

MEMORANDUM OF UNDERSTANDING
between
THE U.S. DEPARTMENT OF ENERGY RICHLAND OPERATIONS OFFICE
and
THE STATE OF WASHINGTON DEPARTMENT OF LABOR AND
INDUSTRIES

ARTICLE I. PURPOSE

This Memorandum of Understanding (MOU) is entered into by and between the U.S. Department of Energy Richland Operations Office (DOE-RL) and the State of Washington Department of Labor and Industries (L&I) for the purposes of identifying which contractors and subcontractors at the Hanford Site are covered under this program and identifying the areas in which this program is unique because the self insured is a Federal agency.

ARTICLE II. INTERAGENCY COMMUNICATIONS

To provide for consistent and effective communications between L&I and DOE-RL, each agency has appointed a representative to serve as the point of contact on this MOU. Each agency agrees to notify the other in writing should the individual serving as the agency representative change.

For the State of Washington Department of Labor and Industries:

Program Manager of Self Insurance
State of Washington
Department of Labor and Industries
P.O. Box 44200
Olympia, Washington 98504-4200

For the U.S. Department of Energy, Richland Operations Office

Program Manager for Hanford Workers' Compensation
U.S. Department of Energy
Richland Operations Office
P.O. Box 550, A7-27
Richland, Washington 99352

ARTICLE III. CONTRACTORS COVERAGE AND IDENTIFICATION

DOE is a self-insured employer for purposes of Washington State Industrial Insurance. DOE-RL establishes which prime contractors and other contractors engaged in work related to the Hanford Site will comprise the covered group, as defined under the self-insurance regulations. Contractors identified as members of the covered group shall be insured for purposes of workers' compensation under DOE-RL's self-insurance certificate. Compensation awards and benefits shall be payable only for claims of workers injured in the course of their employment related to the Hanford Site.

DOE-RL shall identify all contractors in the covered group in an attachment to this MOU. When DOE-RL elects to remove or add a contractor to the covered group, DOE-RL shall provide written notification to the L&I Program Manager of Self-Insurance within 10 days of contract signature or termination. Written notification received by L&I from DOE-RL shall serve as a modification to the attachment to this MOU.

ARTICLE IV. SELF INSURANCE CERTIFICATION QUESTIONNAIRE

DOE-RL has volunteered to complete a Self-Insurance Certification Questionnaire for the purpose of providing information regarding its workers' compensation operations. This document is filed with the Program Manager of Self Insurance for L&I and is available to the public. DOE-RL elects to update the Questionnaire on an annual basis to ensure that all information is current.

ARTICLE V. PROOF OF FUNDS AND FUND PARTICIPATION

Because DOE-RL has the ability to meet its self-insured obligations, DOE-RL shall not be required to provide a security deposit. DOE-RL will provide to L&I proof of availability of funds for the payment of benefits on an annual basis. DOE-RL will be responsible for a pro rata share of the self-insurance section administrative assessments. DOE-RL shall continue to participate in the Supplemental Pension Fund and contribute to the Vocational Dispute Resolution Office. DOE-RL shall pay costs to the Board of Industrial Insurance Appeals on a per use basis and pay costs to L&I on a pro rata basis for the administrative costs of the Attorney General's Office.

DOE-RL will not be required to participate in the Second Injury Fund, the Insolvency Trust Fund, or the Industrial Safety and Health Division.

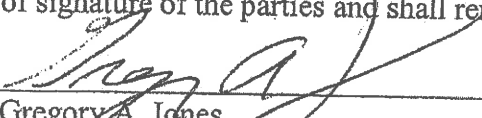
ARTICLE VI. APPLICABLE LAWS AND REGULATIONS

This MOU is entered into pursuant to the authority of Sections 102(11) and 646 of the Department of Energy Organization Act of 8-4-77 and R.C.W. 51.04.130.

