Reporting (“MIR”) directly or in coordination with carrier’s required third party reporting agent, pursuant to Section 111 of the Medicare, Medicaid, and State Children’s Health Insurance Program Extension Act of 2007 (P.L. 110-173) (“MMSEA”); and

l. Provide medical management services as set forth in the C&T.

1.2 **Report of Claims.** Client shall report all Claims to GB with sufficient time to allow GB to submit first reports of injury to each applicable state, as required, and to comply with all applicable laws.

1.3 **Sole Claims Administrator.** During the term of this Agreement, (i) GB shall be Client’s sole claims administrator with respect to Claims under the coverage types set forth in the C&T; (ii) all new Claims arising under such program shall be transmitted to GB and (iii) Client will not, directly or indirectly, self-administer any Claims that should be reported to GB pursuant to the terms of this Agreement.

1.4 **Escheat.** The Parties acknowledge that Client shall be responsible for any and all escheat and unclaimed property reporting obligations; *provided, however,* that, upon request and for a mutually agreed upon fee, GB shall provide Client with such information and reports as Client may reasonably request to perform escheat reporting with respect to Loss Payments made hereunder.

**SECTION 2**  
**PAYMENT AND COLLECTION MATTERS**

2.1 **Payment of Service Fees.** Client shall pay, or cause its insurer to pay, any fees for Services, taxes and other sums payable to GB as described herein and in the C&T (“Service Fees”) within thirty (30) days of Client’s receipt of each properly submitted invoice.

a. The total Service Fees under the C&T for the service period from October 1, 2023 through September 30, 2024 (the “2023-24 Service Period”) shall **not exceed \$248,529.00**, which is based on the estimated Claim volume and staffing fees as set forth in the C&T (the “**Not-to-Exceed Amount**”). At the end of the 2023-24 Service Period, GB will submit a “Reconciliation Statement” to Client which could result in an additional credit or cost to Client to reconcile the actual Claim volume and staffing fees during the 2023-24 Service Period. The Not-to-Exceed Amount shall not apply to, nor limit the payment of, any Loss Payments.

2.2 **Taxes.** Client shall be responsible for and pay to GB any and all applicable taxes, duties and assessments, as well as any penalties for non-payment of same, that are assessed in connection with any Services rendered by GB hereunder (except for taxes on GB’s net income).

2.3 **Applicable Currency.** All payment obligations hereunder shall be charged and payable in U.S. Dollars, unless otherwise agreed in writing by the Parties.

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2.4 **Catastrophe Charges.** GB will charge Client for any loss involving ten (10) or more Claims resulting from a single event (i.e., hurricane, tornado, flood, earthquake, etc.) on a time and expense basis, which shall be paid as an Allocated Expense against the Claim file. GB, in its discretion, reserves the right to utilize outside resources to expedite Claim handling because of any such catastrophic event.

2.5 **Change in Circumstances.** Upon sixty (60) days' prior written notice to Client, GB may request to modify its Service Fees if GB reasonably determines that (i) historical claims data that Client provided to GB was erroneous, obsolete or insufficient; (ii) Client has a material change in the overall program managed by GB, including the lines of coverage handled by GB or instances where Client unbundles services provided by GB's vendors and subcontractors; (iii) Client has a material change in the nature and/or volume of its Claims compared to what was contemplated when GB initially quoted its Service Fees; or (iv) legislative and/or regulatory requirements impact or change the scope of GB's Services or responsibilities, including any expenses related thereto. To the extent the Parties cannot reach agreement on the modified pricing, either Party may terminate this Agreement on thirty (30) days written notice to the other Party.

**SECTION 3**

**LOSS FUND ACCOUNT – SELF-INSURED MONEY MANAGEMENT SYSTEM (SIMMS)**

GB shall assist Client in establishing a loss fund account with Citibank (or other institution at GB's discretion), and Client shall fund, or cause its carrier to fund, such account. The initial imprest shall be an amount representing approximately two and one-half (2 ½) times Client's current average Loss Payment history based upon Client's (i) estimated Claim volume and (ii) funding frequency. GB reserves the right, in its sole discretion and upon prior notice to Client, to modify the imprest balance required under this Agreement. In the event that GB exercises its right to modify the imprest balance, Client shall fund such amount within five (5) business days of GB's request. GB reserves the right at any time to request Client to prefund any large Loss Payments, which Client shall fund within three (3) business days of GB's request. Client shall maintain the required imprest balance during the term of this Agreement.

**SECTION 4**

**PAYMENT & FUNDING FAILURE; REMEDIES**

Client is solely responsible for all payment obligations under this Agreement. GB is not obligated to advance funds to pay Loss Payments or any other obligation of Client.

4.1 If Client fails to timely pay any Service Fees due hereunder, GB may, in addition to any other rights and remedies afforded under this Agreement or applicable law, assess interest charges on the amount that is due and outstanding at a rate equal to 1.5% per month.

4.2 If Client fails to timely and adequately fund and replenish its loss fund account or pay its Service Fees within five (5) business days of receiving payment demand by GB or Citibank, GB may, at its election, (i) suspend banking or shutdown the loss fund account and suspend the provision of Services; and (ii) report the delinquent account and claim handling status to: (a) Client's insurance carrier and/or broker, if any; (b) applicable government and regulatory agencies; (c) any affected claimant(s); and (d) any other relevant parties.

