



# City of Grand Island

Tuesday, July 24, 2007

Council Session

## Item I1

**#2007-176 - Consideration of Changes to the City Health Insurance Plan to Include Wellness Package**

Staff Contact: Brenda Sutherland

# **Council Agenda Memo**

**From:** Brenda Sutherland, Human Resources Director

**Meeting:** July 24, 2007

**Subject:** Changes to City Health Insurance Plan

**Item #'s:** I-1

**Presenter(s):** Brenda Sutherland, Human Resources Director

## **Background**

The City Of Grand Island offers a benefit package for all of its employees that work at least thirty hours per week. This package includes health and dental insurance. The City currently has over five hundred employees that take advantage of this benefit. Last year, the City went out for an RFP to solicit proposals for its health and dental benefit. Mutual of Omaha had the successful proposal. The first contract year will be ending on September 30, 2007. With the start of a new plan year just around the corner, administration, along with the assistance of the health insurance committee have reviewed the current contract and have come up with recommendations for changes for the next plan year. The health insurance committee consists of representation from each of the labor unions, members of the non-union group and management.

## **Discussion**

The health insurance committee has reviewed this year's claim activity and also the administrative expenses that are contracted for next year. With the current level of claim activity the committee is recommending the following changes be made to the City's health plan:

Move deductibles: In network from \$200/\$400 to \$300/\$600  
Out of network from \$400/\$800 to \$600/1200

Move out-of-pocket: In network from \$1200/2400 to \$1300/2600  
Out of network from \$1900/\$3800 to \$2100/4200

Change the co-pays for prescription drugs from \$15/\$20/\$35 to \$15/\$25/\$40. A fourth tier would also be added for specialty drugs with a \$50 co-pay.

Employees will have premiums deducted from their paychecks each of the 26 pay periods instead of 24 pay periods.

There are currently four different levels of coverage and the recommendation would be to move to three levels – single, 2/4, and family.

The total monthly premium would increase by 10% and the employees share would be increased to 15% for all three levels of coverage. Following are the monthly premiums for the three levels of coverage: Single - \$409.54, 2/4 – 864.16, and Family - \$1264.88. The employee's share of the premium would be based on the amount noted above unless a labor contract would specify otherwise.

Infertility coverage would change from six courses of treatment to three courses of treatment.

The final change that is being recommended for consideration is the addition of a formal wellness plan. When the City chose Mutual of Omaha to administer its health plan one of the real selling points was the wellness package that they offered. At the time we contracted with Mutual to administer our health plan we were not ready to jump in to a wellness program and wanted to do more research and talk as a committee before moving forward. A year has passed and the committee is ready to move forward with its recommendation to add the wellness package to our plan.

The plan being proposed is called myhealthIQ. This company contracts with Mutual of Omaha to provide the expertise and administration of the plan. This plan will provide for health risk assessments that will come from medical history and current conditions, biometric measurements (height, weight, resting blood pressure, and body mass index), and a series of blood tests that will include cholesterol, serum cotinine, full lipids, glucose, triglycerides, GGT, and 12 additional vital organ tests.

Testing will be done at various worksites so that it is convenient. The City will not get an employee's personal results. Instead, the City will get statistics about the level of wellness for the overall group. This information can then be used for targeted education and training. Employees that choose to participate in the wellness program will see a \$35 per month reduction in their health insurance premium.

The cost for this service will be \$100 per year per employee on our health care plan. Administration is proposing the addition of the wellness plan in an effort to hedge the higher cost of illness that is not detected early or possibly circumvented due to early detection. Studies have shown time and again that a dollar spent in prevention saves at least four dollars for treatment after the illness has gained a foot hold. Administration is proposing moving to a real philosophy of "health care" instead of the current system which is really "sick care". We are paying the bills on the backend which are more costly instead of spending money up front to prevent more serious situations.

## **Alternatives**

It appears that the Council has the following alternatives concerning the issue at hand. The Council may:

1. Move to approve
2. Refer the issue to a Committee
3. Postpone the issue to future date
4. Take no action on the issue

## **Recommendation**

City Administration recommends that the Council approve the proposed changes to the City's health care plan including the addition of the wellness program.

## **Sample Motion**

Motion to approve changes to the City's health care plan.

**ADMINISTRATIVE SERVICES AGREEMENT  
FOR HEALTH SCREENING AND SUPPORT SERVICES**

**THIS ADMINISTRATIVE SERVICES AGREEMENT FOR HEALTH SCREENING AND SUPPORT SERVICES** (this "Agreement") is made and entered into as of the 1st day of October 2007 (the "Effective Date"), by and between City of Grand Island, ("Customer") and United of Omaha Life Insurance Company ("Company").

- A. Customer desires to obtain certain health screening and support services for certain of its employees who elect to have such services, including employees (and their dependents) covered under a health benefits plan sponsored by Customer and underwritten or administered by Company, as applicable, and employees who are not enrolled in Customer's health plan.
- B. Company shall provide a program of health screening and support services to Customer called the myhealthIQ Program.
- C. Capitalized terms used in this Agreement shall have the meanings set forth in Exhibit A of this Agreement.

In consideration of the mutual covenants and obligations set forth below, the Parties hereby agree as follows:

**I. PROVISION OF SERVICES BY COMPANY.** The parties hereto understand that Company has the right to use a subcontractor to perform any and all services under this Agreement. Company agrees to provide the myhealthIQ Program to Members, as set forth more fully on Exhibit B, which is hereby incorporated into this Agreement. Company shall begin providing the myhealthIQ Program as of the Effective Date. Company and its subcontractor shall have the right to use the outcome and results from the myhealthIQ Program under this Agreement for their general marketing purposes in a manner that does not identify Customer, its Eligible Persons and/or Members. References to Company herein shall include its subcontractor, when applicable.