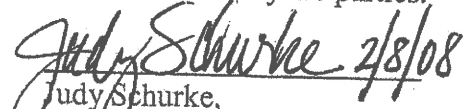
DOE-RL's administration of its workers' compensation claims shall comply with applicable laws and regulations of the State of Washington and applicable laws and regulations of the United States.

ARTICLE VII. AMENDMENT/TERMINATION AND EFFECTIVE DATE

This MOU may be amended or terminated by written agreement between L&I and DOE-RL. This MOU may be terminated unilaterally by either party upon 365 days written notice to the other party. This amended MOU shall become effective upon the latter date of signature of the parties and shall remain in effect until terminated by the parties.



Gregory A. Jones,
Assistant Manager for Administration
U.S. Department of Energy
Richland Operations Office

 2/8/08

Judy Schurke,
Director
State of Washington
Department of Labor and Industries

U.S. Department of Energy

Current Covered Prime Contractors and their Covered Sub-Contractors:

Battelle Memorial Institute/Pacific Northwest National Laboratory (PNNL)
No subcontractors

CH2M Hill Plateau Remediation Company (CHPRC) (10/01/2008 - present)
No subcontractors

HPM Corporation (HPMC) (10/1/2012 – present)
HPMC Covered Subs:
Computer Science Corp (CSC)

Mission Support Alliance, LLC (MSA) (08/24/2009 – present)
MSA Covered Subs:
Akima Hanford Services, LLC
Akima Facilities Management
Dade Moeller & Associates Hanford Mission Support, LLC
HPM Corporation – MSA
Westech International MSA, LLC
Westech Intl

Washington River Protection Solutions LLC (WRPS) (10/01/2008 - present)
No subcontractors

Wastren Advantage, Inc. operating as “WAI Hanford Laboratory” (WAI-HL)
(11/22/2015 – present)
No subcontractors

Historical Covered Prime and Sub Contractors:

Washington Closure Hanford LLC (WCH) (8/27/2005 – 09/30/2016)
No subcontractors (effective 10/1/2012)

Advanced Technologies & Laboratories International, Inc. (ATL) (5/16/2005-
11/21/2015)

CH2M Hill Plateau Remediation Company (CHPRC) Subs:

Babcock Services - PRC (10/01/2008 – 09/30/2013)
Babcock Services PRC LLC (10/01/2008 – 09/30/2013)
Enrep PRC (10/01/2008 – 09/30/2013)
Enrep PRC Inc. (10/01/2008 – 09/30/2013)
East Tennessee Materials & Energy - PRC (10/01/2008 – 09/30/2013)
Fluor Federal Services (10/01/2008 – 09/30/2013)
M&EC PRC Inc. (10/01/2008 – 09/30/2013)
GEM Technology International - PRC (10/01/2008 – 09/30/2013)
GEM Technology - PRC Inc. (10/01/2008 – 09/30/2013)
Cavanagh Services Group - PRC (10/1/2008 – 12/14/2012)
Cavanagh Services Group PRC, LLC (10/1/2008 – 12/14/2012)

Mission Support Alliance, LLC (MSA) Subs:

Abadan Hanford LLC (08/24/2009 – 09/30/2013)
CSC Hanford LLC (08/24/2009 – 07/19/2013)
Pacific Architects and Engineers Incorporated (PAE) (07/19/2013 – 09/30/2014)
R. J. Lee Group Inc. – MSA (08/24/2009 – 09/30/2014)
RJ Lee Group, Inc. (08/24/2009 – 09/30/2014)
Hanford Crane & Rigging, LLC (No coverage – contract was not awarded)
CSC Applied Technologies (08/24/2009 – 07/19/2013)
PSI-Hanford, Inc. (08/24/2009 – 09/30/2013)
PSI, Inc. (08/24/2009 – 09/30/2013)

CH2M HILL Hanford Group, Inc. - CH2M HILL (01/01/00 – 12/31/2012)

Eberline Services Hanford, Inc. (ESHI) (6/14/06 – 9/30/2012)

Computer Science Corp (CSC) (4/1/2011 – 9/30/2012)
CSC Subs: HPMC (6/6/04 – 9/30/2012)