4.3 If Client fails to fund its loss fund account or pay any outstanding Service Fees within five (5) business days following the notice described in Section 4.2 above, GB may (i) convert Client's program to daily issuance via Fed Wire upon forty-eight (48) hours' notice to Client; (ii) report the Claim handling

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status to appropriate government and regulatory agencies, as applicable; and/or, (iii) terminate this Agreement and cease providing Services without further liability to Client.

4.4 Client shall indemnify and hold GB harmless and be solely responsible for any and all damages, fines, penalties, bank charges, interest, fees and expenses resulting from Client's failure to timely meet its payment obligations and maintain the loss fund imprest balance, and Client shall pay, or cause its carrier to pay, such amounts promptly upon demand by GB. Additionally, Client shall pay all fees, costs and expenses incurred by GB in enforcing the payment obligations hereunder, including reasonable attorneys' fees and court costs.

**SECTION 5**  
**COMPLIANCE WITH LAWS; MEDICARE REPORTING**

5.1 **Compliance with Laws and Licensing.** GB and Client will comply with all applicable laws. GB will maintain all permits, licenses and regulatory approvals necessary to provide the Services described herein.

5.2 **Mandatory Insurer Reporting.** Client acknowledges and agrees that Client or its insurance carrier has an obligation to perform MIR. To the extent that GB provides MIR on Client's behalf, Client agrees to properly register (or, as appropriate, to cause its insurance carrier to properly register) with the Centers for Medicare and Medicaid Services as the Responsible Reporting Entity ("RRE") under MMSEA and to provide to GB all relevant information, including the RRE "Identification Number(s)" assigned to Client, and properly designate a MIR reporting agent acceptable to GB. GB shall not provide MIR in states where GB is only providing Claims oversight. Client agrees that for each and every Claim reported to GB, Client shall provide the following information as soon as possible, but in no event later than required to comply with applicable law to avoid fines and penalties: claimant's first and last name, social security number, date of birth and gender. Failure to timely provide such information shall absolve GB from any responsibility for performing MIR with respect to any such Claim until GB receives all required information. GB may disclose this and other information to its designated third parties for processing Client's MIR and performing other obligations hereunder.

5.3 **Medicare Secondary Payer Act Compliance.** In order to comply with Client's reporting obligations under Medicare, and avoid interest, fees, and penalties associated with failure to properly account for (i) conditional payments under the Medicare Secondary Payer Act ("MSP") or (ii) future medical expenses under the MSP (collectively, "MSP Liabilities"), Client must ensure that the following activities are timely performed: (i) reporting, (ii) investigation and payment of conditional payment obligations and (iii) provision of Medicare set-asides or other future medical allocations services, as appropriate. GB hereby disclaims any and all MSP Liabilities relating to Client's and/or its representatives' or agents' failure to comply with any MSP obligations, where (A) Client does not utilize GB or its vendors to administer Client's MSP compliance or (B) Client's or its representative's or agent's acts and/or omissions result in MSP Liabilities.

**SECTION 6**  
**CONFIDENTIALITY**

6.1 **Defined.** As used herein, "Confidential Information" means information furnished by either Party or its agents and representatives ("Discloser") to the other Party or its agents and representatives ("Recipient"), whenever furnished and regardless of the manner or media in which such information is furnished, which Recipient knows or reasonably should know to be confidential or of a proprietary nature. Confidential Information shall include confidential and proprietary information relating to the business, claimants, customers, products and affairs of Discloser, including without limitation, any and all designs,

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processes, pricing, methods, technical data, marketing information, trade secrets and financial information, as well as the terms of this Agreement. Confidential Information shall not include information concerning Discloser that (a) is or becomes generally available to the public or within the industry to which such information relates other than as a result of a breach of this Agreement by Recipient, (b) at the time of disclosure to Recipient by Discloser was already known by Recipient as evidenced by its written records, (c) becomes available to Recipient on a non-confidential basis from a source that is entitled to disclose it on a non-confidential basis, (d) was or is independently developed by or for Recipient without reference to the Confidential Information, or (e) is comprised of anonymized/de-identified information of Client that is utilized in connection with data analytics or other business purposes.

6.2 **Prohibition on Disclosure.** Recipient agrees that it will not disclose any Confidential Information disclosed by Discloser to any third party without Discloser's prior written consent. Notwithstanding the foregoing, Recipient shall be permitted to disclose Confidential Information to its or the Discloser's affiliates, agents or vendors that have a need to know the Confidential Information in connection with the Services to be provided under this Agreement.

6.3 **Other Disclosures.** Nothing in this Agreement shall be deemed to prevent Recipient from disclosing any Confidential Information of Discloser when requested or required to do so by a subpoena, civil investigative demand, other legal process or by the authority of any state or federal administrative agency or governmental body.

