

## EXHIBIT B

### Fees

(1) In consideration of the services provided by CorVel under this Agreement, Customer agrees to pay the fees as follows:

#### Claims Administration

Description	Pricing
Data Conversion	Included
First Notice of Loss Intake	
Electronic submission (Mobile App, Care <sup>MC</sup> )	Fee Waived
Phone or fax	\$Fee Waived
Incident Only Reporting	
Electronic submission (Mobile App, Care <sup>MC</sup> )	Fee Waived
Phone or fax	\$Fee Waived
24/7 Nurse Triage	Included

#### Account Management and Technical Support

Description	Pricing
Account management staff	Included
Training – onsite and online	Included
Technical support	Included
MPN and PPO poster creation tools	Included
State EDI files	Included
Monthly reporting	Included
Ad hoc report programming	\$ 200 per hour
Communication materials/posters	Pass through printing costs

#### Life of Contract Claims Handling Fee

Description	Pricing
Medical-Only	\$ 150.00
Indemnity	\$ 975.00
Indemnity Tail Claims	\$ No Charge
Medical-Only Tail Claims	\$ No Charge
Fees shall be invoiced monthly and annually reconciled to actual files and services. No costs shall be charged for claims taken over from the prior administrator.	
Annual Administration Fee Includes all state filing requirements, etc.	\$8,000.00
Claims System User IDs Up to 5 Users	Included
Annual Banking Fees (per account)	One account included
Subrogation	25% of Recoveries
Indexing	Included

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The definition of Indemnity and Medical Only for the fees captioned above is as follows

**Medical Only:** When the injured worker needs only medical attention and does not miss work outside of the initial waiting period. When a medical only claim remains open for more than 120 days, or reaches a payment threshold of \$3000.00, it is reviewed by a Claim Supervisor for possible re-assignment as an indemnity claim if medical management or additional intervention is needed to move the claim towards closure.

**Indemnity (Lost Time):** When the injured worker loses time at work for more than the initial waiting period; a claim requires a formal dispute of benefits; a claim has permanency exposure; a claim has attorney involvement; subrogation potential exists; a claim involves an allegation of occupational disease or cumulative trauma; a fatality occurs; or, the total incurred reaches \$3,000.00 or the claim has been open for more than 120 days.

#### **Non Indemnity to Indemnity Transition**

Credit is applied for the non indemnity fee and only the difference between this rate and the Indemnity rate is billed at the time the transition occurs. Claims will be as defined above maintained at medical only unless additional intervention or medical management is needed to move the claim toward closure.

#### **Tail Claim Fees**

We will assume the management of existing open claims (tail claims) for the contract period at the following rates:

Non-Indemnity	-	\$ N/A per claim
Indemnity	-	\$ N/A per claim
Data File (existing claims) conversion	-	No Charge

#### **Run Off Fees**

Claims which are open as of the termination date of this agreement may, subject to the establishment of a mutually acceptable fee arrangement between the parties, continue to be serviced by CorVel. Should the parties fail to establish such an agreement, a basic layout history file will be created by CorVel at no cost to Customer. This fee would assume that no special programming services are required. If Customer requires additional or non-standard services, CorVel shall evaluate such requests and provide a written estimate to the Customer of the costs and time required to accommodate such requirements.

#### **Taxes**

Taxes are not included in the fees and will be added as required.

#### **Allocated Expenses**

The following list of allocated expenses are excluded from the rates shown above and are charged to the claim file on an as incurred basis.

- Case Management/Utilization Review
- Network Solutions
- Directed Care Services
- Pharmacy Benefits Program
- Other Services:
  - Peer Review/Medical Records Review
  - Life Care Planning, Medicare Set-Asides, Medical Cost Projections
  - Injury Management/Ergonomic Assessment

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**Bill Review**

Description	Pricing
Flat per bill + Percentage of savings	\$6.50/bill
Fee Schedule and Reasonable & Customary	17% of savings
PPO Network	17% of savings
Enhanced Bill Review	17% of savings
Professional Review	17% of savings
Duplicate bill processing	Included
State EDI	Included
Scanning/OCR	Included

**Patient Management**

Description	Pricing
Telephonic Case Management (as defined in RFP)	\$ 95.00 per hour
Field Case Management*(as defined in RFP)	\$ 95.00 per hour
Vocational Rehabilitation Services (as defined in RFP)	\$100.00 per hour
Specialty Services (MSA, LCP, catastrophic) (define)	\$200.00 per hour
Utilization Review	\$135.00 per review
Peer Review / Physician Advisor	\$250.00 per hour

\* Prevailing IRS mileage rate.

