

RESOLUTION NO. 2010-275

A RESOLUTION BY THE BOARD OF COUNTY COMMISSIONERS OF ST. JOHNS COUNTY, FLORIDA, APPROVING THE TERMS AND CONDITIONS ASSOCIATED WITH AN ASSIGNMENT AGREEMENT FOR AUDIT SERVICES WITH ST. JOHNS COUNTY, FLORIDA, BETWEEN CHAPMAN KELLY, INC. AND HEALTH MANAGEMENT SYSTEMS, INC. PROVIDING AN EFFECTIVE DATE

WHEREAS, the County and Chapman Kelly, Inc. entered into an Agreement for benefits dependent Audit Services on March 23, 2010; and

WHEREAS, the County has reviewed the terms and conditions associated with the Assignment Agreement for Audit Services given by Chapman Kelly, Ince to Health Management Systems, Inc.; and

WHEREAS, the County has determined that approving the Assignment Agreement for Audit Services through Health Management Systems, Inc. will serve the interests of the County;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF ST. JOHNS COUNTY, FLORIDA, AS FOLLOWS:

Section 1. The above Recitals are hereby incorporated into the body of this Resolution, and are adopted as Findings of Fact.

Section 2. The Board of County Commissioners hereby approves and adopts the attached and incorporated Consent to Assignment between Chapman Kelly, Inc. and Health Management Systems, Inc.

Section 3. To the extent that there are typographical and/or administrative errors and/or omissions that do not change the tone, tenor, or concept of this Resolution, then this Resolution may be revised without subsequent approval of the Board of County Commissioners.

Section 4. This Resolution shall be effective upon the adoption by the Board of County Commissioners.

PASSED AND ADOPTED by the Board of County Commissioners of St. Johns County, Florida, this 7th day of December, 2010.

BOARD OF COUNTY COMMISSIONERS OF ST. JOHNS COUNTY, FLORIDA

Attest:

Dan Halterman
Deputy Clerk

By:

[Signature]
Chair

RENDITION DATE 12/15/10

CONSENT TO ASSIGNMENT

St. Johns County, Florida (“St. Johns County”) hereby consents to the assignment by Chapman Kelly, Inc. (“Chapman Kelly”) of the services agreement, dated March 23, 2010, by and between Chapman Kelly and St. Johns County (the “Agreement”) to Health Management Systems, Inc. (“HMS”) effective August 31, 2010 (the “Closing Date”). As of the Closing Date, subject to the following conditions:

1. That effective as of the Closing Date, HMS will assume and be responsible to pay, perform and discharge when due all obligations of Chapman Kelly under the terms and conditions of the Agreement, as is its obligation under the Asset Purchase Agreement, and as evidenced by the authorized signature on behalf of HMS in the HMS Acknowledgement below.
2. That Chapman Kelly will retain all rights, liabilities and obligations with respect to any matter arising under the Agreement prior to the Closing Date.
3. That this consent shall not authorize, nor be deemed to authorize, any further or other assignment of the Agreement.
4. That nothing herein shall be deemed or construed to be a waiver of any term, covenant, condition or provision contained in the Agreement.
5. That all rights of St. Johns County under the Agreement are hereby reserved except as otherwise provided herein.

IN WITNESS WHEREOF, the parties have executed this consent to assignment as of the date set forth below.

CHAPMAN KELLY, INC.

By: _____
Title: _____
Date: _____

ST. JOHNS COUNTY, FLORIDA

By: _____
Title: COUNTY ADMINISTRATOR
Date: NOVEMBER 5, 2010

HMS ACKNOWLEDGEMENT

HMS hereby acknowledges this Consent to Assignment by Chapman Kelly Inc., of the Agreement by and between Chapman Kelly and St. Johns County to HMS, and HMS agrees to be bound by the terms and conditions of the Consent to Assignment and the Agreement, as set forth above.

HEALTH MANAGEMENT SYSTEMS INC.