## **SECTION 7** **RISK MANAGEMENT INFORMATION SYSTEM; RECORDS**

7.1 **Risk Management Information System Access.** GB hereby grants to Client a non-exclusive, non-transferable, revocable license to access GB's risk management information system (Risx-Facs®, Luminos™, or any other system licensed by GB, to the extent specified in the C&T), solely for the purpose of evaluating and monitoring the status of Claims. Such access is limited to Client-approved representatives, and shall be contingent upon and subject to Client taking reasonable measures to ensure each such representative's compliance with Section 6 above. Unless otherwise agreed in writing, this license shall terminate automatically and without the need for notice upon the termination of this Agreement for any reason.

7.2 **Document Retention.** Claim files are the property of Client, or Client's insurer, as applicable. GB will retain (i) physical Claim files in storage or (ii) electronic files on GB's systems following closure of a particular Claim in accordance with GB's then-current document retention policy and in compliance with applicable law. Thereafter, unless Client or Client's insurer requests, in writing, a turnover of its Claim files, GB may, in its sole discretion, destroy and purge any such Claim files in its possession; *provided, however*, GB may retain one copy for legal, regulatory and archival purposes. Client will be solely responsible for arranging for return or transfer of its files at Client's cost, and after payment of all outstanding amounts due to GB, no later than thirty (30) days after date of notice. The policies and procedures of the applicable financial institutions shall govern the storage of copies of checks. Except as required by applicable law, GB shall have no obligation to retain Claim files in the event that such Claim files or related Claim handling obligations are transferred to another administrator.

7.3 **Run-In Claims.** To the extent GB assumes a Claim incurred prior to the Effective Date or previously administered by another party, including Claims self-handled by Client (each, a "Run-In Claim"), Client must adhere to Run-In Claim processes reasonably acceptable to GB to ensure proper Claim transfer, including supplying certain required information in a format acceptable to GB in a reasonable amount of time as discussed and agreed to between the Parties prior to GB's assumption of such Run-In Claims. GB shall not be responsible for updating, maintaining or storing Run-In Claim file

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information (paper or electronic) that is more than ten (10) years old. All files for Run-In Claims assumed by GB will be kept "as is," without any obligation to reorganize such files. Client, where applicable, shall, or shall require its prior service provider to, place a claim file note in the Run-In Claim files or otherwise conspicuously mark such files in a manner to be agreed to by the Parties, with information necessary or convenient for GB to attend to time-sensitive events, such as upcoming court deadlines and benefit or settlement payment due dates. GB shall not be responsible for any acts, errors or omissions, including any compliance requirements or state, Federal or other reporting requirements, concerning the Run-In Claims prior to its assumption of the same. Client shall indemnify and hold GB harmless from any damages arising (i) during any transition period; (ii) as a result of GB's reliance on faulty or incomplete Run-In Claim files or related information; and/or (iii) in whole or in part due to acts or omissions of any party that handled such Run-In Claims prior to GB.

**SECTION 8**  
**INDEMNIFICATION; LIMITATIONS OF LIABILITY**

8.1 **Indemnification of Client.** GB agrees to defend, indemnify and hold Client and its affiliates and their respective directors, officers, employees, vendors, subcontractors, counsel, and agents harmless from any and all third party claims, demands, causes or threats of action, losses, liabilities, damages and all related costs and expenses, including reasonable legal fees (collectively, "**Indemnified Losses**") to the extent arising from (i) the breach of any representation, warranty or covenant made by GB hereunder, and (ii) GB's grossly negligent acts or omissions or intentional misconduct; *provided, however*, that GB's indemnification obligation shall be reduced to the extent that such Indemnified Losses arise from the acts or omissions of Client or any third-party retained by Client.

8.2 **Indemnification of GB.** To the extent permitted by the law of the state of Wisconsin including, but not limited to Wis. Stat. §§ 893.80 and 895.46, Client agrees to defend, indemnify and hold GB and its affiliates and their respective directors, officers, employees, vendors, subcontractors, counsel, and agents harmless from any and all Indemnified Losses to the extent arising from (i) the breach of any representation, warranty or covenant made by Client hereunder; (ii) Client's grossly negligent acts or omissions or intentional misconduct; (iii) GB's acts or omissions that result from any act, omission, instruction or direction of Client or its attorneys, vendors (other than GB or GB vendors), agents, representatives or assignees; (iv) any employment decisions made by Client; and (v) any acts or omissions by Client's attorneys, vendors (other than GB or GB vendors), agents, representatives or assignees; *provided, however*, that Client's indemnification obligation shall be reduced to the extent that such Indemnified Losses arise from the acts or omissions of GB or GB vendors.

8.3 **Liability Limitation.** Notwithstanding anything contained in this Agreement to the contrary, (i) neither Party will be liable for any indirect, special, incidental or consequential damages, whether based in contract, tort or any other legal theory, even if advised of the possibility of such loss or damage; and, (ii) the maximum liability of either Party with respect to any losses, claims, damages, liabilities, judgments, costs and expenses (whether in tort, contract, statute or otherwise, collectively, "**Damages**") relating to or arising out of this Agreement shall not exceed (a) \$2,500,000 with respect to all Damages relating to a single Claim; or (b) \$5,000,000 with respect to all Damages under this Agreement in the aggregate; *provided, however*, this section shall not be deemed to limit or impact Client's payment or funding obligations under this Agreement.