**Pharmacy Solutions**

Description	Pricing
Pharmacy Services	
Retail Pharmacies	
Brand	AWP -5% + \$5.50 dispensing fee
Generic	AWP -15% + \$5.50 dispensing fee
Fee Schedule States	State Fee Schedule
Mail Order	
Brand	AWP -10% +\$4 dispensing fee
Generic	AWP -18% +\$4 dispensing fee
Medication Review	\$ 200 per hour

**Medicare Agent Reporting**

Description	Pricing
Set up and engagement	\$ 2,500.00/one-time fee
Monthly Maintenance	\$ 1,000.00/month
Quarterly Reporting	\$ 10.00/claim
Medicare Set Asides	\$ 200.00/hour

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## Unallocated Expenses

Activities based on Time and Expense, and other unallocated expense items

### Time & Expense

Programming Services	-	\$200.00 per hour
Mileage	-	IRS rate

(2) Fees for Additional Professional Services: If Customer requires any additional professional services from CorVel relating to the Services or the CareMC Application, including but not limited to integration of the CareMC Application with EDI or other Customer systems, Customer shall submit a written request to CorVel for such services. CorVel shall, in good faith, consider providing such services at its then-current professional services fee rate and standard terms and conditions.

(3) Fees Adjustments for Regulatory Changes: If, at any time during the Term of this Agreement, regulatory or legislative changes impact CorVel's business operations and add to CorVel's costs of providing the Services, CorVel may (a) increase its fees for one or more Services upon written notice to and approval from Customer, (b) terminate this Agreement upon ninety (90) days written notice to Customer; or (iii) increase its fees for any material changes in service requirements with the approval from Customer.

#### (4) Billing and Payments for Pharmacy Program:

- (a) Charges for medications processed through the Pharmacy Program will be applied to the claim file.
- (b) CorVel uses the Medi-Span AWP at pre-settlement levels. To maintain pricing neutrality CorVel applies the established multiplier to impacted prescriptions.
- (c) Relative to state fee schedules, CorVel will apply the lesser of the Customer's contracted pharmacy rate or the applicable state fee schedule. The following exceptions apply:
  - (i) All California pharmacy prescriptions will be priced at the California fee schedule.
  - (ii) To the extent that the fee schedules rate in any state other than California is less CorVel's acquisition costs, CorVel will apply the lesser of Customer's contracted rate or CorVel's acquisition cost.
- (d) Both parties understand that pricing indices historically used (including under this Agreement) for determining the financial components of pharmacy billing rates are outside the control of CorVel and Customer. The parties also understand there are extra-market industry, legal, governmental and regulatory activities which may lead to changes relating to, or elimination of, these pricing indices that could alter the financial positions and expectations of both parties as intended under this Agreement. Both parties agree that, upon entering into this Agreement and thereafter, their mutual intent has been and is to maintain pricing neutrality as intended and not to benefit one party to the detriment of the other. Accordingly, to preserve this mutual intent, if CorVel undertakes any or all of the following:

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- (i) Changes the AWP source across its book of business (e.g., from Medi-Span to First Databank); or
  - (ii) Maintains AWP as the pricing index with an appropriate adjustment in the event the AWP methodology and/or its calculation is changed, whether by the existing or alternative sources; or
  - (iii) Transitions the pricing index from AWP to another index or benchmark (e.g., to Wholesale Acquisition Cost).
- (e) Pharmacy rates will be modified as reasonably and equitably necessary to maintain the pricing intent under this Agreement. CorVel shall provide Customer with at least ninety (90) days prior written notice of the change (or if such notice is not practicable, as much notice as is reasonable under the circumstances), and written illustration of the financial impact of the pricing source or index change (e.g., specific drug examples). If Customer disputes the illustration of the financial impact of the pricing source, both parties agree to cooperate in good faith to resolve such disputes.