By:

Donna Price
Senior Vice President
Date: _____

ACCEPTANCE OF NOTICE OF AWARD

RFP #09-110 Claims and Dependant Eligibility Audits

Receipt of the above NOTICE OF AWARD is hereby acknowledged by

Chapman Kelly, Inc. this 23 day of March, 2010.

By: Mary S. Chapman

Name: MARY S. Chapman
(Please Type or Print)

Title: President

cc: SJC Personnel Department
SJC Purchasing Master File



CONTRACT AGREEMENT FOR CONSULTING/PROFESSIONAL SERVICES

Approval (initial & date)

Requestor: TM 2/22/2010
Dept. Head: SA 3/11/2010
Purchasing Director: [Signature] 3-5-10
Legal: _____
Buyer: BAM 3/5/10
P.O. # _____

This agreement made on 29th day of March 2010, shall be the complete and binding agreement between St. Johns County, Florida (County) and Chapman Kelly, Inc., (The CONTRACTOR) a Corporation authorized to do business in the State of Florida, whose address is: 100 W. Court Ave. Suite 106, Jeffersonville, IN 47130; Telephone: 812-285-8960; Fax: 812-748-0335.

Background - The County has requested the services of the CONTRACTOR for the purpose of providing Medical Claims and Dependant Eligibility Audits. The County and the CONTRACTOR wish to set forth herein the terms and conditions under which the services shall be rendered by the CONTRACTOR. In consideration of the foregoing end of the mutual agreements set forth below, both parties agree as follows:

Project Summary - This scope of work is to provide Medical Claims and Dependant Eligibility Audits as required by the St. Johns County Personnel Department.

Medical Claims Audit Scope of Services

The Scope of Services for the Medical Claims Audit includes, but is not limited to the following:

- 1) The CONTRACTOR does guarantee that claims savings will equal at least that of the cost of the audit.
- 2) The CONTRACTOR will audit 100% of medical claims to the threshold dollar amount of \$25.00 per claim.
- 3) The following Elements will be included in the standard audit process:
 - a) Eligibility
 - b) Accumulation/calculation accuracy
 - c) Application of PPO & negotiated discounts
 - d) Integration of authorization & utilization review determinations (not for medical necessity)
 - e) Reasonable & customary charge administration
 - f) Bill review – unbundling, overcharges, duplicate bills etc.
 - g) Pre-existing administration
 - h) Plan limitations & exclusions
 - i) Coordination of benefits
 - j) Claim service turn-around time, correspondence, inquiries, etc.
 - k) Potential indicators of claim fraud
 - l) Benefit payment assignments
- 4) The CONTRACTOR's audit process will include auditing the following coding errors as part of the recovery:
 - a) Multiple surgical procedures
 - b) Global surgical procedures
 - c) Global length of stay criteria
 - d) Inpatient DRG appropriateness
 - e) Unbundled and up-coded claims
- 5) The CONTRACTOR's audit process will include the following pertinent claims data fields as part of the recovery audit:
 - a) Mis-keyed claim information
 - b) Misspelled claim information
 - c) Transposed claim information
 - d) Phonetic claim information
 - e) Incorrect claim information
 - f) Exact duplicates
 - g) Line item duplicates
- 6) The CONTRACTOR's audit process will include reviewing the following fee arrangement types:

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- a) Resource Based Relative Value System (RBRVS)
 - b) Clinical Reference Lab Fee Schedule
 - c) Anesthesia Base/Time and Conversion Rates
 - d) Pricing for IP Hospitalizations utilizing DRG
 - e) Facility pricing for OP Facility utilizing Ambulatory Payment Classification (APC) or Ambulatory Surgical Center (ASC) groups
 - f) Flat fee pricing including application of per diems and case rates
 - g) Percentage discount re-pricing
 - h) Specific Durable Medical Equipment pricing
 - i) Average Sales Pricing Drug Fee Schedule
- 7) Pricing
- a) Flat Fee - \$27,000 – paid at completion of audit

Dependent Eligibility Audit Scope of Services

The Scope of Services for Dependant Eligibility Audit includes, but is not limited to the following:

- Your Process Overview detailed in your RFP response will include:
 - Planning Phase
 - Communications
 - Amnesty
 - Verification
 - Information Process
 - Grace Period
- Your Customer Service will include:
 - Toll-free call center from 8:00 am to 8:00 pm
 - Employee Web Portal
 - Employer Administrative Web Portal
 - Status Reports
 - Final Audit Report
 - Appeals Process
- Performance Guarantees
 - Document Processing Accuracy – 98.5% of inbound documents will be processed accurately as measured by an internal QA process of 2-5% of documents received – Fees at Risk – 3%
 - Document Processing Timeliness – Inbound mail will be processed within 5 business days, on average, based on the technology time-stamp for each item – Fees at Risk – 2%
 - E-mail inquiry Responsiveness – Inbound email inquiries will be responded to within 2 business days, on average, based on the technology time-stamp for each inquiry – Fees at Risk – 2%
 - Call Center – All calls will be answered within 45 seconds, on average – Fees at Risk – 5%
 - Web Site Up-Time – The employee portal and employer portal will have 99% availability – Fees at Risk – 2%
 - Return on Investment – The project ROI is guaranteed to be positive – Any financial shortfall will be refunded in full such that the project is cost-neutral.
- Pricing:
 - Based on an approximate dependent count of 1,845, the total project cost will be \$26,071.
 - No additional fees will be charged for customized reports, importing/exporting data from multiple or non-standard formats.
 - Business Reply Envelopes will be included with all outbound mailings free of charge.
 - The following payment schedule will be implemented:
 - 20% due on contract signing
 - 30% due upon mailing of amnesty letter
 - 30% due upon mailing of verification letter #1
 - 20% due upon mailing of verification letter #3
- Results Guarantee:

- Contract will provide a guarantee that SJC will achieve a positive ROI under the dependent verification program based on a theoretical savings over a one-year period. Based upon the stated assumptions, along with a savings rate of \$2,500 per dependent, this would translate to requiring that 10 dependents (.54%) be removed in order to attain a positive ROI. Any shortfall would either be subtracted from future invoices or promptly refunded to SJC

Terms

1. The services described in the above scope of services shall be performed at the direction and to the satisfaction of the County.
2. Either party may terminate this contract without cause by providing thirty (30) days written notice.
3. The obligations of the COUNTY under this Contract are subject to the availability of funds lawfully appropriated for its purpose by the Board of County Commissioners of St. Johns County.
4. The CONTRACTOR shall indemnify and hold harmless the agency, and its officers and employees, from liabilities, damages, losses, and costs, including, but not limited to, reasonable attorneys' fees, to the extent caused by the negligence, recklessness, or intentionally wrongful conduct of the CONTRACTOR or other persons employed or utilized by the CONTRACTOR in the performance of the contract.
5. The CONTRACTOR represents that it presently has no interest and shall acquire no interest, either direct or indirect, which would conflict in any manner with the performance of services required hereunder. The CONTRACTOR further represents that no person having any interest shall be employed for said performance.
6. The CONTRACTOR shall deliver to the COUNTY for approval and acceptance, and before being eligible for final payment of any amounts due, all documents and materials prepared by and for the COUNTY under this Contract.
7. The COUNTY and the CONTRACTOR shall comply with the provisions of Chapter 119, Florida Statutes (Public Records Law).
8. If any legal action or other proceeding is brought for the enforcement of this Contract, or because of an alleged dispute, breach, default or misrepresentation in connection with any provisions of this Contract, the successful or prevailing party or parties shall be entitled to recover reasonable attorney's fees, court costs and all reasonable expenses even if not taxable as court costs (including, without limitation, all such reasonable fees, costs and expenses incident to appeals), incurred in that action or proceedings, in addition to any other relief to which such party or parties may be entitled.
9. This Contract shall be governed by the laws of the State of Florida. Any and all legal action necessary to enforce the Contract will be held in St. Johns County.
10. Venue for any administrative and/or legal action arising under this Agreement shall be in St. Johns County, Florida.
11. Review of Records: As a condition of entering into this Contract, and to ensure compliance, especially as it relates to any applicable law, rule, or regulation, the CONTRACTOR authorizes the COUNTY to examine, review, inspect, and/or audit the books and records, in order to determine whether compliance has been achieved with respect to the terms, conditions, provisions, rights, and responsibilities noted in this Contract. It is specifically noted that the CONTRACTOR is under no duty to provide access to documentation not related to this Contract, and is otherwise protected by COUNTY, State, or Federal law.
12. Severability: If any word, phrase, sentence, part, subsection, section, or other portion of this Contract, or any application thereof, to any person, or circumstance is declared void, unconstitutional, or invalid for any reason, then such word, phrase, sentence, part, subsection, other portion, or the proscribed application thereof, shall be severable, and the remaining portions of this Contract, and all applications thereof, not having been declared void, unconstitutional, or invalid, shall remain in full force, and effect.
13. Procedure for Achieving Assignment: In light of the scope and rationale for this Contract, neither the COUNTY, nor the CONTRACTOR may assign, transfer, and/or sell any of the rights noted in this Contract, or associated with this Contract, without the express written approval of the other party. Should either the COUNTY, or the CONTRACTOR, assign, transfer, and/or sell any of the rights of this Contract, without such prior written approval of the other party, then such action on the part of either the COUNTY, or the CONTRACTOR, shall result in the automatic termination of this Contract, without further notice or action required on the part of the other party.
14. Independent CONTRACTOR Relationship: The CONTRACTOR is, and shall be, in the performance of all work, services, and activities under this Contract, an Independent Contractor, and not an employee, agent, official, or servant of the COUNTY. As such, neither the CONTRACTOR, nor any employees, agents, officials, servants, nor subcontractors of the CONTRACTOR, are eligible for any benefits afforded employees or officials of the COUNTY.