AdvanceMed (AMH) (name changed to CSC 04/01/2011) (06/06/04 – 03/31/2011)

Fluor Federal Services Northwest, Inc. (Craft Workers Only) (coverage ended 08/24/09)

Integrated Logistics Services, Inc. (ILSI) (6/14/06 – 9/30/08) (sub to WCH)

Bechtel Hanford Inc. (BHI) (coverage ended 8/26/05)

BHI Subs:

CH2M Hill Hanford, Inc. (coverage ended 8/26/05)

Eberline Services Hanford, Inc. (coverage ended 8/26/05)

Thermo Hanford (coverage ended 8/26/05)

Historical Covered Prime and Sub Contractors:

Hanford Environmental Health Foundation (HEHF)

(aka Hanford Occupational Health Foundation) (coverage ended 6/5/04)

No subcontractors

Fluor Hanford Inc. (FHI) (coverage ended 08/24/09)

FHI Subs:

Energy Solutions Federal Services of Hanford, Inc. (10/23/06 – 08/24/09)

Numatec Hanford Corporation (coverage ended 08/24/09)

Duratek Federal Services of Hanford, Inc. (10/23/06, Name changed to
Energy Solutions Federal Services of Hanford, Inc.)

Protection Technology Hanford (Day & Zimmerman, LLC dba) (coverage
ended 9/30/05)

Babcock and Wilcox Hanford Company

Duke Engineering & Services Hanford, Inc.

DynCorp Tri-Cities Services, Inc.

Fluor Daniel Northwest Services (craft workers only)

Lockheed Martin Hanford Corporation

Rust Federal Services of Hanford, Inc.

Waste Management Hanford

Fluor Daniel Hanford

Westinghouse Hanford Company

Kaiser Engineers Hanford

J.A. Jones Construction Services Company

Rockwell Hanford Operations

United Nuclear Industries (aka Douglas United Nuclear Inc.)

UNC Nuclear Industries, Inc.

General Electric

EI duPont deNemours Company

AII-Vitro Engineers

US Testing

Computer Sciences Corporation

Isochem (Martin-Marietta/US Rubber)

ITT Federal Support Services

Atlantic Richfield Hanford Company)

Boeing Computer Services Richland, Inc.

Braun Hanford Co.

International Technology Corporation

PART I – THE SCHEDULE

SECTION C

STATEMENT OF WORK

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C.1 INTRODUCTION

a. Purpose of the Hanford Site Workers' Compensation Program

The purpose of this Workers' Compensation Program at the Hanford Site is to provide workers' compensation coverage and benefits to specified Contractor employees in accordance with the Revised Code of Washington (RCW) Title 51, the Washington Industrial Insurance Act, and all other applicable laws and regulations. The program is administered on behalf of DOE-RL through a contract with a third party administrator who processes all claims and provides all personnel, equipment, materials, supervision, transportation, training and other items necessary to perform these services.

b. Contract Requirements

This is a fixed unit price contract for workers' compensation claims administrative services at the Hanford Site. The Contractor will provide services in the processing of workers' compensation claims (investigate, administer, adjust, process, and pay) for certain covered site Contractors (listed in Section J, Attachment J.1), and others as directed by the Contracting Officer (CO) in accordance with the Revised Code of Washington (RCW) Title 51, Washington State Code (WAC) 296, "Department of Labor and Industries", Washington State (WA State) Department of Labor and Industries (L&I) Self Insurance Section Claims Administration Policy Manual, and the L&I Workers' Compensation Manual – A Guide to Claims Adjudication in Washington State, as revised during contract performance.

The Contractor shall comply with all applicable Federal, State, and local requirements, and where these requirements differ; the Contractor shall comply with the more stringent requirement unless otherwise stated elsewhere in the contract. Where established requirements do not exist, the Contractor shall provide workers' compensation services using current best practices in workers' compensation claims management and administration.

The Contractor shall furnish all personnel, facilities, equipment, materials and supplies required to accomplish the work under this contract, except for that specifically identified as provided by the Government.