8.4 **Additional Limitations.** GB shall not be liable to Client as a result of (i) Damages that result from the absence of any consent or authority required to be obtained by or from any third party; (ii) failure to achieve a desired result, so long as GB has acted reasonably and in good faith based upon the information available at the time; (iii) acts, errors or omissions of any retained legal counsel; and (iv) any vendors or any third parties engaged, selected, chosen or recommended by Client.

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8.5 **Contractual Limitations Period**. The parties agree that the limitations periods established for breach of contract by Wisconsin law, including, but not limited to Wis. Stat. §893.43, shall apply to any claim made under this Agreement.

8.6 **Extension**. The limitations in this Section 8 shall apply to any claim or cause of action asserted by or on behalf of any person or entity claiming to be an assignee, beneficiary of or successor to such Party.

**SECTION 9**  
**TERM AND TERMINATION**

9.1 **Term**. This Agreement will remain in effect until terminated by either Party in accordance with the terms of Section 9.2 below or elsewhere in this Agreement. The term of each C&T will be as set forth in the C&T.

9.2 **Termination**.

a. **Termination for Convenience**. Either Party may terminate this Agreement for convenience, at any time and for any reason or no reason, upon not less than sixty (60) days' prior written notice to the other Party.

b. **Termination for Breach**. Other than termination for payment obligations set forth in Section 4, this Agreement may be terminated by the non-breaching Party if the other Party breaches any material representation, warranty or obligation contained in this Agreement, and such other Party fails to remedy such breach within thirty (30) days from the date it receives written notice of the breach from the non-breaching Party.

c. **Insolvency**. Either Party may terminate this Agreement effective immediately (1) if the other Party is adjudged insolvent or bankrupt; (2) upon the institution of any proceeding against the other Party seeking relief, reorganization or arrangement under any laws relating to insolvency; (3) for the making of any assignment for the benefit of creditors; upon the appointment of a receiver, liquidator or trustee of any substantial part of the other Party's property or assets; or (4) upon liquidation, dissolution or winding up of the other Party's business (collectively, "**Insolvency**"). In the event of Client's Insolvency, Client agrees that (i) immediately upon the filing of a bankruptcy petition, Client shall pay in advance any invoice for Service Fees and shall continue to fund any Loss Payments and meet any other payment obligations as required under this Agreement; (ii) no later than thirty (30) days after the filing of a bankruptcy petition, Client shall assume or reject this Agreement; and, (iii) immediately upon the filing of a bankruptcy petition, GB shall be entitled to relief from the automatic stay to exercise any right of set off or recoupment, and to enforce Client's payment of Service Fees and other funding obligations, including without limitation those obligations with respect to the imprest and Loss Payments.

9.3 **Actions following termination**.

a. With respect to "Life of Partnership" programs (as described in the C&T, where applicable), in the event of termination or nonrenewal of this Agreement, GB shall, upon mutual written agreement of the Parties, continue to manage all (i) Claims that have not been closed as of the effective date of termination and (ii) Claims incurred during the term but not reported prior to the termination date (collectively, "**Run-Off Claims**"), provided that Client pays GB a mutually agreeable Service Fee per Claim per year open to continue handling Run-Off Claims. Should no agreement be reached regarding Service Fees for open Run-Off Claims, they will be returned to Client or transferred to another vendor as designated by Client.

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b. With respect to "Handle to Conclusion" programs (as described in the C&T, where applicable), in the event of termination or nonrenewal of this Agreement, GB will continue to manage all Run-Off Claims (subject to payment of an initial Service Fee for any Claims accepted by GB that were incurred during the term but not reported prior to the effective date of termination), except in the event of a termination of this Agreement resulting from Client's uncured breach (which shall relieve GB of any obligation to continue to administer Run-Off Claims) or the Parties' agreement to the contrary.

c. Client remains responsible for timely funding and payment of all payment obligations with respect to Run-Off Claims. Run-Off Claims Services, if any, will be provided at a servicing branch selected by GB, and a reduced electronic reporting package will be provided to Client at Client's expense. Client will remain responsible for banking, risk management information system, and administration fees while GB handles all Run-Off Claims. Should Client renew only a portion of the existing program under this Agreement (fewer states, locations, coverages, etc.), all open Claims not part of the renewed portions of the program shall be considered Run-Off Claims and Client shall pay GB as described above.

d. Should Client elect to have Claim files returned and otherwise discontinue the Services, Client agrees to pay all outstanding Service Fees and continue to fund its payment obligations until all Claims are closed within the risk management information system and all Claim files have been returned to Client and Client has made alternate banking arrangements. GB will return all files to Client in an orderly manner, at Client's cost and after payment of all outstanding obligations due to GB. GB will provide an electronic, tape or paper copy of the Claim information in the risk management information system at GB's standard rate as of the date of termination. Upon delivery of this information to Client, claim information may be deleted from GB's systems, subject to applicable law. In the event Client does not agree to assume control of such files, GB hereby disclaims liability for failure to retain such files.