**II. OBLIGATIONS OF CUSTOMER.** During the term of this Agreement, Customer agrees to the following:

- (a) Make available the myhealthIQ Program to its employees.
- (b) Provide to Company the data listed on Exhibit B for each Eligible Person at least forty-five (45) days in advance of the first Health Screening Event.
- (c) Implement a financial incentive to participate in the myhealthIQ Program of at least \$30 per month premium contribution differential between a Member's cost for coverage under the health benefits plan and a Non-Member's cost for coverage under the health benefits plan, provided such premium contribution differential complies with the requirements of the Wellness Program Exception. If such premium contribution differential does not comply with the requirements of the

Wellness Program Exception, Customer shall implement a financial incentive arrangement, mutually acceptable to Customer and Company, that encourages Eligible Persons to participate in the myhealthIQ Program.

- (d) Provide Eligible Persons with program materials describing the myhealthIQ Program and any financial incentive arrangement sponsored by Customer related to participation in the myhealthIQ Program.
- (e) Distribute myhealthIQ's Health Risk Assessment Forms (HRAs) to Eligible Persons participating in the myhealthIQ Program at or prior to their Health Screen.
- (f) Schedule each Eligible Person to attend a Health Screening Event and provide such Health Screening Schedule to Company at least ten (10) days in advance of such Health Screening Event.
- (g) Provide Company with an appropriate, accessible and safe setting at Customer's work site adequate for the purpose of conducting Health Screens of Eligible Persons who desire to participate in the myhealthIQ Program.
- (h) Encourage each Member to complete all actions necessary for Company to generate a myhealthIQ Personal Health Report.
- (i) Designate one or more appropriate representatives to serve as a liaison to Company and to be available during normal business hours to respond to inquiries from Company.
- (j) Make no material changes to the structure or implementation of the myhealthIQ Program without the prior written consent of Company so as to maintain its qualification for the Wellness Program Exception.
- (k) Customer shall not use Company's name, symbols, trademarks or service marks, without the prior written consent of Company.

### **III. ENGAGEMENTS; PAYMENTS TO COMPANY.**

- (a) When Customer elects to receive the myhealthIQ Program, Customer will provide the necessary information for Company to complete the Notification of Sale form, which is substantially the same form as the Notification of Sale attached hereto as Exhibit C ("Notification of Sale").
- (b) Upon completion of the Notification of Sale by Customer and receipt by Company, Company will commence services and Company shall be compensated for any services it delivers, even if this Agreement is not executed between Company and the Customer.

- (c) In consideration of the services rendered by Company under this Agreement for Customer, Customer shall pay the fees set forth in Exhibit D. Customer shall pay the fees in the manner determined by Company.

IV. **INDEPENDENT RELATIONSHIP.** Notwithstanding any other provisions hereof, in the performance of their obligations of this Agreement, each party is at all times acting and performing as an independent contractor with respect to the other party, and neither party shall have or exercise any control or direction over the method by which the other party shall perform such work or render or perform such services and functions. It is further expressly agreed that no work, act, commission or omission of either party (or any of its agents, servants or employees) pursuant to the terms and conditions of this Agreement shall be construed to make or render such party (or any of its agents, servants or employees) an agent, servant, representative or employee of, or joint venturer with, such other party.

V. **COMMUNICATIONS.** Certain information communicated by an Eligible Person participating in the myhealthIQ Program may constitute Protected Health Information. It is the parties' intent that all information exchanged pursuant to the myhealthIQ Program be compliant with the privacy and security regulations implementing the Health Insurance Portability and Accountability Act of 1996 ("HIPAA") and other applicable laws and be consistent with any representations to Eligible Persons or Members concerning confidentiality of information. The parties agree as follows:

- (a) Except as specified in Exhibit B of this Agreement with respect to reports related to myhealthIQ Program participation, neither Company nor its subcontractor, as applicable, shall disclose to Customer Confidential Personal Information, as defined in Section VI hereof, including Personal myhealthIQ Data. No Confidential Personal Information, including Personal myhealthIQ Data, will be disclosed by Company to Customer unless such disclosure is permitted by law.
- (b) Company will cooperate with Customer with regard to making selected Personal myhealthIQ Data from Members' myhealthIQ Personal Health Reports available (through a file transfer protocol) to other providers of healthcare related services and employee assistance programs designated by Customer, provided that any disclosures are permitted by applicable law.
- (c) Company may condition any disclosures of Personal myhealthIQ Data to Customer or other parties upon the receipt of written instructions from Customer and representations deemed sufficient by Company that such disclosure complies with all applicable laws, including, but not limited to, the privacy and security regulations implementing HIPAA.

VI. **CONFIDENTIALITY.**

- (a) **Definitions.** For purposes of this Section VI, the following terms have the following meanings. Any singular word shall include any plural of the same

word. Except as otherwise defined, any and all capitalized terms in this section shall have the definitions set forth in the Privacy and Security Rules.

- (i) “*Confidential Business Information*” means all written information, including, without limitation, any information included on tapes, diskettes or other computer-generated materials, that either party to this Agreement or its Representatives supplies to another party to this Agreement or its Representatives. Further, Confidential Business Information shall include all oral information disclosed by either party to this Agreement or its Representatives to another party to this Agreement or its Representatives. Confidential Business Information shall not include any information which (1) was lawfully available to the public prior to the time of such disclosure, (2) becomes available to the public as a result of actions by persons or entities other than the receiving party or its Representatives, (3) was obtained by the receiving party or its Representatives, either prior or subsequent to disclosure, from a third party not known to be under any obligation of confidentiality to the supplying party, (4) is presently known or becomes known to the other party from its own independent sources as evidenced by its written records, (5) was independently developed by or for a party hereto by persons who did not access Confidential Business Information disclosed by the other party under this Agreement, (6) is required by securities laws or exchange listing requirements to be disclosed by the receiving party, or (7) is required by law, regulation, rule, act or order of any governmental authority or agency to be disclosed by the receiving party; provided, however, that such receiving party gives the other party hereto sufficient advance written notice to permit it to seek a protective order or other similar order with respect to such Confidential Business Information and thereafter discloses only the information required to be disclosed in order to comply.
- (ii) “*Confidential Information*” means Confidential Business Information and Confidential Personal Information.
- (iii) “*Confidential Personal Information*” means all individually identifiable personal information relating to any employee of Customer or dependent of said employee (1) covered under any health plan sponsored by Customer, or (2) participating in the myhealthIQ Program, including, but not limited to, demographic, medical and financial information, such as name, age, sex, address, social security number, past or present physical and mental health condition and treatment, debt status or history, income and other similar individually identifiable personal information. The term “Confidential Personal Information” includes, but is not limited to, Protected Health Information.
- (iv) “*Individual*” has the same meaning as the term “individual” in 45 CFR 160.103 and shall include a person who qualifies as a personal representative in accordance with 45 CFR 164.502(g).



