

Recorder's Office Cover Sheet

Recording Requested By:

Name: Christine Vido

Department: Human Resources

Item ID/Agreement #: DC-882-2024

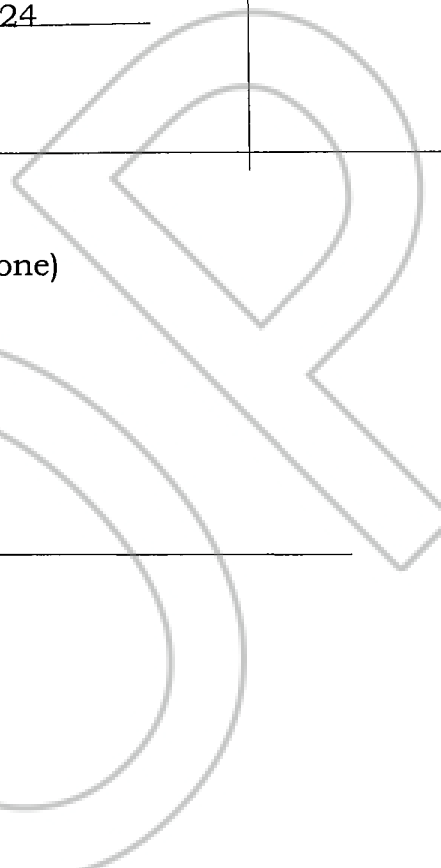


SHAWNYNE GARREN, RECORDER

Type of Document: (please select one)

- Agreement
- Contract
- Grant
- Change Order
- Easement
- Other

specify: \_\_\_\_\_



7/24/24  
DATE

DOUGLAS COUNTY CLERK  
MINDEN, NV

**CONTRACT FOR SERVICES BY AN INDEPENDENT CONTRACTOR**

BY                       DEPUTY

A CONTRACT BETWEEN

DOUGLAS COUNTY  
P.O. BOX 218  
MINDEN, NV 89423

AND

Cannon Cochran Management Services, Inc.  
2 EAST MAIN STREET  
DANVILLE, IL 61832

This Contract for Services by an Independent Contractor (hereafter "Contract") is entered into by and between Douglas County, a political subdivision of the State of Nevada, (hereafter "County") through the Douglas County Board of County Commissioners and Cannon Cochran Management Services, Inc. (CONTRACTOR) (hereafter "Contractor") a foreign corporation licensed to do business in the State of Nevada (NV20001278530). The County and Contractor are at times collectively referred to hereinafter as the "Parties or individually as the "Party."

WHEREAS, County, a political subdivision of the State of Nevada, from time to time requires the services of independent contractors; and

WHEREAS, it is deemed that the services of Contractor herein specified are both necessary and desirable and in the best interests of County; and

WHEREAS, Contractor represents that the company is duly licensed, qualified, equipped, staffed, ready, willing and able to perform and render the professional services hereinafter described;

NOW, THEREFORE, in consideration of the Contracts herein made, the Parties mutually agree as follows:

- 1. **EFFECTIVE DATE OF CONTRACT.** The Contract will become effective on July 01, 2024 and shall continue until June 30, 2027 unless terminated as set forth herein.
- 2. **INDEPENDENT CONTRACTOR STATUS.** The Parties agree that Contractor shall have the status of an independent contractor and that this contract, by explicit Contract of the Parties, incorporates and applies the provisions of NRS 333.700 et. al., as necessarily adapted, to the Parties, including that Contractor is not a County employee and that
  - There shall be no:
    - (1) Withholding of income taxes by the County;
    - (2) Industrial insurance coverage provided by the County;
    - (3) Participation in group insurance plans which may be available to employees of the County;
    - (4) Participation or contributions by either the independent contractor or the County to the public employee's retirement system;
    - (5) Accumulation of vacation leave or sick leave;
    - (6) Unemployment compensation coverage provided by the County if the requirements of NRS 612.085 for independent contractors are met.

**3. INDUSTRIAL INSURANCE.** Contractor further agrees, as a precondition to the performance of any work under this contract and as a precondition to any obligation of the County to make any payment under this contract, to provide the County with a work certificate and/or a certificate issued by a qualified insurer in accordance with NRS 616B.627. Contractor also agrees, prior to commencing any work under the contract, to complete and to provide the following written request to a qualified insurer:

CCMSI has entered into a contract with Douglas County to perform work from July 01, 2024 until June 30, 2027, and requests that the insurer provide to Douglas County 1) a certificate of coverage issued pursuant to NRS 616B.627 and 2) notice of any lapse in coverage that the contractor is required to maintain. The certificate and notice should be mailed to:

Douglas County Manager  
Post Office Box 218  
Minden, Nevada 89423

Contractor agrees to maintain required workers compensation coverage throughout the entire term of the contract. If contractor does not maintain coverage throughout the entire term of the contract, contractor agrees that County may, at any time the coverage is not maintained by contractor, order the contractor to stop work, suspend the contract, or terminate the contract at the sole discretion of the County.

**4. SERVICES TO BE PERFORMED.** The Parties agree that the services to be performed are Third Party Administrative Services for Douglas County's Self-Insured Workers' Compensation Program as stated in Exhibit A, CCMSI Schedule of Reports as well as Fee and Payment Schedule for Douglas County, attached and incorporated herein and as further set forth below:

**A. Schedule of Reports:** A monthly detailed listing of all claims broken down by location, policy year and line of coverage. A monthly summary of all claims broken down by location, policy year and line of coverage. A monthly check register listing all checks issued during a reporting period.

**B. Claims Management** for Reporting/Incident Claims, Medical Only Claims, Complex/Enhanced Medical Only Claims, and Indemnity Claims (hereafter collectively referred to as "claims"):

- (a) **Claim Management and Administration.** In compliance with its Best Practices, CONTRACTOR will manage and administer all claims of the County that occur during the period of this Contract. All claim payments shall be made with County funds. CONTRACTOR will act on behalf of County in handling, monitoring, investigating, overseeing and adjusting all such actual and alleged claims.
- (b) **Claim Settlement.** CONTRACTOR will settle claims of the County with County funds in accordance with reasonable limits and guidelines established with the County.
- (c) **Claim Reserves.** CONTRACTOR will establish reserves for unpaid reported claims and unpaid claim expenses.