**SECTION 10**  
**MISCELLANEOUS**

10.1 **Notices.** All notices, requests and other communications concerning termination or indemnification ("**Formal Notice**") under this Agreement shall be in writing and delivered: (i) personally; (ii) by certified mail, return receipt requested; or (iii) by nationally recognized express courier service. Notices will be deemed given as of the earlier of (i) the date of actual receipt when notice is given by personal delivery, (ii) three (3) days after mailing in the case of certified U.S. mail or (iii) the next business day when notice is sent via express courier. Any Formal Notice shall be addressed as follows:

If to GB: Legal Department  
Gallagher Bassett Services, Inc.  
2850 Golf Road  
Rolling Meadows, Illinois 60008  
Email: GB.Legal@gbtpa.com

If to Client: Milwaukee Board of School Directors  
5225 W. Vliet Street  
Milwaukee, WI 53204

10.2 **Successors & Assignment.** This Agreement shall apply to and bind the successors and assigns of the Parties hereto, including, in the event of an Insolvency, debtors-in-possession and any appointed trustee or administrator. This Agreement shall not be assignable by either Party, except with the prior written consent of the other Party; *provided, however*, that GB may assign the Agreement to an affiliate or in the event of a merger or sale of all or substantially all of its assets.



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10.3 **Business Arrangements.** As part of our comprehensive and integrated claims administration services model, GB may partner with select vendors and service providers who GB believes are similarly best in class. Through our partners, GB provides a full range of medical management and ancillary claims management services, which may be procured on a wholesale or negotiated basis. GB may receive revenue from these arrangements corresponding to the services provided by GB for procurement of discounted rates, program integration and management, and technological and service enhancements.

10.4 **Solicitation of Employees.** To the extent permitted under applicable law, Client agrees that, during the term of this Agreement (and any renewals thereof) and for two (2) years after the later to occur of (i) the effective date of termination of this Agreement or (ii) GB ceasing to perform Services for Client, Client shall not, directly or indirectly, without the written consent of GB, solicit to hire on behalf of itself or others, any employee of GB who, during the term of this Agreement, performed or contributed to the performance of the Services. General solicitations of employment by means of recruiters, the internet, newspaper, periodical or trade publication advertisements not directed at employees of GB and its affiliates shall not be deemed to constitute "solicitation" for purposes of this provision. Further, nothing in this Agreement shall prohibit Client from hiring any person, including an employee of GB, who contacts Client on his or her own initiative without any direct or indirect solicitation by, or encouragement from, Client. Client further acknowledges that the damages suffered by GB as a result of a breach of this obligation would not be susceptible to easy calculation. Accordingly, in the event of a breach of the foregoing prohibition, Client agrees to pay GB an amount equal to one hundred fifty percent (150%) of such employee's annualized salary amount at GB as of the date of such breach.

10.5 **Jury Trial Waiver.** Intentionally omitted.

10.6 **Independent Contractor.** GB is engaged to perform Services as an independent contractor of Client and not as an employee or agent of Client.

10.7 **Governing Law.** This Agreement and any disputes or litigation relating to or arising out of this Agreement shall be governed by the laws of the State of Wisconsin without regard to its conflict of law rules, and the venue for any action brought with respect to this Agreement shall be state and federal courts of Wisconsin.

10.8 **Force Majeure.** Neither Party shall be liable to the other for any delay or failure to perform any of its obligations under this Agreement as a result of flood, earthquake, storm, other act of God, fire, derailment, accident, labor dispute, explosion, war, act of terrorism, sabotage, insurrection, riot, embargo, court injunction or order, act of government or governmental agency or other similar cause beyond its reasonable control.

10.9 **Counterparts.** This Agreement may be executed in multiple counterparts (including by scanned image or electronic signature), each of which shall be considered one and the same agreement, and shall become effective when signed by each of the Parties hereto and delivered to the other Party.

10.10 **Warranties.** Except as expressly set forth in this Agreement, GB makes no other warranties of any kind with respect to the Services, including, without limitation, warranties that may be implied from a course of performance, dealing or trade usage.

10.11 **Severability.** If a court of competent jurisdiction determines that any provision of this Agreement is void or unenforceable, that provision will be severed from this Agreement, and the court will replace it with a valid and enforceable provision that most closely approximates the intent of the Parties, and the remainder of this Agreement will otherwise remain in full force and effect.

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10.12 **Non-Waiver**. The Parties agree that any delay or forbearance by GB or Client in exercising any right or remedy under this Agreement or otherwise afforded by applicable law shall not be a waiver of or preclude the exercise of any such right or remedy. Only waivers expressly made in writing by an authorized GB or Client representative shall be effective against such Party.

10.13 **Survival**. Upon the expiration or termination of this Agreement, those provisions that expressly or would by their nature survive this Agreement will so survive, including but not limited to, Sections 6, 8 and 10.

10.14 **Applicable State Laws**. To the extent that GB administers any workers' compensation Claims on behalf of Client that is self-insured or a group fund in the State of Michigan, the terms set forth in Schedule 1, attached hereto and incorporated by reference herein, will apply. To the extent that GB administers any workers' compensation Claims on behalf of the Client in the State of Oregon, the terms set forth in Schedule 2, attached hereto and incorporated by reference herein, will apply.