- (v) “*Privacy and Security Rules*” shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 CFR part 160 and part 164, and the Security Standards at 45 CFR part 160, part 162 and part 164, as may be amended from time to time.
- (vi) “*Protected Health Information*” shall have the same meaning as that assigned in the Privacy and Security Rules, limited to the information created or received by Company from or on behalf of Customer.
- (vii) “*Representative*” shall mean all officers, directors, employees, agents, professional advisors, subcontractors, consultants, representatives and affiliates of either party.
- (viii) “*Required by Law*” has the same meaning as the term “required by law” in 45 CFR 164.103.
- (ix) “*Secretary*” means the Secretary of the Department of Health and Human Services or its designee.

(b) **Confidential Business Information.**

- (i) ***Confidentiality Agreement.*** Each party agrees to retain all Confidential Business Information in confidence and will not use or disclose Confidential Business Information to others except, if not otherwise prohibited under this Agreement, to the party’s Representatives, for purposes related to party’s performance of its obligations hereunder; provided the Representative is first informed of the confidential nature of such information and the obligations set forth herein, and agrees to be bound thereby. Each party will be responsible to the other party for a breach of confidentiality by its Representatives.
- (ii) ***Return of Confidential Business Information.*** Upon termination of this Agreement, each party will promptly return or destroy all Confidential Business Information as directed in writing by the other party. Upon written request of the other party, the destruction or return of such information shall be confirmed in writing. If the parties agree that the return or destruction of all Confidential Business Information it has relating to the other party is infeasible, the parties shall extend the protections of this Agreement to all Confidential Business Information and limit its further use and disclosure to the purposes that make return or destruction infeasible.

(c) **Confidential Personal Information.** Except for Protected Health Information, which is governed by subsection (d) below, all Confidential Personal Information shall be deemed confidential, with or without designation as such by the parties, and shall be treated in the same manner as Confidential Business Information, described above in subsection (b).

(d) **Protected Health Information.**

(i) ***Confidentiality of Protected Health Information.*** Throughout the term of this Agreement, Company agrees to protect the confidentiality of Protected Health Information as follows:

- (1) Refrain from any use or further disclosure of Protected Health Information other than as permitted or required by this Agreement or as Required by Law. Company shall take reasonable action(s) requested by Customer to mitigate any unauthorized use or disclosure.
- (2) Use appropriate safeguards to prevent use or disclosure of Protected Health Information other than as provided for by this Agreement. Additionally, Company agrees to implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of the electronic Protected Health Information that it creates, receives, maintains, or transmits on behalf of Customer.
- (3) Report to Customer any use or disclosure of Protected Health Information that is not permitted by this Agreement or any successful security incident (as defined in 45 CFR 164.304) of which Company becomes aware. Company shall report any security incident that is attempted but not successful of which it becomes aware only upon receipt of a written request from Customer.
- (4) Ensure that any Representative to whom it provides Protected Health Information agrees to the same restrictions and conditions set forth in this Agreement.
- (5) Provide access to Protected Health Information to Customer in order to meet the requirements under 45 CFR 164.524. (This provision shall have no effect if Company does not have Protected Health Information in a designated record set.)
- (6) Make any amendment(s) to Protected Health Information in a designated record set pursuant to 45 CFR 164.526. (This provision shall have no effect if Company does not have Protected Health Information in a designated record set.).
- (7) Make available to Customer the information required for Customer to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 CFR 164.528.
- (8) Make its internal practices, books, and records, including policies, procedures and Protected Health Information, relating to the use

and disclosure of Protected Health Information available to the Secretary or their designee, in a time and manner designated by Customer or the Secretary for purposes of determining Customer's compliance with the Privacy and Security Rules.

- (ii) ***Permitted Uses and Disclosures.*** Except as otherwise limited in this Agreement, Company may:
  - (1) Use or disclose Protected Health Information to perform functions, activities, or services as specified in this Agreement for, or on behalf of, Customer, provided that such use or disclosure would not violate the Privacy and Security Rules if done by Customer.
  - (2) Use or disclose Protected Health Information to carry out its legal responsibilities.
  - (3) Use or disclose Protected Health Information for the proper management and administration of Company, provided that the uses or disclosures are Required by Law, or Company obtains reasonable assurance from the entity or person to whom the information is disclosed that it will remain confidential and be used or disclosed only as Required by Law or for the purpose for which it was disclosed to the person or entity.
  - (4) Use or disclose Protected Health Information as otherwise requested in writing by Customer, provided that such use or disclosure would not violate the Privacy and Security Rules if done by Customer.
  - (5) Use or disclose information that has been de-identified in accordance with the Privacy and Security Rules' standards in any manner permitted by applicable law.
- (iii) ***Obligations of Customer.*** Customer shall ensure that all necessary or required consents or authorizations are obtained from, and all necessary or required notices are sent to, Individuals regarding the use and disclosure of Protected Health Information as may be necessary, in light of applicable state and federal laws, for the parties to fulfill their obligations under this Agreement. In addition, Customer agrees to promptly notify Company of and consult with Company prior to agreeing to, pursuant to 45 CFR 164.522, any restriction or confidential communication request that would affect Company.
- (iv) ***Permissible Requests by Customer.*** Customer shall not request Company to use or disclose Protected Health Information in any manner that would not be permissible under the Privacy and Security Rules if done by Customer.