In addition to the above requirements, the contractor shall:

1. Provide efficient service and good value to DOE and the United States taxpayers;
2. Provide exceptional customer service in the processing of claims to include providing all claimants timely information that will help them gain a clear understanding of the workers' compensation adjudication process and the status of their claim(s) within the process; and

3. Comply with the SOW but also propose and help implement new and innovative ways of performing workers' compensation claims management and administration.

C.2 PERFORMANCE REQUIREMENTS

The Contractor shall accomplish the following tasks in accordance with all applicable laws and regulations, as well as additional performance requirements specified in C.3. The Contractor shall administer process, investigate, adjust, and pay the following types of claims on behalf of DOE-RL:

- New Indemnity
- New Medical
- New Hearing
- Transferred Indemnity
- Transferred Medical
- Transferred Hearing
- Re-opened Legacy Indemnity
- Re-opened Legacy Medical
- Re-opened Legacy Hearing
- EEOICPA
- Medicare

C.3 PERSONNEL QUALIFICATIONS AND STAFFING REQUIREMENTS

- a. The Contractor will provide exclusively dedicated case management personnel to this contract. The Contractor will not assign any other account nor assign any work to those dedicated personnel other than work pertaining to the DOE account. It is allowable to share the administrative staff, such as transcriptionists, receptionists, computer specialists, accounting personnel, medical bill review personnel, medical supervisor (RN), medical doctor, and mailroom personnel (support and administrative staff) with other units;
- b. The Contractor will have a minimum of two personnel certified by L&I as a Self-Insurance Department Approved Claim Administrator dedicated to this contract as follows;
 - i. The dedicated manager must be certified by L&I as a Self-Insurance Department Approved Claim Administrator;
 - ii. All chemical or radiation exposure related claims must be adjudicated by an adjuster certified by L&I as a Self-Insurance Department Approved Claim Administrator.

- c. Limit the maximum case load to 125 per adjuster;
- d. Ensure that a medical doctor is available to review and consult on medical documentation such as authorized treatment and/or retained independent medical examinations and resolve complex medical questions, as necessary; and
- e. Provide an in-house Registered Nurse (RN) case manager to support the Contractor's staff and meet with outside providers on claims with unclear elements.

C.4 ADDITIONAL PERFORMANCE REQUIREMENTS FOR CLAIMS MANAGEMENT

1. Integrated Claims Management Services

The Contractor shall:

- a. Open and establish a claim file upon notice of an industrial injury or occupational disease, which meets the definition of a compensable injury or occupational disease, as those terms are defined in the Revised Code of Washington (RCW) Title 51.08, and provide notification to the cognizant Hanford Site Contractor within one (1) business day;
- b. Be the designated keeper of the Master Claims Log as required by L&I;
- c. Provide requested information to the Hanford Occupational Health Services provider to support facilitation of the claimant's timely return to work. Such information includes, information regarding claimant's work restrictions, disability status, and other information relating to the claimant's ability to perform Hanford Site work;
- d. Verify each Employee Job Task Analysis received includes the limitation statement addressing historical or potential exposure(s);
- e. Notify the CO within one (1) business day upon receipt of a request for contract related information by any person or entity other than the CO. The Contractor is prohibited from disclosing any information prior to CO written approval;
- f. Notify the Contracting Officer Representative (COR) within one (1) business day upon receipt of a request for claims information or any request related to third party administration by any person or entity other than the COR. The Contractor is prohibited from disclosing any information prior to COR written approval;