10.15 **Entire Agreement**. This Agreement and the exhibits attached hereto constitute the entire agreement between the Parties with respect to the subject matter hereof, and supersede all prior negotiations, agreements and understandings. No change, waiver or discharge hereof shall be valid unless in writing and executed by the Party against whom such change, waiver or discharge is sought to be enforced. This Agreement may only be amended by a written agreement executed by both GB and Client. The Parties agree that if there is any conflict between the terms of any applicable agreement between GB and Client's insurer relative to the underlying program and the terms of this Agreement, the terms of the insurer's contract with GB shall prevail.

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The Parties hereto have caused this Agreement to be duly executed as of the Effective Date.

Gallagher Bassett Services, Inc.:

Milwaukee Board of School Directors:

DocuSigned by:  
By: Stephanie L. Renguso  
2030592279B34C9...  
Authorized Representative


DocuSigned by:  
By: Janine Adameczyk  
9TABB73E994C473...  
Janine Adameczyk, Director  
Procurement & Risk Management

Date: 10/16/2023

Date: 10/16/2023

Gallagher Bassett Service Inc.  
2850 Golf Road  
Rolling Meadows, IL 60008

ds  
CW

By:   
Keith P. Posley, Ed.D.  
Superintendent of Schools

Date: 10-19-23

SSN / FEIN: XXXXXXXXXX  
Budget Code: INJ-0-0-DIJ-DW-EWCM

By: Marva Herndon  
Marva Herndon, President  
Milwaukee Board of School Directors

Date: \_\_\_\_\_

Reviewed by Insurance Compliance:

By: Dalisa Flores  
F0C3273A68BC42E...

Date: 10/16/2023

**(ATTACHMENT 7) ACTION ON THE AWARD OF PROFESSIONAL SERVICES CONTRACTS**

Contract Requisition: CR062166

Contract Number: C031864

Vendor Number: V028117

**EXHIBIT A**

**COST & TERMS**

**(ATTACHMENT 7) ACTION ON THE AWARD OF PROFESSIONAL SERVICES CONTRACTS**

Milwaukee Board of School Directors

10/01/2023 - 10/01/2024

STAFFING - ANNUAL	Full Time Equivalent (FTE)	Est. Annual Salary per FTE	Estimated Annual Fee
<b>Workers' Compensation</b>			
Resolution Manager	1.03	\$72,385	\$161,937
Resolution Associate	0.16	\$39,510	\$13,731
<b>Total Workers' Compensation - Annual Staffing Fee</b>	<b>1.19</b>		<b>\$175,668</b>
<b>All Other Staffing</b>			
Supervisor	0.24	\$89,468	\$46,638
Support	0.30	\$34,258	\$22,323
<b>Total Other - Annual Staffing Fee</b>	<b>0.54</b>		<b>\$68,961</b>
<b>Total - Annual Staffing Fee</b>	<b>1.73</b>		<b>\$244,629</b>

ADMINISTRATIVE SERVICES	Quantity	Rate	Fee
<b>Administrative Services</b>			
Administration / Data Management			\$3,900
RMIS Standard License (7 RMIS Users)			Included
PC365 - Per Call		\$75	\$0
<b>Total Administrative Services</b>			<b>\$3,900</b>

<b>TOTAL USD</b>			<b>\$248,529</b>
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CLAIM COUNTS	NEW CLAIMS	PENDING CLAIMS
<b>Workers' Compensation</b>		
WC Medical Only	305	0
WC Indemnity	199	154
Incidents - Workers' Compensation	444	0

This proposal represents a one year agreement to begin 10/1/2023 that represents 4% over expiring average salaries.

This quote does not include paralegal tasks. Paralegal tasks are the responsibility of Milwaukee Public Schools as the Procurement and Risk Management department has access to the claim files. If Gallagher Bassett is asked to perform these functions, GB reserves the right to review and adjust staffing levels according to the level of paralegal work being requested.

One-year term as per CoProcure cooperative agreement 7161804REN1.