- (v) **Effect of Termination.** Upon termination or expiration of this Agreement, for any reason, if the parties hereby agree that returning, de-identifying in accordance with the Privacy and Security Rules or destroying the Protected Health Information is infeasible, Company shall extend the protections of this Agreement to the Protected Health Information and limit further uses and disclosures of the Protected Health Information to those purposes that make the return, de-identification or destruction infeasible, for so long as Company maintains the Protected Health Information.
- (e) **Amendment.** The parties agree to take such action as is necessary to amend this Agreement from time to time as is necessary for the parties to comply with the requirements of the Privacy and Security Rules and the Health Insurance Portability and Accountability Act of 1996.
- (f) **Compliance with Laws.** Both parties shall comply with its obligations under this Agreement and under any applicable state or federal law or regulations as may be in effect or as may be enacted, adopted or determined regarding the confidentiality, use and disclosure of Confidential Information.
- (g) **Material Obligation/Survival.** Each obligation contained in this Agreement pertaining to the confidentiality, use or disclosure of Confidential Information is deemed to be a material obligation of each party hereunder. The respective rights and obligations of the parties under this Section VI shall survive termination of this Agreement.

## **VII. EFFECTIVE DATE, TERM, RENEWAL AND TERMINATION.**

- (a) **Effective Date; Term.** This Agreement shall be effective as of the Effective Date and shall continue for one (1) year from the Effective Date (the "Initial Term"), unless otherwise terminated pursuant to the terms hereof.
- (b) **Renewal Terms.** This Agreement shall automatically renew for additional successive one (1) year terms after the Initial Term (a "Renewal Term") on the same terms, conditions and provisions as contained herein, together with any authorized and approved amendments hereto, unless either party gives written notice to the other party of its intent not to renew the Agreement at least sixty (60) days prior to the expiration of the then current term.
- (c) **General Termination Provisions.** This Agreement may be terminated as follows:
  - (i) By mutual written consent of the parties; or
  - (ii) Upon ninety (90) days' advance written notice by either party.
- (d) **Termination for Material Breach.** Either Customer or Company may terminate this Agreement by providing the other party with a minimum of sixty (60) days'

prior written notice in the event the other party commits a Material Breach (as defined below). Said notice must specify the nature of such Material Breach. The breaching party shall have thirty (30) days from the date of receipt of the foregoing notice to cure said Material Breach. In the event the breaching party fails to cure the Material Breach within said thirty (30) day period, this Agreement shall automatically terminate upon expiration of the sixty (60) day notice period. For purposes of this Agreement, the term "Material Breach" shall mean a breach of an essential term of this Agreement, not caused by or contributed to by the aggrieved party.

(e) **Automatic Termination.** This Agreement may be terminated as follows:

- (i) If either party to this Agreement becomes insolvent or generally fails to pay, or admits in writing its inability or refusal to pay, debts as they become due; or either party applies for, consents to, or acquiesces in the appointment of a trustee, receiver or other custodian for such party or any property of such party, or makes a general assignment for the benefit of creditors; or, in the absence of such application, consent or acquiescence, a trustee, receiver or other custodian is appointed for either party or for a substantial part of the property of such party and is not discharged within sixty (60) days; or any bankruptcy, reorganization, debt arrangement or other case or proceeding under any bankruptcy or insolvency law or any dissolution or liquidation proceeding is commenced in respect of either party, and if such case or proceeding is not commenced by such party, it is consented to or acquiesced in by such party or remains for sixty (60) days undismissed; or either party takes any action to authorize, or in furtherance of, any of the foregoing.
- (ii) If legislation is enacted or a court of competent jurisdiction interprets a law so as to prohibit the continuation of this Agreement or such law or court interpretation so adversely affects the business of Company or Customer that Company and/or Customer determine they can no longer continue conducting business under this Agreement as presently contemplated.
- (iii) If Company or Customer is found guilty of a serious criminal offense or is found liable for gross misconduct, fraud or dishonesty related to this Agreement as finally determined and adjudicated by a court of competent jurisdiction.
- (iv) Upon termination of Customer's health benefits plan underwritten or administered by Company, whichever is applicable.

Any party to this Agreement shall promptly notify the other party in writing of any event giving rise to automatic termination under this subsection (e), provided that failure to give such notice shall not prevent this Agreement from automatically terminating upon the occurrence of such event.

In the event this Agreement terminates or expires for any reason, Company shall discontinue providing services to Customer and the terms and provisions of this Agreement, including, but not limited to, Customer's obligation to pay Company as provided under Exhibit B, shall continue for services rendered by Company. This Section shall survive termination or expiration of this Agreement.

#### **VIII. INDEMNIFICATION.**

- (a) Customer hereby agrees to indemnify, defend and hold harmless Company and/or its subcontractor, their officers, directors, employees, agents and affiliates, from and against any loss, cost, damage, expense or other liability, including, without limitation, all reasonable costs and attorneys' fees, actually incurred and finally determined and either (i) adjudicated by a court of competent jurisdiction or (ii) determined to have arisen out of, or in connection with, acts or omissions of Customer, its officers, directors, employees and agents, in the performance of its obligations under this Agreement.
- (b) Company agrees to indemnify, defend and hold harmless Customer, its officers, directors, employees, agents, subcontractors and affiliates, from and against any loss, cost, damage, expense or other liability, including, without limitation, all reasonable costs and attorneys' fees, actually incurred and finally determined and adjudicated by a court of competent jurisdiction, to have arisen out of or in connection with the acts or omissions of Company, their officers, directors employees and agents, in the performance of their obligations under this Agreement.
- (c) An indemnitee entitled to indemnification under this Section VIII shall give notice to the indemnitor of a claim or other circumstances likely to give rise to a request for indemnification promptly after the indemnitee becomes aware of the same. No compromise or settlement of any such claim shall be made without the prior written consent of the indemnitee.
- (d) Customer and Company agree to make all reasonable efforts, consistent with the advice of counsel and the requirements of applicable insurance policies and carriers, to coordinate the defense of all claims in which both parties are either a named defendant or have a substantial possibility of being a named defendant and have interests that are not in conflict. Each party shall promptly notify the other party of the receipt of any actual or threatened claim relating to this Agreement.
- (e) Notwithstanding any provision in this Agreement to the contrary, no party shall seek indemnification from another party to this Agreement for any liability or potential liability related to any illness, injury, or death of a Member who meets the Telephone Alert Criteria (as defined on Exhibit A) but is not contacted by telephone or otherwise, regardless of the reason.