ST. JOHNS COUNTY, FLORIDA
CONTRACT CHANGE ORDER

Approval (initial & date)

Requestor: JM 6/24/10
Dept Head: [Signature] 10/8/10
Purchasing: [Signature] 10/8/10

PROJECT NO./NAME: RFP 09-110 Claims and Dependant Eligibility Audit

Change Order Number: 01
Date: 6/23/10
Project Number: 09-110
Original Contract Date: 3/29/10
Contract For: Personnel

CONTRACTOR: Chapman Kelly, Inc.
100 W. Court Ave., Suite 106
Jeffersonville, IN 47130
(812) 285-8960

RECEIVED ST. JOHNS COUNTY PURCHASING
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The contract is hereby changed by this change order as follows:
The Original Contract Amount for the Dependant Eligibility Audit of \$26,071 was based on the proposed dependant count estimated at 1,845. The actual number of dependants increased to an actual number of 2,175. The Consultant's proposal quoted a \$10.61 per dependant fee will be applied for any dependants in excess of 1,845. The total actual overage fee is \$3,501.30 The Consultant hereby agrees to share the cost of the difference, resulting in additional charges to the County in the amount of \$1,750.65. The new Contract Amount will be a total of \$27,821.65.

Not Valid until Signed by the Owner and Contractor

Table with 2 columns: Description and Amount. Rows include Original Contract Value (\$26,071.00), Net change by previously authorized change orders (\$0.00), The (Contract Sum) prior to this change order (\$26,071.00), The (Contract Sum) will be (increased) by this change order in the amount not to exceed (\$1,750.65), and The new (Contract Sum) will be in the Not to Exceed Amount of (\$27,821.65).

The Contract Time will be (unchanged)

All other contract terms and conditions remain unchanged and in full force and effect.

Chapman Kelly, Inc.
(Contractor)
100 W. Court Ave., Suite 106
Jeffersonville, IN 47130
Address
[Signature]
Signature
10/26/10
Date

St. Johns County Personnel Dept.
(Department)
500 San Sebastian View
St. Augustine, FL 32084
Address
[Signature]
Signature
11/8/10
Date

St. Johns County, Florida
(Owner)
2446 Dobbs Road
St. Augustine, FL 32086
Address
[Signature]
Signature
11/10/10
Date

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