**(ATTACHMENT 7) ACTION ON THE AWARD OF PROFESSIONAL SERVICES CONTRACTS**

Milwaukee Board of School Directors

10/01/2023 - 10/01/2024

**GBCARE MEDICAL MANAGEMENT SERVICES**

<b>SERVICES</b>	<b>CHARGES</b>
<b>Fee Schedule (Bill Review / UCR / System Savings)</b>	\$27.68 Flat per Bill
<b>All Other Savings</b> <ul style="list-style-type: none"> <li>• Clinical Validation/Nurse Review (CV)</li> <li>• Preferred Provider Networks (PPO)</li> <li>• Out Of Network (OON)</li> <li>• Specialty Networks/Physical Therapy (PT)</li> </ul>	Included Included Included Included
<b>Electronic Receipt of Medical Bills</b>	\$2 additional Per Bill in all applicable states
<b>Telephonic Case Management</b>	\$90 Medical Triage one time per file \$340 per claim (each 30 days)
<b>Utilization Review Program</b>	\$105 Outpatient Pre-Certification \$29 Letter Only Authorization Program
<b>UR Physician Review</b>	\$270 per Review
<b>California UR IMR Processing</b>	\$125 per IMR Request
<b>Medical Case Management and Vocational Rehabilitation - Hourly</b>	\$115 per hour plus expenses \$135 per hour plus expenses - AK, CA, HI, NY \$175 per hour plus expenses CAT \$225 per hour plus expenses CAT - AK, CA, HI, NY
<b>Other State Services:</b> <ul style="list-style-type: none"> <li>• California MPN Service</li> <li>• Illinois PPP Service</li> <li>• New York PPO Service</li> <li>• Texas HCN Service</li> <li>• West Virginia MHCP Service</li> </ul>	For claims handled in the designated states (otherwise, Not Applicable)  No additional fees beyond the normal Cost & Terms  No additional fees beyond the normal Cost & Terms  No additional fees beyond the normal Cost & Terms  Percent of savings: 9.5% of total savings to include bill review, network access & Nurse triage.  Available option if client enrolls in a West Virginia MHCP. If selected, fees include \$45 per claim. Network Management and Administration of \$45 per hour when required
<b>Medical Cost Projection (MCP) and Clinical Recommendations</b>	\$150 per hour
<b>Pharmacy Benefit Management (PBM)</b>	Cost of prescriptions -- no charge for Bill Review or PPO reductions for PBM transactions
<b>Durable Medical Equipment (DME) Program</b>	Cost of medical equipment - no charge for Bill Review or PPO reductions for Prospective DME transactions
<b>Dental Review Program</b>	Charged on a per review basis

**(ATTACHMENT 7) ACTION ON THE AWARD OF PROFESSIONAL SERVICES CONTRACTS**



**GALLAGHER  
BASSETT**

GUIDE. GUARD. GO BEYOND.

**Milwaukee Board of School Directors**

10/01/2023 - 10/01/2024

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

**(ATTACHMENT 7) ACTION ON THE AWARD OF PROFESSIONAL SERVICES CONTRACTS**

Milwaukee Board of School Directors

10/01/2023 - 10/01/2024

**OTHER SERVICES**

<b>SERVICES</b>	<b>CHARGES</b>
Loss control	\$140 per hour
OSHA Reporting	\$6,000, OSHA platform to produce compliant OSHA 301 Report, 300 and 300a Logs, and electronic data file. Oversight and accuracy of all OSHA data is responsibility of the employer prior to posting or submitting any OSHA log.
<b>Gallagher Bassett Investigative Services (GBIS)</b>	
Special Fraud Investigations - SIU, Outside Field Investigations, Surveillance Investigations, Targeted Field Investigations	Prevailing hourly rate plus expenses
Targeted Database Searches, Self Service Database Searches	Prevailing rate per report
<b>Gallagher Bassett Litigation Management Program (GBLMP)</b>	
Invoice and Matter Management platform for adjusters/counsel	If utilized, 2% of net legal invoice (invoice net of disbursements and invoice review savings). Charged as discount off total payment remitted to counsel and will be reflected as an allocated expense on the claim file.
5 client licenses for Legal Analytics platform	
Attorney-led legal bill review	
<b>Gallagher Bassett Compliance Services (GBCS)</b>	
Medicare Set-Aside Services: Allocation, CMS Submission, Medicare Eligibility Inquiry (MEI), SSDI Verification, Medical Cost Projection (MCP)	Prevailing rate per each service Rush fees apply for MSA completed within 5 business days MSA Revision fees apply
Medicare Secondary Payer Services: BCRC Notification, Conditional Payment Research (CPR), Conditional Payment Negotiations (CPN), Conditional Payment Notice Evaluation, Conditional Payment Dispute, Securing Final Demand for Settlement (SFD), Release / Settlement Agreement Review, Lien Research and Resolution (Advantage Plan, Medicaid, Part D)	Prevailing rate per each service
<b>Taxes</b>	
Taxes	All applicable taxes will be added to the service fees where required



**(ATTACHMENT 7) ACTION ON THE AWARD OF PROFESSIONAL SERVICES CONTRACTS**



**Milwaukee Board of School Directors**

10/01/2023 - 10/01/2024

**PROGRAM SPECIFIC TERMS AND CONDITIONS**

**1. Reconciliation:**

- **Estimated Staffing:** The staffing and associated fees are based on the claim volume and claim mix as outlined within this document. Gallagher Bassett will review the claim counts and mix periodically during the service period and reconcile the staffing and fees associated with the actual claim volume and claim mix at the end of the service period.

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

**3. Claim Pricing Terms:**

**Annual Program:**

The fees included above are for claims handling for the 12 month contract period. Open claims at the end of the 12 month service period will be considered in the following year fees.