- g. Notify the COR within one (1) business day of receipt of chemical or radiation exposure related claims and L&I denial orders on those claims;
- h. Obtain all required forms from L&I and distribute all required forms to the covered Hanford Site Contractors (e.g., Self-Insurer Accident Report);
- i. Active claim reviews and contacts will be conducted by a claims adjuster as follows:
 - 1. Claims: a minimum of every thirty (30) days
 - 2. Claims with active time loss: a minimum of every fourteen (14) days
- j. Provide authorization and payment for medical services for open/active claims in accordance with contract clause H.11, Claim Administration Payments;
- k. Establish a method to capture any offsite medical treatment costs the Hanford Site Occupational Medical Provider has incurred that are associated with an accepted worker's compensation claim. These costs, if any, must be reported on the L&I quarterly reports;
- l. Ensure claimant travel is reimbursed pursuant to applicable L&I regulations. Any exceptions to L&I travel regulations must be approved in advance by the COR;
- m. Provide covered Hanford Site Contractors with a copy of the time loss check on individual claims within one (1) business day of request;
- n. Provide legal support, including reviewing claim files and initiating or defending litigation, pursuant to Section H.10 and the Legal Management Plan, when necessary;
- o. Provide written recommendations to the COR requesting approval for independent medical examinations, physician(s) reviews, investigations, surveillances, and/or vocational rehabilitation services for all claims. Schedule services within fifteen (15) days of receipt of required COR approval;
- p. Provide cost containment programs, such as medical preferred provider organizations, and a prescription drug cost containment network;
- q. Evaluate future liability for claims to establish reserves; review reserves on a monthly basis providing notification of substantial reserve changes to the COR;
- r. Prepare and/or assist DOE staff with all appropriate responses to audits and

inquiries of all regulatory agencies, reviews or other investigations as designated by the CO and COR;

- s. Provide electronic banking/direct deposit to claimants, upon claimant's request;
- t. Use the claimant's assigned covered Hanford Site Contractor at the time of injury as the employer identifier code. The Contractor will be notified by the covered Hanford Site Contractor's workers' compensation representative of the identifier code;
- u. Provide queries and trend analyses from the contractor's electronic claims system (such as the DAVID Renaissance system or equivalent), as requested by the CO or COR; and
- v. Maintain both digital and hardcopy claims files according to L&I and DOE disposition schedules. All digital and hardcopy claims files shall remain the property of DOE. Disposition of the claims materials will be at the direction and discretion of DOE.

2. Customer Service Orientation

The Contractor shall:

- a. Conduct and or attend periodic meetings as requested by DOE;
- b. Provide a toll free telephone line accessible by DOE, all eligible Contractor employees (current and former), L&I, covered Hanford Site Contractors, and providers of services. The telephone shall be answered by Contractor personnel during business hours (Monday through Friday, 8:00 a.m. – 5:00 p.m. PST);
- c. Ensure voice mail is available during non-business hours. The Contractor must provide a response to claim requests and voice mail messages within twenty four (24) hours of receipt, or the next business day;
- d. Ensure at least eight (8) hours of service daily, Monday through Friday, 8:00 a.m. – 5:00 p.m. PST, at a fully staffed central processing office within the United States;
- e. Ensure that all benefit payments are accompanied with an explanation of benefits to the claimant or payee; and
- f. Provide accurate and factual communication to, and coordination among, the COR, the claimant, the attending physician, the covered Hanford Site

Contractor, the Hanford Occupational Medical Services provider, and any other entity involved in the management of a claim.

3. Resolving Issues and Process Improvement

The Contractor shall:

- a. Provide a corrective action plan when issues and/or non-compliances in its internal procedures and/or industry standards are identified. The corrective action plan shall include all claims involved, the issues in question and written recommendations with schedule concerning resolution and/or appropriate action in accordance with the statutory provisions of the L&I;
- b. Provide a corrective action plan to the CO and COR within thirty (30) business days of knowledge of problem and/or non-compliance;
- c. Establish a chain of command for resolution of problems and/or non-compliance. For any potential conflicts of interest, perceived or real, that arise with regard to the handling of claim(s), the Contractor will immediately notify the CO and COR;
- d. Designate one or more Key Personnel as primary point(s) of contact;
- e. Provide proactive monitoring of all cases for the purpose of identifying, at the earliest possible opportunity, fraudulent conduct by claimants, providers, or others. The Contractor shall be responsible for investigating all such cases. The Contractor shall notify the CO and COR of all possible fraud; and
- f. Review policies and procedures, as needed, to develop new and innovative ways to enhance the site claims administration process, increase efficiency and submit such recommendations to the CO and COR for approval.