(d) Allocated Claim Expenses. CONTRACTOR will pay all Allocated Claim Expenses with County Funds. Allocated Claim Expenses are charges for services provided in connection with specific claims by persons or firms which are eligible claim expenses under the County's program. Notwithstanding the foregoing, Allocated Claim Expenses will include all expenses incurred in connection with the investigation, adjustment, settlement or defense of County claims, even if such expenses are incurred by CONTRACTOR. Allocated Claim Expenses will include, but not be limited to, charges for:

- 1) Independent medical examinations of claimants;
- 2) Managed care expenses, which include the services provided by, CONTRACTOR's proprietary managed care program. Examples of managed care expenses includes but is not limited to state fee schedule, Preferred Provider Organization (PPO) networks, utilization review, nurse case management, medical bill audits and medical bill review;
- 3) Fraud detection expenses, such as surveillance, which include the services provided by *FIRE* (Fraud Identification, Recovery, and Elimination), CONTRACTOR's proprietary Special Investigation Unit (SIU), and other related expenses associated with the detection, reporting and prosecution of fraudulent claims, including legal fees;
- 4) Attorneys, experts and special process servers hired in consultation with Human Resources Director and District Attorney's Office;
- 5) Court costs, fees, interest and expenses incurred in consultation with Human Resources Director and District Attorney's Office;
- 6) Depositions, court reporters and recorded statements hired in consultation with Human Resources Director and District Attorney's Office;
- 7) Independent adjusters and appraisers;
- 8) Index bureau and OFAC (Office of Foreign Assets Control) charges;
- 9) Medicare, Medicaid, and SCHIP Extension Act of 2007 (MMSEA/SCHIP) compliance charges;
- 10) Electronic Data Interchanges (EDI) charges if required by State law;
- 11) CONTRACTOR personnel, at their customary rate or charge, but only with respect to claims outside the State and only if such customary rate is communicated to the County prior to incurring such cost and only upon advance approval by the County;
- 12) Actual reasonable expenses incurred by CONTRACTOR employees outside the State for meals, travel, and lodging in conjunction with claim management only if such reasonable expenses are communicated to the County prior to incurring such cost and only upon advance approval by the County;
- 13) Police, weather and fire report charges that are related to claims being administered under County's program;

- 14) Charges associated with accident reconstruction, cause and origin investigations, etc. incurred in consultation with Human Resources Director and District Attorney's Office;
  - 15) Charges for medical records, personnel documents, and other documents necessary for adjudication of claims under County's program;
  - 16) Charges associated with Medicare Set-Aside Allocations; and
  - 17) Other expenses normally recognized as Allocated Loss Adjustment Expense (ALAE) by industry standards.
  - 18) Bill Review Fees
- (e) Subrogation. CONTRACTOR will monitor claims for subrogation
  - (f) Provision of Reports. CONTRACTOR agrees to provide reports to the County as specified in the Schedule of Reports attached hereto as Exhibit A.
  - (g) Risk Management Services. CONTRACTOR will provide the County with additional Risk Management Services not contemplated in the Contract upon mutual agreement of the Parties.
  - (h) Loss Control Services. CONTRACTOR will provide the County loss control services upon mutual agreement of the Parties. The County shall remain fully responsible for the implementation and operation of its own safety programs and for the detection and elimination of any unsafe conditions or practices.

CONTRACTOR assumes no responsibility for the detection, identification, communication, mitigation, or elimination of any unsafe condition or practice associated with the safety program of any County. Further, CONTRACTOR assumes no responsibility for any injury sustained by an employee of the County.

- (i) Managed Care Services. CONTRACTOR will provide the County with managed care services upon mutual agreement of the Parties. The Schedule of Managed Care Services to be provided is attached hereto as Exhibit A.

**B. COUNTY RESPONSIBILITIES. County agrees to:**

1. Report all claims, incidents, reports or correspondence relating to potential claims in a timely manner.
2. Reasonably cooperate in the disposition of all claims.
3. Provide adequate funds to pay all claims and expenses in a timely manner.
4. Respond to reasonable information requests in a timely manner.

5. Identify in writing all insurance carriers applicable to CONTRACTOR's claim handling responsibilities contemplated in this Service Contract that CONTRACTOR will have claim or data reporting requirements. In this regard, County agrees to provide CONTRACTOR with a complete copy of the current excess or other insurance policies, including applicable endorsements and audits, applicable to County's insurance program and this Service Contract. CONTRACTOR assumes no responsibility of any kind for not reporting an otherwise reportable claim to any carrier that County has failed to disclose to CONTRACTOR and/or provide CONTRACTOR with a copy of the applicable insurance policy and reporting instructions relative to that carrier.

6. Pay any fees or costs charged by any carrier or prior TPA of County for the conversion of data associated with CONTRACTOR handling run off claims for County, or for the general transfer of data to CONTRACTOR's operating systems.

7. Promptly pay CONTRACTOR's fees.

C. **OPERATING EXPENSES.** The County agrees to be responsible for and pay all of its own operating expenses other than service obligations of CONTRACTOR. Such operating expenses shall include but not be limited to charges for the following:

1. All costs associated with the County meeting its State security and licensing requirements;
2. Certified Public Accountants
3. Attorneys, other than provided for in Paragraph 4, Section B(d)(4) & (d)(5) of this Contract;
4. Outside consultants, actuarial services or studies and State audits;
5. Independent payroll audits;
6. Allocated Claims Expenses incurred pursuant to Paragraph 4, Section B(d) of this Contract;
7. All applicable regulatory fees and taxes;
8. Educational and/or promotional material, industry-specific loss control material, customized forms and/or stationery, supplies and extraordinary postage, such as bulk mailing, express mail or messenger service.
9. National Council on Compensation Insurance, NCCI, charges;
10. Excess and other insurance premiums;
11. Costs associated with the development, record keeping and filing of fraud statistics and plans, but only if required by any State or regulatory authority having jurisdiction over County;