**Additional Charges:**

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

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

- Client Services
- 2 Telephonic Claim Strategy Meeting(s)
- 2 Standard Meeting(s) Included
- Settlement Consultation All Lines of Business @ \$0
- Claim Review Books
- Loss Fund /Banking Services (SIMMS)
- Claim Reporting
- Data Transfer to Carrier(s)
- Data Transfer to Client
- Acknowledgement Letter to Injured Employee WC
- Acknowledgement Letter to Claimant Liab

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

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

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

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

**(ATTACHMENT 7) ACTION ON THE AWARD OF PROFESSIONAL SERVICES CONTRACTS**



**Milwaukee Board of School Directors**

10/01/2023 - 10/01/2024

**GENERAL CONTRACT TERMS AND CONDITIONS**

1. Independent Adjusters - If applicable, following any significant loss as a result of a single event (hurricane, tornado, flood, earthquake, etc.), GB reserves the right to retain outside resources (adjusters) when appropriate and those fees will be paid as an Allocated Expense off the file.
2. The pricing quoted in this Cost & Terms is based upon the data and information provided by Client, as well as existing legislative and regulatory requirements. Material inaccuracies or changes to the foregoing may require adjustments to the quoted pricing.
3. Taxes - All applicable taxes will be added to the service fees where required.
4. Allocated Expenses: Shall be your responsibility as applicable and shall include, but not be limited to:
  - Legal Fees
  - Legal Bill Review
  - Medical Examination
  - Professional Photographs
  - Travel made at client's request
  - Costs for witness statements
  - Court reporter service, translation, and interpretation
  - Record retrieval and copying services (Including medical and legal)
  - Accident reconstruction
  - Experts' rehabilitation costs
  - Chemist
  - Fees for service of process
  - Collection cost payable to third parties on subrogation
  - Architects, contractors
  - Engineer
  - Any other similar cost, fee or expense reasonably chargeable to the investigation, negotiation, settlement or defense of a claim or loss which must have the explicit prior approval of the client
  - Police, fire, coroner, weather, or other such reports
  - Property damage appraisals
  - Vehicle appraisals (vehicle damage assessment)
  - SIU, surveillance and sub rosa investigation
  - Official documents and transcripts
  - Pre- and post-judgment interest paid
  - Outside Field Investigations
  - Subrogation at 0% of gross recovery
  - Index Bureau Reporting (All Coverages)
  - Second Injury Fund Recovery
  - Data Intelligence Self-Service Reports
  - Medical Management - Medical Management services may include, but are not limited to:
    - Preferred provider organization networks
    - Utilization review services
    - Automated state fee scheduling
    - Light duty/return-to-work programs
    - Medical case management and Vocational rehabilitation network
    - Prospective injury management services
    - Hospital bill audit services

**(ATTACHMENT 7) ACTION ON THE AWARD OF PROFESSIONAL SERVICES CONTRACTS**



**Milwaukee Board of School Directors**

10/01/2023 - 10/01/2024

**DEFINITIONS**

**Incidents**

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

**Workers' Compensation - Medical Only Claims**

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

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

**Workers' Compensation - Indemnity Claims**

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

**(ATTACHMENT 7) ACTION ON THE AWARD OF PROFESSIONAL SERVICES CONTRACTS**

Contract Requisition: CR062166

Contract Number: C031864

Vendor Number: V028117

**SCHEDULE 1**

**Michigan Self-Insured or Group Fund**

To the extent that GB will administer any workers compensation Claims on behalf of a self-insured or group fund in the State of Michigan ("**Michigan Claims**"), the following terms will apply:

1. During the term of the Agreement and as contractually obligated thereafter, GB shall be required to report Michigan Claims to Client's excess carriers as agreed by the Parties.
2. In the event either Party elects to terminate this Agreement as provided in Section 9.2 of the Agreement, the Party providing notice of termination will provide a copy to The State of Michigan, Department of Labor, Bureau of Workers' Disability Compensation (the "**State**"). Regardless of any notice of termination, GB will continue to administer all Michigan Claims with dates of injury or disease occurring within the term of this Agreement until conclusion of the Michigan Claims, unless and until GB is relieved of responsibility of continued handling of the Michigan Claims by the State, in writing. Unless and until GB is relieved of responsibility for handling of Michigan Claims by the State, Client shall continue to pay GB the Service Fees owed for Services provided under this Agreement at the terms and rates in effect on the date notice of termination, and as further provided below with respect to any Michigan Claims that are Run-Off Claims.
3. In the event that Client's program is "Life of Partnership" pricing model and GB and Client cannot agree to ongoing per claim, per year open, Service Fees for Run-Off Claims, GB will notify the State, and will continue to administer the Michigan Claims until the State has provided notice to both Parties that a replacement third party administrator or service company has been approved to take over administration of the Michigan Claims.

**(ATTACHMENT 7) ACTION ON THE AWARD OF PROFESSIONAL SERVICES CONTRACTS**

Contract Requisition: CR062166

Contract Number: C031864

Vendor Number: V028117

**SCHEDULE 2**

**Oregon Requirements**

GB and Client hereby acknowledge and agree that with respect to workers' compensation Claims originating (benefit state) in the State of Oregon:

1. Pursuant to Oregon Revised Statute 731.475(3)(b), effective as of January 1, 2012 and ending upon the expiration of the Agreement, Client hereby grants GB a power of attorney and authority to act on behalf of Client as it relates to workers' compensation coverage and claims proceedings in the State of Oregon pursuant to Oregon Revised Statute chapter 656; and
2. GB shall not provide managed care services or any other claims handling services not permitted by the laws and regulations of the State of Oregon.