## **IX. GENERAL PROVISIONS.**

- (a) **Amendment.** This Agreement may be amended at any time during the term of the Agreement by mutual consent in writing of duly authorized representatives of the parties; provided, however, that any change (including any addition and/or deletion) to any provision or provisions of this Agreement that is required by duly enacted federal or state legislation, or by a regulation or rule finally issued by a regulatory agency pursuant to such legislation, rule or regulation (including, without limitation, any final regulations issued with regard to the Wellness Program Exception), will be deemed to be part of this Agreement without further action required to be taken by either party to amend this Agreement to effect such change or changes, for as long as such legislation, regulation or rule is in effect; provided that, without limiting the effect of the foregoing, if such amendment adversely affects either party, the parties agree to renegotiate the affected portion of the Agreement in a good faith effort to remedy the adverse effect.
- (b) **Assignment.** Neither party may assign this Agreement to a third party without the express written approval of a duly authorized representative of the other party, and any such attempted assignment shall be void; provided, however, that either party expressly reserves the right to assign any and all of its rights hereunder to an affiliate or wholly-owned subsidiary, provided that such party shall notify the other party of any such assignment in writing at least thirty (30) days prior thereto.
- (c) **Applicable Law.** This Agreement shall be governed by the laws of the State of Nebraska, without regard to its conflicts of law rules.
- (d) **Binding Effect.** This Agreement shall be binding upon and inure to the benefit of the parties, their successors and their permitted assigns.
- (e) **Enforceability.** In the event any provision of this Agreement is rendered invalid or unenforceable by a federal or state legislative action or judicial decision, the remainder of the provisions of this Agreement shall remain in full force and effect, unless the invalidated or unenforceable provision is material to the overall intent of the Agreement.
- (f) **Entire Agreement.** This Agreement, which shall be deemed to include all attachments, amendments, exhibits, addenda and schedules, contains the entire agreement between the parties. Any prior agreements, promises, negotiations or representations, either oral or written, relating to the subject matter of this Agreement and not expressly set forth in this Agreement are of no force or effect.
- (g) **Limitations on Liability.** Although this Agreement contemplates services for Eligible Persons, the parties reserve the right to amend or terminate this Agreement without notice to, or the consent of, any Eligible Person. No persons or entities other than Company and Customer are intended to be, or are in fact, beneficiaries of this Agreement, and the existence of the Agreement shall not in

any respect whatsoever increase the rights of any Member or other third party, or create any rights on behalf of any Member or other third party *vis-à-vis* any of the parties.

- (h) **Corporate Authority.** Company represents and warrants to Customer that it has the corporate power and corporate authority to execute this Agreement and that this Agreement, when executed, will be a valid and binding obligation of Company, enforceable in accordance with its terms. Customer represents and warrants to Company that it has the corporate power and corporate authority to execute this Agreement and that this Agreement, when executed, will be a valid and binding obligation of Customer, enforceable in accordance with its terms.
- (i) **Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which together comprise one and the same instrument.
- (j) **Attorneys' Fees; Enforcement Costs.** If any legal proceeding is brought for the enforcement of this Agreement, or because of an alleged breach of any provision of this Agreement, the prevailing party shall be entitled to recover reasonable attorneys' fees, court costs and other reasonable expenses incurred in connection with maintaining or defending such proceeding, in addition to any other relief to which such party or parties may be entitled.
- (k) **Waiver of Breach.** The waiver by a party of any breach of any provision of this Agreement by the other party shall not operate or be construed as a waiver of any subsequent breach of the same or any other provision hereof by that party.
- (l) **Force Majeure.** Either party shall be excused from the performance of any of its obligations hereunder and such party's nonperformance shall not be a default or grounds for termination of this Agreement to the extent that such party is prevented, hindered or delayed from performing any of its obligations, in whole or in part, as a result of an act of God, war, terrorism, bio-terrorism, epidemic, civil disturbance, court order, regulatory order, labor dispute or other cause beyond that party's control.

- X. **NOTICES.** Any notice required to be given pursuant to the terms and provisions of this Agreement shall be in writing, postage prepaid, and shall be sent (by certified or registered mail, return receipt requested, or by federal express or other overnight mail delivery for which evidence of delivery is obtained by the sender) to the address or addresses set forth below unless the sender has been otherwise instructed in writing or unless otherwise provided by law. The notice shall be deemed to be effective on the date indicated on the return receipt or, if no date is so indicated, then on the date of the notice.

To Customer:                      City of Grand Island  
    100 East 1<sup>st</sup> Street  
    Grand Island, NE 68802  
    Attention: Tami Herald



To Company: S-3 Group Health Management Services  
Mutual of Omaha Plaza  
Omaha, NE 68175  
Attn: Vice President of Care Services

3-Law Operation  
Mutual of Omaha Plaza  
Omaha, NE 68175  
Attn: General Counsel

IN WITNESS WHEREOF, by placing their duly authorized signatures below, the parties hereby execute this Agreement as of the Effective Date and agree to be bound by its terms.