12. Other operating costs as normally incurred by the County.

**5. PAYMENT FOR SERVICES.** The Parties agree the Contractor will provide the Services set forth in paragraph 4, Services to be Performed, and the County agrees to pay Contractor as set forth in Exhibit A, Schedule of Reports, Services, and Fees. Annual administration of Douglas County's Worker's Compensation claims is a set fee of \$10,000, an Internet Claim Access Fee in the amount of \$1,500.00 (five users), and an OSHA System Access Fee of \$2,500 for a total not to exceed \$14,000.00 which will be billed on the first invoice of each contract year. CONTRACTOR will manage all worker's compensation claims for the term of the Agreement on a per claim fee: for claims at a rate of \$184.00 per Medical Only Claim, \$1,350 per Indemnity Claim, and \$350 per Complex/Enhanced Medical Only Claim. Active claims which are open for more than 24 months shall be subject to an additional charge of \$65.00 per month until closure. Attendance at a Hearing Officer (HO) Level Hearing – CCMSI Attended shall be subject to a \$250 fee per hearing. Additional requests for services shall be billed at the rate set forth in Exhibit A. Costs for claims management services by the Contractor shall not exceed \$50,000 in any fiscal year unless agreed to in writing as an amendment to this Contract which can be authorized and signed by the Douglas County Manager. Contractor shall submit monthly requests for payment for services performed under this Contract. Requests for payment shall be submitted no later than fifteen (15) days after the end of the month and must include a detailed summary of the expenditures. Specifically, Contractor agrees to provide with each request for payment a schedule of actual expenditures for the period as well as cumulative total expenditures for the respective fiscal year.

The Parties agree that the timeliness of billing is of the essence to his Contract and recognize that County is on a fiscal year which is defined as the period beginning July 1 and ending June 30 of the following year. All billings for dates of services prior to July 1 must be submitted to County no later than the first Friday in August of the same year.

**6. TERMINATION OF CONTRACT.** This contract may be revoked without cause by either Party prior to the date set forth in paragraph (2), provided that a revocation shall not be effective until 30 days after a Party has served written notice upon the other Party.

(a) County reserves the right to terminate this Contract for the convenience whenever it considers termination, in its sole and unfettered discretion, to be in the public interest. In the event that the Contract is terminated in this manner, payment will be made for services actually performed. If termination occurs under this provision in no event shall Contractor be entitled to anticipated profits on items of services not performed as of the effective date of the termination or compensation for any other item, including but not limited to unabsorbed overhead. Contractor shall require that all subcontracts which it enters related to this Contract likewise contain a termination for convenience clause which precludes the ability of any subcontractor to make claims against Contractor for damages due to breach of contract, lost profit on items of services not performed, or unabsorbed overhead, in the event of a convenience termination.

(b) Nonappropriation. All payments and services provided under this Contract are contingent upon the availability of the necessary public funding, which may include various internal and external sources. In the event that the County does not acquire and appropriate the funding necessary to perform in accordance with the terms of the Contract the Contract shall automatically terminate upon County's notice to Contractor of such nonappropriation.

(c) Services Following Termination of Contract. Should this Contract be terminated or non-renewed for any reason, CONTRACTOR will cease providing services, turn over to the County all County files in CONTRACTOR's possession, which shall include all open and closed files.

Upon the County's request and subject to Contract by CONTRACTOR, CONTRACTOR will be paid a reasonable negotiated fee to:

- (a) Provide for continued administration of the open claim files;
- (b) Cooperate with any successor administrator in the orderly transfer of all functions, including providing a runoff listing of open claim files if desired by the County and any other records reasonable and necessary for a successor administrator; and
- (c) Provide an electronic transfer of data if such is feasible, with the cost of providing such borne by the County. The electronic transfer of data will be subject to a flat fee of \$2,500.

**7. CONSTRUCTION OF CONTRACT.** This contract shall be construed and interpreted according to the laws of the State of Nevada. There will be no presumption for or against the drafter in interpreting or enforcing the Contract. In the event a dispute arises between the Parties, the Parties promise and agree to first meet and confer to resolve any dispute. If such meeting does not resolve the dispute, then the Parties agree to mediate any dispute arising from or relating to the Contract before an independent mediator. The fee, rate or charge of the mediator will be shared equally by the Parties, who will otherwise be responsible for their own attorney's fees and costs. If mediation is unsuccessful, litigation may only proceed before a department of the Ninth Judicial Court of the State of Nevada in and for the County of Douglas that was not involved in the mediation process and attorney's fees and costs will be awarded to the prevailing party at the discretion of the court. The parties agree that in the event a lawsuit is filed and a party is awarded attorney's fees by the court, for any reason, the amount of recoverable attorney's fees shall not exceed the rate of \$125 per hour. The mediator and court will recognize any offers of judgment made by a Party pursuant to Nevada law.

**8. INSURANCE.** Douglas County's liability coverage will not extend to the Contractor. Without limiting Contractor's indemnification of County as described in Section 18, Contractor shall obtain and maintain at its own expense during the term of this Contract, policies of liability insurance of the type and amounts described below. Such policies shall be signed by a person authorized by that insurer to bind coverage on its behalf.

The County and its elected officials, employees, agents, and volunteers shall be named as additional insureds under the policies required for all liability arising from Contractor's performance of work pursuant to this Contract. This provision shall also apply to any excess/umbrella liability policies. This insurance shall be primary to any insurance maintained by the County. County insurance shall not contribute to any judgment rendered against the County.

Prior to the commencement of any work under this Contract, Contractor shall provide to the County certificates of insurance with original endorsements of the following insurance coverage:



a. **General Liability Insurance.** Contractor is required to acquire and maintain general liability insurance in the minimum amount of \$1,000,000 per occurrence, \$2,000,000 general aggregate, for bodily injury, personal injury, and property damage during the term of this Contract at Contractor's sole expense. Proof of insurance must be sent to the Douglas County Manager. Such proof of insurance must be provided at least annually throughout the term of this Contract and Douglas County must be notified at least 30 days in advance of any cancellation or nonrenewal of such insurance.

b. **Automobile Liability Insurance.** Contractor is required to acquire and maintain automobile insurance covering bodily injury and property damage for all activities of the Contractor arising out of or in connection with the work to be performed under this Contract, including coverage for any owned, hired, non-owned or rented vehicles, in an amount not less than \$1,000,000 combined single limit for each accident.

c. **Professional Liability (errors and omissions) Insurance.** Contractor shall maintain professional liability insurance that covers the Services to be performed in connection with this Contract, in the minimum amount of \$1,000,000 per claim and in the aggregate. Any policy inception date, continuity date, or retroactive date must be before the effective date of this Contract and Contractor agrees to maintain continuous coverage through a period of no less than three (3) years after completion of the Services required by this Contract.

