

AMENDMENT TO SERVICE AGREEMENT

THIS AMENDMENT is hereby made this 28th day of June 2016 to the Service Agreement (“Agreement”) effective July 1, 2007 by and between PMA Management Corp. (“PMA”) and Port Jervis City School District (“Client”). The parties hereby mutually agree and intend to be legally bound as follows:

1. TERM

The term of the Agreement shall be extended for one year, beginning July 1, 2016 and expiring June 30, 2017 (“2016-17 Extension Term”).

2. FUNDING of CLAIMS and EXPENSES

- a. PMA will maintain a non-interest bearing checking account in PMA’s name (“Payment Account”) with PMA’s bank, which is to be funded by Client but which PMA will administer for the purposes of paying Qualified Claims and ALAE, in accordance with the procedures set forth in this Section. PMA will provide Client with a monthly schedule (“Payment Register”) outlining all claim payments, ALAE, and correction items funded by PMA and will contain the name of the payee, date of payment, amount of payment, and claim number for all transactions occurring during the prior period.
- b. The Payment Account shall continue to be funded by Client in an amount which shall be equal to 1.5 months estimated claim payments and ALAE and which may be revised at PMA’s discretion based upon actual claims and expense payment history. Semi-monthly, PMA will provide Client with a Payment Register and invoice detailing all payments made for Qualified Claims and ALAE during the prior period. Within ten calendar days of the receipt of the Payment Register and invoice, Client shall reimburse PMA for the total amount of payments made, which reimbursement shall replenish the Payment Account to its required balance. If at any time the Payment Account balance is depleted by 75% or more during the course of any given period, PMA shall provide written notice of such depletion to Client, and Client will replenish the balance within two business days of receipt of notice.
- c. Should Client fail at any time to maintain the required funding after receiving notification from PMA, PMA will stop providing services, including ceasing to pay claims and expenses, until such funding has been restored and any related PMA bank charges, fees, or penalties have been paid by Client.

- d. PMA is not obligated to pay any claims or expenses on behalf of Client unless the required funds are made available by Client to PMA to do so. Should PMA advance funding on the part of Client, then Client shall immediately reimburse PMA or PMA will stop providing services, including ceasing to pay claims and expenses, until full reimbursement has been received and any related PMA bank charges, fees, or penalties have been paid by Client.
- e. This Section of the Agreement shall survive the termination of the Agreement.

3. PAYMENT of CLAIM HANDLING SERVICE FEES

- a. Client agrees to pay PMA a flat fee of \$9,500, to be paid in equal installments of \$2,375. Client agrees to make the initial payment at the inception of this Amendment and subsequent installments quarterly thereafter.
- b. If any individual occurrence results in more than ten claimants as determined by PMA, then the following additional claim handling fees above and beyond the flat fees shall apply, commencing with the 11th claim and every claim thereafter for that aforementioned individual occurrence:
 - i. \$850 for each Lost Time Claim
 - ii. \$125 for each Medical Only Claim
- c. PMA will bill Client for claim handling services to be rendered on a quarterly basis, along with any other fees (hereinafter identified) which shall be paid in full at inception of this Agreement. Client will pay such bills within 30 days after receipt. If bills are not paid within 30 days after receipt, PMA reserves the right to charge Client interest of 12% on all overdue payments, and to stop providing services, including ceasing to pay claims and expenses, until such bills and interest have been paid in full.

4. MANAGED CARE FEES

- a. PMA shall provide Client use of medical case management services, which shall be billed to Client at a rate of \$95 per hour.
- b. PMA shall provide Client use of disability management coordinator services, which shall be billed to Client at a rate of \$95 per hour.

- c. For medical bill review and repricing services, Client shall pay a fee of 25% of the total savings resulting from use of PMA's Cost Containment Programs.

5. RISK CONTROL SERVICE FEE

PMA shall provide risk control services at a rate of \$125 per hour.

6. SECTION 111 REPORTING

- a. Client understands and acknowledges that it is a Responsible Reporting Entity ("RRE") as defined by the Centers for Medicare and Medicaid Services ("CMS"), and primarily responsible for the reporting requirements as set forth in Section 111 of the Medicare, Medicaid, and SCHIP Extension Act of 2007.
- b. Client authorizes and PMA agrees to undertake Client's Section 111 reporting requirements as Client's Account Manager/Reporting Agent as it relates to Client's non-Record Only claims being administered pursuant to the Agreement. This reporting shall be limited to Qualified Claims which are opened by PMA during the Agreement. Client further agrees to fully cooperate with PMA, including the execution of any documents necessary for such authorization.
 - i. PMA shall not provide any Section 111 reporting services for Client's Record Only claims.
 - ii. PMA shall not undertake Section 111 reporting activities for Client's claims which were converted from Client's prior TPA to PMA but were never opened or handled by PMA.
- c. PMA shall charge and Client shall pay a fee of \$6.00 per claim for any claim PMA needs to query pursuant to the Agreement.
- d. Client acknowledges and agrees to provide PMA with complete, accurate, and timely data for Section 111 reporting purposes.
- e. Conditioned on the aforementioned, PMA shall commence reporting of Client's data as directed by CMS, and shall continue for as long as PMA is contractually obligated to administer Client's claims.
- f. Indemnification between the parties for Section 111 reporting shall be governed by the indemnification provisions of the Agreement. PMA shall not indemnify, and specifically disclaims liability for any failure of: (1) Client to register as a RRE; (2) Client to execute any documents necessary to authorize PMA as its Account Manager/Reporting Agent; or (3) Client

or its prior TPA to report Client's claims when they were first required to do so.

All other fees, terms, and conditions of the Agreement shall remain in full force and effect for the 2016-17 Extension Term.

IN WITNESS WHEREOF, and intending to be legally bound hereby, the parties have caused this Amendment to the Agreement to be executed by their duly authorized officers or representatives on the date first written above.

PMA MANAGEMENT CORP.

**PORT JERVIS CITY
SCHOOL DISTRICT**

BY: _____

BY: _____

TITLE: _____

TITLE: _____