**CITY OF GRAND ISLAND**

**UNITED OF OMAHA LIFE  
INSURANCE COMPANY**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

## EXHIBIT A

### DEFINITIONS

1. “*Eligible Person*” means an employee of Customer who is permitted by Customer to participate in the myhealthIQ Program. Individuals who are not permitted by Customer to participate in the myhealthIQ Program are not considered “Eligible Persons” as defined herein. Customer shall not restrict the eligibility of an individual unless such eligibility restriction is based on an employment-based classification permitted under the Wellness Program Exception.
2. “*Health Risk Assessment Form (HRA)*” means the proprietary questionnaire which is available to Eligible Persons through a web portal and available as a printed form provided by Company to Customer and distributed to Eligible Persons by Customer.
3. “*Health Screen*” means a health screen of an Eligible Person pursuant to the myhealthIQ Program that is provided or arranged by Company and which involves the collection of a blood sample and a biometric examination that includes measurement of the Eligible Person’s blood pressure, weight, height, and other vital statistics.
4. “*Health Screening Event*” means the designated place, date, and times arranged by Company and Customer on which Health Screens are provided to a Member by the examiner(s) pursuant to the myhealthIQ program.
5. “*Health Screening Schedule*” means the schedule listing the name of each Eligible Person and the designated date and time that each Eligible Person is scheduled for a Health Screening Event.
6. “*Health Screening Site*” means Customer’s work site or other location mutually acceptable to Company and Customer where a Health Screen is administered.
7. “*Incentive-Eligible Member*” means a Member who qualifies under Customer’s Incentive Program as described in Exhibit B to receive a financial incentive from Customer.
8. “*Incentive-Ineligible Member*” means a Member who does not qualify to receive an incentive under the Incentive Program.
9. “*Incentive Program*” means a health and wellness incentive program, as described in Exhibit B, offered by Customer, whereby certain Members may be eligible to receive a discount in their health care premium payments, or receive other similar incentive compensation permitted by law.
10. “*Individual Screening*” means an individual Health Screen that is scheduled for a Member at a time or place other than Health Screening Event.
11. “*Member*” means an Eligible Person who has chosen to participate in the myhealthIQ Program, prior to the Participation Deadline, and who (a) undergoes a Health Screen, and

- (b) submits a completed HRA to Company with sufficient identifying data to permit Company to match accurately the HRA to an Eligible Person.
12. *“myhealthIQ Personal Health Report”* means the customized personal health report described in Exhibit B prepared by Company for each Member who has completed all of the following: (a) a Health Screen, from which the blood test results and biometric measurements shall have been submitted to Company with sufficient identifying data to permit Company to match such data accurately to the Member, (b) an HRA, which shall have been submitted to Company with sufficient identifying data to permit Company to match accurately the HRA to the Member, and (c) all consent forms required by Company and Customer in connection with participation in the myhealthIQ Program. Company cannot prepare a myhealthIQ Personal Health Report (including a myhealthIQ Score) for any Member who has completed some, but not all, of the foregoing requirements.
  13. *“myhealthIQ Program”* means the proprietary program for providing health risk management and population health screening and support services as described in Exhibit B.
  14. *“myhealthIQ Score”* means the score between 0 and 100 that is assigned to each Member in the Member’s myhealthIQ Personal Health Report using Company’ or its subcontractor’s proprietary health risk assessment system, and which is based on the results of the Member’s Health Screen.
  15. *“Non-Member”* means any Eligible Person who has not become a Member on or before the Participation Deadline.
  16. *“Off-Line Member”* means a Member for whom a valid e-mail address has not been provided by Customer as required by Section 3 of Exhibit B or a Member who chooses not to complete the HRA on-line.
  17. *“Participation”* means the number of Members divided by the number of Eligible Persons.
  18. *“Participation Deadline”* means, for a particular Eligible Person, the date that is thirty (30) days following the Health Screen conducted at the Health Screening Site to which an Eligible Person or a Member, as applicable, is assigned.
  19. *“Patient Compliance Certification (PCC)”* means a specific form provided by Company to Customer for distribution to Eligible Persons. For purposes of the Incentive Program, a PCC signed by an Eligible Person’s physician and returned to Company prior to the Participation Deadline shall serve as a substitute for such Member’s attainment of any myhealthIQ Score that is required for the Member to be Incentive-Eligible.
  20. *“Personal myhealthIQ Data”* means (a) the contents of any Member’s HRA; (b) the results of any Member’s Health Screen; (c) the Member’s myhealthIQ Score; (d) the reason that any Member is Incentive-Eligible (whether because of the myhealthIQ Score, score improvement, or PCC); (e) the reason that any Member is Incentive-Ineligible

(whether because of a failure to improve the myhealthIQ Score or non-participation); and (f) any other information considered to be Protected Health Information.

21. “*Telephone Alert Criteria*” means the criteria developed by Company which, based on a Member’s Personal myhealthIQ Score, may prompt an outbound telephone call to the Member recommending that the Member consult his/her physician.
22. “*Wellness Program Exception*” means the wellness program exception to Section 702 of the Employee Retirement Income Security Act of 1974 and Section 2702 of the Public Health Service Act, as amended by HIPAA.

## EXHIBIT B

### MYHEALTHIQ PROGRAM

1. **Company's Protocol for the myhealthIQ Program.**

- (a) **Implementation Process.** Upon completion of the Notification of Sale form, Company will begin the implementation process of the myhealthIQ Program for Customer by performing the following duties:
- (i) Schedule the launch meeting with Customer to review expectations.
  - (ii) Provide myhealthIQ implementation materials to Customer.
  - (iii) Conduct webcast training with Customer.
  - (iv) Support Customer to complete the following:
    - (1) Coordinate schedules for Health Screening Events with Company;
    - (2) Distribute the program materials to Eligible Persons;
    - (3) Coordinate and organize Health Screening Site(s);
    - (4) Monitor receipt of all materials from the Health Screening Event(s); and
    - (5) Manage Health Screening Events according to implementation plan.
- (b) **Incentive Design.** Company will assist Customer in the development of an Incentive Program as described in Section II(c) of the Agreement to encourage participation by Eligible Persons and reduce health risks. Company recommends that each Member who receives a myhealthIQ Personal Health Report, regardless of his or her myhealthIQ Score, shall be an Incentive-Eligible Member in the first year that he or she participates in the myhealthIQ Program. After the first year of participation, Company recommends that each Member who receives a myhealthIQ Personal Health Report shall be an Incentive-Eligible Member for such year if he/she also:
- (i) attains a myhealthIQ Score for such year greater than 70; or
  - (ii) improves his or her myhealthIQ Score by five (5) or more points compared to the previous year; or
  - (iii) satisfies a qualified alternative standard under the Wellness Program Exception, if applicable, such as submission of a PCC signed by such Member's physician.