All insurance coverage maintained or procured pursuant to this Contract shall be endorsed to waive subrogation against County, its elected officials, employees, agents, and volunteers or shall specifically allow Contractor or others providing insurance evidence in compliance with these specifications to waive their right of recovery prior to a loss. Contractor hereby waives its own right of recovery against County and shall require similar written express waivers and insurance clauses from each of its subcontractor(s).

Coverage provided by Contractor shall be primary and any insurance or self-insurance procured or maintained by County shall not be required to contribute with it. The limits of insurance required herein may be satisfied by a combination of primary and umbrella or excess insurance. Any umbrella or excess insurance shall contain or be endorsed to contain a provision that such coverage shall also apply on a primary and non-contributory basis for the benefit of the County before the County's own insurance or self-insurance shall be called upon to protect it as a named insured.

Requirements of specific coverage features, or limits contained in this Contract are not intended as a limitation on coverage, limits or other requirements, or a waiver of any coverage normally provided by any insurance. Specific reference to a given coverage feature is for purposes of clarification only as it pertains to a given issue and is not intended by any Party or insured to be all inclusive, or to the exclusion of other coverage, or a waiver of any type. If the Contractor maintains higher limits than the minimums shown above, the County requires and shall be entitled to coverage for the higher limits maintained by the Contractor. Any available insurance

proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the County.

None of the coverages required herein will be in compliance with these requirements if they include any limiting endorsements of any kind that has not been first submitted to County and approved in writing.

A severability of interests provision must apply for all additional insureds ensuring that Contractor's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the insurer's limits of liability. The policies shall not contain cross-liability exclusions.

Contractor agrees to ensure that its subcontractor(s), and any other party involved with the project who is brought onto or involved in the project by the Contractor, provide the same minimum insurance coverage and endorsements required of Contractor. Contractor agrees to monitor and review all such coverage and assumes all responsibility for ensuring that such coverage is provided in conformity with the requirements of this Contract.

Any self-insured retentions must be declared to and approved by the County. County reserves the right to require that self-insured retentions be eliminated, lowered, or replaced by a deductible. Self-insurance will not be considered to comply with these specifications unless approved by County.

Contractor shall give County prompt and timely notice of claims made or suits instituted that arise out of or result from Contractor's performance under this Contract, and that involve or may involve coverage under any of the required liability policies.

Contractor shall procure and maintain, at its own cost and expense, any additional kinds of insurance, which in its own judgment may be necessary for its proper protection and prosecution of the work to be performed under this Contract.

**9. DISPUTE RESOLUTION.** In the event a dispute arises between the Parties, the Parties promise and agree to first meet and confer to resolve any dispute. If such meeting does not resolve the dispute, then the Parties agree to mediate any dispute arising from or relating to the Contract before an independent mediator mutually agreed to by the parties. The fee, rate or charge of the mediator will be shared equally by the Parties, who will otherwise be responsible for their own attorney's fees and costs. If mediation is unsuccessful, litigation may only proceed before a department of the Ninth Judicial Court of the State of Nevada in and for the County of Douglas that was not involved in the mediation process and attorney's fees and costs will be awarded to the prevailing party at the discretion of the court.

**10. NONDISCRIMINATION.** In accordance with Title VI of the Civil Rights Act of 1964, as amended, 42 U.S.C. § 2000d, Section 303 of the Age Discrimination Act of 1975, as amended, 42 U.S.C. § 6102, Section 202 of the Americans with Disabilities Act of 1990, 42 U.S.C. § 12132, 49 U.S.C. § 5332, and any other applicable Federal or State non-discrimination

laws, the Contractor agrees that it will not unlawfully discriminate on the basis of race, color, creed, national origin, sex, age, or disability in the performance of this Contract.

**11. COMPLIANCE WITH APPLICABLE LAWS.** Contractor shall fully and completely comply with all applicable local, state and federal laws, regulations, orders, or requirements of any sort in carrying out the obligations of this contract, including, but not limited to, all federal, state, and local accounting procedures and requirements and all immigration and naturalization laws.

**12. ASSIGNMENT.** Contractor shall neither assign, transfer nor delegate any rights, obligations or duties under this contract without the prior written consent of the County.

**13. COUNTY INSPECTION.** The books, records, documents and accounting procedures and practices of Contractor related to this contract shall be subject to inspection, examination and audit by the County, including, but not limited to, the contracting agency, the County Manager, the District Attorney, and, if applicable, the Comptroller General of the United States, or any authorized representative of those entities.

**14. DISPOSITION OF CONTRACT MATERIALS.** Any books, reports, studies, photographs, negatives or other documents, data, drawings or other materials prepared by or supplied to Contractor in the performance of its obligations under the Contract (the "Materials") will be the exclusive property of the County and all such materials will be remitted and delivered, at Contractor's expense, to the County by Contractor upon the completion, termination or cancellation of the contract. Alternatively, if the County provides its written approval to Contractor, the Materials must be retained by Contractor for a minimum of six years after Contractor's receipt of the final payment from County and all other pending matters are closed. If, at any time during the retention period, the County, in writing, requests any or all of the Materials, then Contractor will promptly remit and deliver the materials, at Contractor's expense, to the County. Unless the County has requested the remittance and delivery by Contractor of the Materials, Contractor will not use, willingly allow or cause to have such Materials used for any purpose other than the performance of Contractor's obligations under the terms of the Contract without the prior written consent of the County.