C.5 MANAGEMENT AND OVERSIGHT OF INSURANCE CLAIM NUMBER 8600434

The Contractor shall provide case management services to include the coordination of medical care and processing of expense payments for Industrial Insurance Claim number 8600434. Claimant 8600434 was injured at Hanford in 1979 and sustained C5 tetraplegia (spinal cord injury). The claim has been closed and costs associated with the claim are not reportable to L&I. The Contractor shall continue to manage the claim using L&I "Medical Aid Rules and Fee Schedules". Exceptions to the Medical Aid Rules that are required for good medical practice in this case are in a 2004 Arbitration Award. The appropriate amount of attendant care consistent with the accepted standard of care in such cases is in a 2012 Arbitration Award. Both Awards will be provided to the Contractor by DOE-RL after contract award.

**C.6 PROCESSING OF ENERGY EMPLOYEES OCCUPATIONAL ILLNESS
COMPENSATION PROGRAM ACT (EEOICPA) CLAIMS**

- a. The Contractor shall provide all required labor and materials necessary to compile and forward an electronic copy of individual Worker's Compensation records case files which have been requested by DOE-RL EEOICPA Program Office, pursuant to EEOICPA. Additional details for processing EEOICPA claims are as follows:
 1. DOE-RL EEOICPA Program Office will periodically forward a list to the Contractor, via E-mail, of EEOICPA claimants. The Contractor shall search all files and databases for records pertaining to the listed claimants and notify DOE-RL EEOICPA Program Office within five days if the records exist.
 2. The Contractor will compile copies of all individual case files, excluding information being withheld for legal reasons. If information is withheld, the Contractor shall indicate this in their transmittal.
 3. The Contractor shall forward the case files to DOE-RL EEOICPA Program Office in a PDF/A electronic format within thirty (30) days from the date of the original request. The Contractor shall provide documentation that a search was conducted for each individual using established criterion along with a written description of the relevant record systems searched and the search criteria used (e.g., name, social security number, etc.).
- b. DOE-RL EEOICPA Program Office will occasionally request that the Contractor provide information related to benefits paid for a specific illness related to an individual. This information shall include the final determination and an itemized account of the benefits paid to each benefit category (i.e. medical benefits, disability benefits, death benefits, settlement amount, attorney fees, vocational rehabilitation, and the amount of any disability payment issued during vocational rehabilitation training). The Contractor shall forward this information to DOE-RL EEOICPA Program Office in a PDF/A electronic format within five (5) working days of the date of the request.
- c. If the DOE-RL EEOICPA Program Office requests documentation in relationship to a notification by the Department of Labor that an EEOICPA claimant is in a terminal state, the Contractor shall upon receipt of the written notification, provide the requested documents within one business day, unless some extraordinary circumstances preclude that turnaround.

C.7 REQUIRED SERVICES FOR CLAIMS UNDER MEDICARE SECTION 111

The Contractor shall ensure compliance with the mandatory reporting requirements for group health plan arrangements and for Liability Insurance (including Self-Insurance), No-Fault Insurance, and Workers' Compensation under Section 111 of the Medicare,

Medicaid, and SCHIP Extension Act of 2007 (MMSEA) (P.L.110-173), 42 U.S.C. 1395y(b)(7) & (8).

Under federal law, Medicare is designated as the secondary payer of claims made by people eligible for coverage under other insurance. On behalf of DOE-RL, the Contractor shall reimburse Medicare for any payments for which Hanford Site Workers' Compensation self-insurance is determined to be responsible.

The Contractor shall ensure compliance with the US Department of Health and Human Services (HHS) mandate of the replacement of the ICD-9-CM code sets (used by medical billers to report health care diagnoses and procedures) with ICD-10 codes, effective Oct. 1, 2015.