- (c) **General Communication Information.** Company shall provide communication material in PDF form via e-mail, and/or through website communications to the Customer for distribution to Eligible Persons. The communications hereunder include, but are not limited to, sample CEO letter, program overview, frequently asked questions and answers, health screening instructions, health risk assessment instructions and the consent form.

Written (both electronic and paper) communication to the Member is dependent upon Company having a valid residential address and e-mail address for the Member. Company may contact Members to inform them about other wellness programs and related resources that may be appropriate for and relevant to Members in accordance with Section V(b) of this Agreement.

- (d) **Health Screen.** Company shall provide, or arrange to provide, the examiners and blood collection kits necessary to conduct Health Screens for Eligible Persons at a Health Screening Site on such dates and times as shall be acceptable to Company and Customer. Once the location, date and time of each Health Screen has been determined, and notice of the location of the Health Screening Site has been timely provided to Company by Customer, the scheduling of Eligible Persons for Health Screens at such event shall be the primary responsibility of Customer. For efficiency and in order to avoid additional fees as set forth in Exhibit D, Customer shall schedule at least ten (10) Eligible Persons with an average of five (5) Eligible Persons scheduled per examiner per hour. Customer shall provide the Health Screening Schedule to Company at least ten (10) days before the date of the Health Screening Event. Such Schedule shall include the name of each Eligible Person and the designated date and time that each Eligible Person is scheduled for a Health Screen. Each Eligible Person must sign and submit to Company a written consent, in form and content acceptable to Company, before the Health Screen can be performed.
- (e) **Health Risk Assessment.** Each Eligible Person will be provided with access to the myhealthIQ HRA on an annual basis either in printed form, copies of which shall be provided by Company to Customer for distribution to Eligible Persons who do not wish to complete the HRA on-line and to Eligible Persons for whom a valid e-mail address was not provided by Customer, or in an electronic format through Company's myhealthIQ secure web portal.
- (f) **myhealthIQ Personal Health Report and myhealthIQ Score for Members.** Following the completion by a Member of all of the requirements necessary for Company to prepare a myhealthIQ Personal Health Report for such Member (as specified in the definition of "myhealthIQ Personal Health Report" in Exhibit A), Company will deliver a myhealthIQ Personal Health Report to such Member, including his/her myhealthIQ Score, lab test results and risk-specific educational materials based on the Member's individual risk factors. Company shall deliver myhealthIQ Personal Health Reports to Off-Line Members by standard mail and to other Members through secure website access.

- (g) **Member Website Access.** Members will have access to a secure personalized web portal to complete HRAs on-line, view their myhealthIQ Personal Health Report, receive educational materials, and access links to websites for further clinical content. Members using the website for myhealthIQ Program communication will receive e-mail notification of updates to their myhealthIQ web page that includes a password protected log-in screen.
- (h) **Telephonic Alert Calls.** One outbound call may be placed by Company to Members who meet the Telephone Alert Criteria.
- (i) **Hotline.** A toll-free telephone number and e-mail communication through the myhealthIQ website is available to Eligible Persons and Members to provide technical assistance in accessing the myhealthIQ Program website and to provide general information regarding the myhealthIQ Program. The toll-free telephone service and e-mail account is monitored by Company Monday through Friday from 9 a.m. to 5 p.m. Central time.
- (j) **Quarterly Educational Materials and Reminders.** Educational materials, reminders regarding re-assessment dates, health improvement targets and support contact information will be provided on-line by Company on a quarterly basis to Members who have received their myhealthIQ Personal Health Report on-line. Off-Line Members will be mailed printed copies of (i) the Healthwise Handbook, and (ii) additional educational materials during each of the three (3) quarters following the quarter during which such Member receives his or her myhealthIQ Personal Health Report.
- (k) **Cooperation with Third Parties.** Company will cooperate with Customer with regard to making selected Personal myhealthIQ Data available to other providers of healthcare related services and employee assistance programs designated by Customer as set forth in Section V of this Agreement.
- (l) **Liaison.** Company will designate one or more representatives of Company who will serve as a liaison to Customer and who will be available during normal business hours to respond to inquiries from Customer.

2. **Reporting.** Company will provide to Customer the following reports:

- (a) An annual aggregate report of Customer myhealthIQ Program Data in a manner consistent with the requirements of Section VI of this Agreement. Such report shall also include (i) the number of Members; (ii) the names of Incentive-Eligible Members; and (iii) the names of Incentive-Ineligible Members.
- (b) Upon request, additional reports at a mutually agreeable cost, consistent with the terms of this Agreement.