**15. PUBLIC RECORDS LAW.** Contractor expressly agrees that all documents ever submitted, filed, or deposited with the County by Contractor, unless designated as confidential by a specific statute of the State of Nevada, shall be treated as public records pursuant to Nevada Revised Statutes, (NRS) Chapter 239 and shall be available for inspection and copying by any person, as defined in NRS 0.039, or any governmental entity. Contractor expressly and indefinitely waives all of its rights to bring, including but not limited to, by way of complaint, interpleader, intervention, or any third Party practice, any claims, demands, suits, actions, judgments, or executions, for damages or any other relief, in any administrative or judicial forum, against the County or any of its officers or employees, in either their official or individual capacity, for violations of or infringement of the copyright laws of the United States or of any other nation.

**16. LIMITED LIABILITY.** County will not waive and intends to assert available NRS Chapter 41 liability limitations in all cases. Contract liability of both parties shall not be subject to punitive damages. Liquidated damages shall not apply unless otherwise expressly provided for elsewhere in this Contract. Damages for any County breach shall never exceed the amount of funds appropriated for payment under this Contract, but not yet paid to Contractor for the fiscal year budget in existence at the time of breach. Contractor's tort liability shall not be limited.

**17. INDEMNIFICATION.** To the extent permitted by law, including, but not limited to, the provisions of NRS Chapter 41, each party shall indemnify, hold harmless and defend, not excluding the other's right to participate, the other party from and against all liability, claims, damages, losses, and expenses including but not limited to reasonable attorney's fees and costs arising out of any alleged negligent or willful acts or omissions of the indemnifying party, its officers, employees and agents. Such obligation shall not be construed to negate, abridge or otherwise reduce any other right or obligation of indemnity which would otherwise exist as to any party or person described in this paragraph.

(a) The indemnifying party shall not be obligated to provide a legal defense to the indemnified party, nor reimburse the indemnified party for the same, for any period occurring before the indemnified party provides written notice of the pending claim(s) or cause(s) of action to the indemnifying party along with: (1) a written request for a legal defense for such pending claim(s) or cause(s) of action; and (2) a detailed explanation of the basis upon which the indemnified party believes that the claim or cause of action asserted against the indemnified party implicates the culpable conduct of the indemnifying party, its officers, employees and/or agents.

**18. MODIFICATION OF CONTRACT.** This Contract constitutes the entire Contract between the Parties and may only be modified by a written amendment signed by the Parties or the Douglas County Manager as provided for in Paragraph 5.

**19. AUTHORITY.** The Parties represent and warrant that they have the authority to enter into this Contract.

**20. STANDARD OF CARE.** Contractor will perform all services in a manner consistent with any applicable licensing or professional rules and with that level of care and skill ordinarily exercised by other members of Contractor's profession currently practicing in the same locality under similar conditions.

**21. BOYCOTT OF ISRAEL.** If the annual amount required to perform this Contract (identified in Paragraph 3 of this Contract) exceeds \$100,000, then by signing this Contract, Contractor certifies that it is not currently engaged in, and agrees for the duration of the contract not to engage in, a boycott of Israel as defined in NRS 332.065.

**22. WAIVER OF LIEN.** Contractor understands and agrees that the services it will render to the County are not intended for the improvement of real property or to otherwise grant any rights to Contractor pursuant to NRS Chapter 108.

**23. THIRD PARTY BENEFICIARY.** Nothing contained in this Contract is intended to convey any rights or to create a contractual relationship with any third Party or to otherwise allow a third Party to assert a cause of action against either Contractor or County.

**24. NOTICES.** All notices, requests, demands and other communications hereunder must be in writing and will be deemed delivered when sent via certified mail, return receipt requested or by commercial courier, provided the courier's regular business is delivery service and provided further that it guarantees delivery to the addressee by the end of the next business day following the courier's receipt from the sender, addressed as follows (or any other address that the Party to be notified may have designated to the sender by like notice):

**To County:** Douglas County  
Attn: Human Resources Director  
Post Office Box 218  
Minden, Nevada 89423  
Telephone: (775) 782-6201

**To Contractor:** Cannon Cochran Management Services, Inc.  
Attn: Chief Operating Officer  
2 E. Main St.  
Danville, IL 61832

**25. CONFLICT OF INTEREST.** By signing the Contract, Contractor agrees that any information obtained from Douglas County, in whatever form, will not be divulged to other competing interests without the permission of the County Manager. In the event of a breach of this provision, Douglas County may immediately withdraw, without penalty or any payment, from the Contract. Contractor must notify Douglas County of any other contracts or projects Contractor is working on that may impact Douglas County.

**26. SOFTWARE ACCESS.** The County may be provided with the right to use one or more CONTRACTOR Applications in connection with the services provided by CONTRACTOR in this Contract. CONTRACTOR Applications include iCE, MyReports, Loss Control ASAP, Loss Control Resources and iCEBAR. The right to use CONTRACTOR Applications is non-exclusive, limited to the term of this Contract per paragraph 3., non-transferable and is solely for the internal business use of County.

CONTRACTOR owns and reserves all rights, title, and interest in and to the CONTRACTOR Applications. County has no right to receive a copy of the object code or source code to the CONTRACTOR Applications. County may not attempt to:

1. License, sell, lease or otherwise make the CONTRACTOR Applications available to any other Party. County will not provide any access, passwords or other information regarding the CONTRACTOR Applications to any third Parties and/or competitors of CONTRACTOR without the prior written consent of CONTRACTOR;

2. Use the CONTRACTOR Applications in any way that violates any law, regulation or mandate, or the term of this Contract; or
3. Take any action that jeopardizes confidential or proprietary information held by the CONTRACTOR.

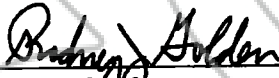
County is responsible for any confidential or proprietary information accessed or downloaded by County from the CONTRACTOR Applications, including the implementation of appropriate information security controls surrounding such information.

Except as expressly provided in this Contract, CONTRACTOR Applications are provided "as-is". CONTRACTOR disclaims all other warranties, express, implied, or statutory, including the implied warranties or merchantability, satisfactory quality, title, fitness for a particular purpose, non-infringement, compatibility, security, quiet enjoyment, or accuracy. Without limiting the foregoing, CONTRACTOR does not warrant that access to, or use of the CONTRACTOR Applications will be uninterrupted or error-free. CONTRACTOR will provide support for the CONTRACTOR Applications in the two most recent two versions of Internet Explorer, Chrome, Firefox and Safari browsers.

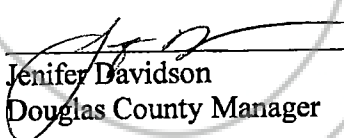
**27. INFORMATION SECURITY.** CONTRACTOR is responsible for the protection of the confidentiality, availability, privacy and integrity of County information in our custody. CONTRACTOR has implemented an Information Security Policy that has been developed to comply with applicable federal and state laws or regulations and industry best practices. The Information Security Policy applies to all CONTRACTOR personnel, including temporary employees, independent contractors and vendors with access to CONTRACTOR systems.

IN WITNESS WHEREOF, the Parties hereto have caused this contract to be signed and intend to be legally bound thereby.

**Cannon Cochran Management Services, Inc.**

  
\_\_\_\_\_  
Rodney J. Golden (Date) 6/10/24  
Chief Operating Officer/Executive Vice President

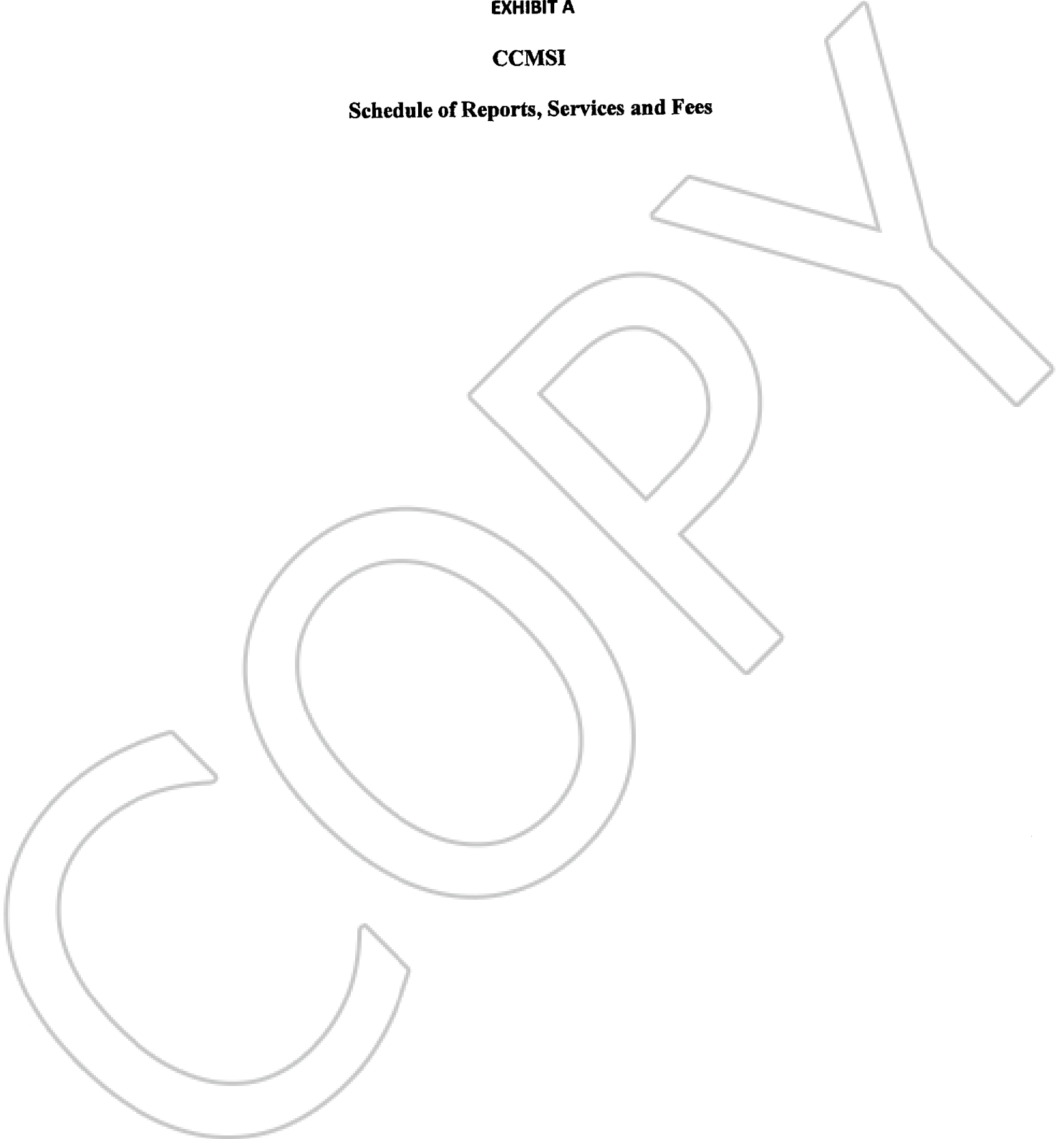
**Douglas County**

  
\_\_\_\_\_  
Jenifer Davidson (Date) 7/19/2024  
Douglas County Manager

**EXHIBIT A**

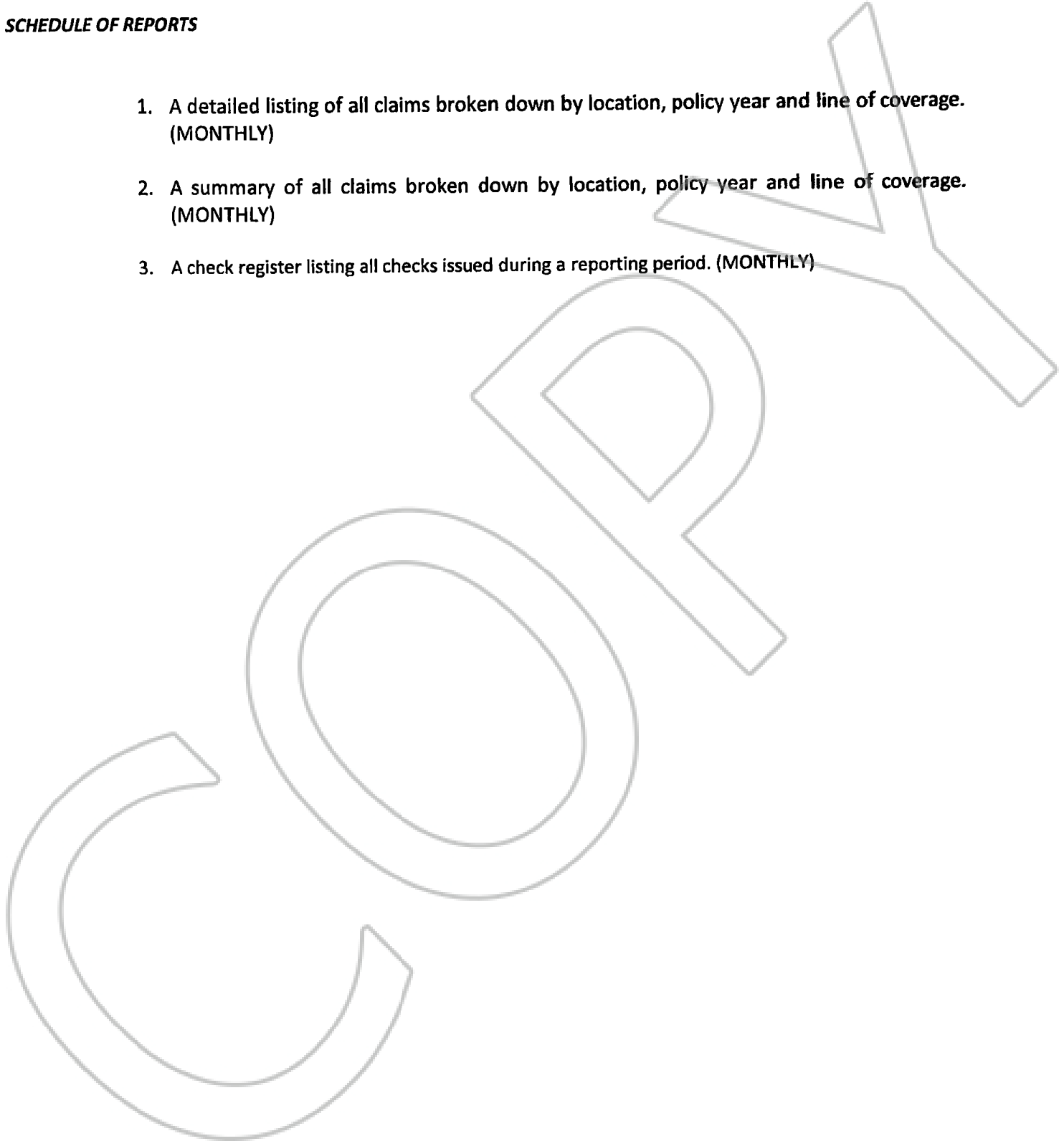
**CCMSI**

**Schedule of Reports, Services and Fees**



**SCHEDULE OF REPORTS**

1. A detailed listing of all claims broken down by location, policy year and line of coverage. (MONTHLY)
2. A summary of all claims broken down by location, policy year and line of coverage. (MONTHLY)
3. A check register listing all checks issued during a reporting period. (MONTHLY)





**DOUGLAS COUNTY**

**PROPOSED FEE AND PAYMENT SCHEDULE**

<b>Service Agreement Term: 7/1/2024-6/30/27</b>	
<b>Services: Workers' Compensation Claims Administration</b>	<b>Fees:</b>
<b>Claims Administration (minimum)</b>	
<p>CCMSI will manage all workers' compensation claims for the <b>Life of Agreement</b> for a <b>per claim fee</b> as follows:</p> <p>Claims will be analyzed by the number and type of claim on an on-going basis and priced on a per claim basis as outlined below.</p> <p><u>Workers' compensation:</u>                      Indemnity claims @ <b>\$1,350.00</b>/per claim                      Medical only claims @ <b>\$184.00</b>/per claim                      Complex/Enhanced Medical Only surcharge @ <b>\$350</b>/per claim                      Incident/record only @ <b>\$0</b>/per incident (if entered into iCE by client)                      Sunset Clause: Active claims open for &gt; 24 months: <b>\$65/month</b> until closure</p> <p><b>There will be a 3% fee increase to claim fees only per year (does not include Complex/Enhanced Medical only surcharge fee).</b></p> <p><u>Workers' Compensation Claim Definitions</u></p> <ul style="list-style-type: none"> <li>▪ <b>Indemnity Claims</b> – Claims involving lost-time, questionable compensability, legal involvement/client attorney representation, subrogation, second injury fund, probable permanent impairment, jurisdictional issues, coverage issues and complex medical issues that are assigned or transferred to indemnity adjusters for claims handling.</li> <li>▪ <b>Medical Only Claims</b> – Claims which have no issues of lost time, no evidence of other indemnity benefit exposure, no obvious question of compensability, no evidence of potential subrogation or second injury recovery, no evidence of problematic medical issues and no requirement or need for any formal statements (3-point or 2-point verbal contact is not required).</li> <li>▪ <b>Complex/Enhanced Medical Only</b> – Medical only claims that have 6 or more paid medical transactions and total paid dollars greater than \$2,500.</li> <li>▪ <b>Report Only/Incident Only Claims</b> – Reported claims which require only input into RMIS system and requires no claims management</li> </ul>	

activity.									
<b>Annual Administration Fee</b>	<b>\$10,000</b>								
<ul style="list-style-type: none"> <li>• Dedicated client service team</li> <li>• Development of specific client service requirements</li> <li>• Monthly loss reporting</li> <li>• Quarterly claim reviews at client's request</li> <li>• Issuance of 1099's</li> <li>• Assistance in filing of all required state forms including state mandated assessments <ul style="list-style-type: none"> <li>◦ If Client has directed CCMSI to utilize a third party vendor selected by Client for the provision of services then such assistance will be the responsibility of the third party vendor</li> </ul> </li> <li>• Preparation for, compliance with and response to regulatory audits</li> <li>• Account Management and Administration</li> </ul>									
<b>Annual Internet Claim Access Fees</b>	<b>\$1,500</b>								
<u>Internet claims system access which includes:</u> <ul style="list-style-type: none"> <li>• Viewing access to all claims data</li> <li>• Risk Management statistical analysis</li> <li>• Comprehensive and complete access to claims management process</li> <li>• On-line reports</li> <li>• On-line reporting capability via the internet</li> <li>• Ability to generate First Notice of Loss</li> </ul>	Per year for up to 5 users. \$250 per additional user.								
<b>Managed Care Service Fees</b>	<b>See Detail</b>								
<b>Provider Bill Re-pricing</b>									
<table border="1"> <thead> <tr> <th><i>Service</i></th> <th><i>Fee</i></th> </tr> </thead> <tbody> <tr> <td>Usual and Customary re-pricing</td> <td>\$10.00 per bill</td> </tr> <tr> <td>Fee Schedule state re-pricing</td> <td>\$10.00 per bill</td> </tr> <tr> <td>Medical Bill State Reporting for applicable medical bills to reportable state</td> <td>\$1.50 per reportable bill</td> </tr> </tbody> </table>		<i>Service</i>	<i>Fee</i>	Usual and Customary re-pricing	\$10.00 per bill	Fee Schedule state re-pricing	\$10.00 per bill	Medical Bill State Reporting for applicable medical bills to reportable state	\$1.50 per reportable bill
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<b>PPO Re-pricing / Out of Network Negotiations</b>									
PPO re-pricing / Specialty and Hospital bill negotiation is billed at 33% of savings									

<b>Pharmacy Network Services</b>	
Pharmacy Network services are priced at 33% of savings.	
<b>State Reporting EDI Fees</b>	<b>Current Market Rate</b>
<b>Index Bureau</b>  Note: The index fee is a direct pass through charge for ISO. If ISO increases their current market rate per index, CCMSI will adjust the fee accordingly.	<b>Current ISO Market Rate</b>
<b>Subrogation Fee</b>	<b>20% of Recovery</b>
20% of recovery with a cap of \$50,000 per claim.	
<b>Second Injury Account Recoveries</b>	<b>20% of Recovery Capped at \$30K</b>
<b>HO Level Hearings – CCMSI Attended</b>	<b>\$250.00 per hearing</b>
<b>Quarterly Indemnity Claim Reviews:</b>	<b>Included</b>
<b>*Additional Claim Reviews above Quarterly:</b>	<b>*\$750.00 Each</b>
<b>OSHA System Access:</b>	<b>\$2,500 Annually</b>
<ul style="list-style-type: none"> <li>• Ability to generate OSHA 300 Log and 300A OSHA Summary</li> </ul>	
<b>Termination Data Fee</b>	<b>\$2,500</b>
CCMSI will provide an electronic transfer of data if such is feasible, with the cost of providing such borne by the Client. The fee is a flat fee.	
<b>Mandatory MMSEA Compliance Section 111 Reporting Fee</b>	<b>Current Market Rate</b>
CCMSI, in conjunction with its reporting agent / MSP Vendor, will comply with applicable MMSEA and Section 111 reporting requirements on behalf of Douglas County. <ul style="list-style-type: none"> <li>• All qualifying injury claims will be queried to CMS to determine Medicare eligibility.</li> <li>• CCMSI will collect additional mandatory data on claims where Medicare eligibility has been verified. CCMSI, along with its reporting agent, will report all claims meeting the reporting guidelines as set forth by CMS.</li> <li>• CCMSI will provide ongoing monthly Medicare eligibility query checks and continued quarterly mandatory insured-reporting compliant with applicable CMS guidelines.</li> </ul>	
<u>Note:</u> In order for CCMSI and its reporting agent to comply with mandatory Section 111 reporting, the client must provide CCMSI an active RRE # wherein CCMSI is explicitly authorized to report data on the client's behalf.	

	<b>TBD</b>
<b>Carrier Fees</b>	
If applicable, Client will be responsible for payment of any carrier fees associated with the transition of claim handling responsibilities to CCMSI.	
<b>Special System Reports</b> 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.	<b>\$125 an hour</b>
<b>Taxes</b>  CCMSI fees will be increased by any applicable Sales, Gross Receipts, or similar (excluding income) taxes imposed by Federal, State or Local bodies.	<b>See Detail</b>
<b>GRAND TOTAL: Includes Account Management Fee, OSHA, and Internet Claim Access Fee.</b>	<b>\$14,000</b>
<b>Fee &amp; Payment Schedule</b>	
<p>The quarterly installments will be due upon request.</p> <p>All other fees are due upon receipt.</p>	

**SCHEDULE OF CLEAR SERVICES AND FEES**

Service	Description	Service Fee
Legal Bill Review / Audit Services	Review and audit all legal invoices submitted by Client-approved law firms for adjudication in compliance with Client's Defense Counsel Billing Guidelines and Generally Accepted Legal Billing Principles.	<p align="center"><b>PAID TO BOTTOMLINE TECHNOLOGIES, INC.</b></p> 1.95% of the gross monetary total of each invoice submitted and audited (inclusive of law firm fees, costs and disbursements).
Management Fee for administration of Legal Bill Review Program, administration and integration of data reporting and data transfer, development and delivery of Performance Reports, and maintenance of technology interface	Integration and interface of legal bill review / audit software with CCMSI's claim system necessary to review and adjudicate legal invoices electronically. Periodic standard reports will be developed and produced summarizing Program's overall savings results. Metrics will be applied to analyze the overall performance of law firms. A Bill Analysis Report (BAR) will be generated for each legal invoice reviewed. The BAR will be included with each check to the appropriate law firm and include details and supporting documentation for any deductions applied to the original billing.	<p align="center"><b>PAID TO CCMSI</b></p> 0.25% of the gross monetary total of each invoice submitted and audited (inclusive of law firm fees, costs and disbursements).

**Note:** Fees relative to legal bill review services will appear on the transaction register payable to "CLEAR", CCMSI's proprietary legal bill review program.

Douglas County State of Nevada

CERTIFIED COPY

I certify that the document to which this certificate is attached is a full and correct copy of the original record on file in the Clerk-Treasurer's Office on this

24<sup>th</sup> day of July, 2024

By Janina Balda Deputy