3. **Data to be Supplied to Company by Customer.** Customer shall provide Company with the following data for each Eligible Person in Company's standard format:

Customer Name  
Employee or Dependent status  
Employee Work Site  
Employee code  
First name  
Middle name  
Last name  
Gender  
Date of birth  
E-mail address  
Address 1  
Address 2  
City  
State  
Zip code  
Telephone

4. **myhealthIQ Program Services Modification.** Company reserves the right to make modifications to the myhealthIQ Program services outlined above for the express purpose of continuously improving the effectiveness and/or efficiency of the myhealthIQ Program. Company shall provide Customer thirty (30) days' advanced written notice of any material modifications.
5. **Internet Security.** Customer acknowledges that each time an Eligible Person uses the Test myhealthIQ feature of the web portal, the Eligible Person will be presented with a splash screen welcoming the Eligible Person and requesting that the Eligible Person agree to the terms and conditions governing use of Test myhealthIQ. In addition, upon entering the system for the first time, the Eligible Person will be presented with a splash screen requiring that the Eligible Person acknowledge that his/her use of the application is subject to the terms and conditions of use set forth on the site. Customer will not describe, discuss or promote the web portal to Eligible Persons in any way that is inconsistent with, or would add to, the terms and conditions of use set forth on the web portal.
6. **Terms of Use.** The use of the web portal by Customer or Eligible Persons is subject to the terms and conditions of use located on the web portal, which are incorporated herein by this reference. The terms and conditions of use on the web portal shall control over any conflicting terms herein or made by any party, whether oral or written or referenced herein.



## EXHIBIT C

### FORM OF NOTIFICATION OF SALE

SUBMITTED ON [DATE] BY \_\_\_\_\_

Company Name	
Contact (s)	
Address	
Address 2	
City, State	
Zip	
Phone	
Fax	
Requested Screening Window	
Number of Employees	
Number of Sites	
Complete Census Delivered	Attach Census
Site Census Delivered	Attach Site Census
Spouse Participation	
Individual Exams	
On-line %/#	
Off-line %/#	
Spanish HRA Requirements	
Account Completion Target	
Special Requirements/Comments (Branding, split corporate reporting, etc.)	
Fully Insured or ASO	
Company's Account Manager	

## EXHIBIT D

### FEE SCHEDULE

Throughout the term of this Agreement, Customer agrees to pay the fee amounts set forth below to Company for services rendered by Company pursuant to the terms of this Agreement.

1. **Health Screening Fee.** Customer shall pay a fee for each Health Screen ("Health Screening Fee") as follows:

Health Screening	Fee
For each Eligible Person who receives a Health Screen at the Health Screening Event	\$100 per screening
For each Eligible Person who receives an Individual Screening	\$190 per screening
If participation is less than 50%, the Customer shall pay an additional:	\$50 for each Eligible Person

Company shall be entitled to payment of the Health Screening Fees for each Member upon delivery of the myhealthIQ Personal Health Report to such Member. If a Member has not satisfied all of the requirements necessary to complete the Member's myhealthIQ Personal Health Report (pursuant to the definition thereof set forth in Exhibit A) on or before the applicable Participation Deadline, then Company shall be entitled to payment of the Health Screening Fee for such Member as of the applicable Participation Deadline.

2. **Participant Fulfillment Fee for Mailings.** Customer shall pay a fee in the amount of Fifteen Dollars (\$15.00) for each Off-Line Member to cover expenses related to the printing and mailing of the documents identified in Sections 1(c), (e), (f) and (j) of Exhibit B ("Fulfillment Fee").
3. **Screening Fee.** The maximum allowed screening hours is calculated by dividing the number of Members by five (5). If the number of billed screening hours exceeds the maximum allowed screening hours, Customer shall pay a screening fee for the excess hours equal to One Hundred Dollars (\$100.00) per each excess hour ("Screening Fee").

For each examiner for each Health Screening Event, the minimum billed hours equals two (2) hours. The number of examiners attending a Health Screening Event will be determined based on the Health Screening Schedule provided to Company for such Health Screening Event.

4. **Fee(s) Increases.** In the event that suppliers significantly increase their charges to Company so that it becomes economically infeasible for Company to provide the myhealthIQ Program for the amount of the fees set forth in this Exhibit D, Company may propose a new schedule the upcoming policy year to Customer for its approval at least

thirty (30) days prior to the anniversary date of the Effective Date of this Agreement. In the event Customer does not agree to the new fee schedule, this Agreement shall automatically terminate at Customer's option and Company shall be relieved of its obligation to provide the myhealthIQ Program for the remainder of the term of this Agreement.

5. **Payment of Fees.** [Customer shall pay the Health Screening Fees, the Fulfillment Fee, if applicable, and the Screening Fee within fifteen (15) days of receipt of the invoice from Company.][THIS PROVISION SHOULD BE USED FOR ASO GROUPS THAT DECIDE TO HAVE SERVICES INVOICED RATHER THAN DEDUCTED FROM PLAN ACCOUNTS.]

**OR**

[Customer agrees that the Health Screening Fees, the Fulfillment Fee, if applicable, and the Screening Fee shall be deducted by Company from Customer's Plan Benefit Account, as defined in the Administrative Services Agreement by and between Company and Customer.][THIS PROVISION SHOULD BE USED WHEN THE ASO CUSTOMER DECIDES TO HAVE FEES DEDUCTED FROM ITS PLAN BENEFIT ACCOUNT.]

R E S O L U T I O N   2007-176

WHEREAS, the City subscribes to health insurance for its employees and other eligible participants, as authorized by the City of Grand Island Personnel Rules and federal regulation; and

WHEREAS, on June 27, 2006, by Resolution 2006-183, the City of Grand Island approved a contract with Mutual of Omaha for the administration of the health and dental insurance coverage; and

WHEREAS, the Health Insurance Committee for the city has reviewed claim activities and is recommending the following revisions be made to the city's health plan:

- Move deductibles:      In Network from \$200/\$400 to \$300/\$600  
                                    Out of Network from \$400/\$800 to \$600/\$1200
- Move Out of Pocket:    In Network from \$1200/\$2400 to \$1300/\$2600  
                                    Out of Network from \$1900/\$3800 to \$2100/\$4200
- Change co-pays for prescription drugs from \$15/\$20/\$35 to \$15/\$25/\$40. A fourth tier for specialty drugs shall carry a \$50 co-pay.
- Payroll deductions shall occur for each of the 26 pay periods instead of 24 pay periods.
- Reduce from four to three levels of coverage, including single; 2/4; and family.
- Monthly premiums shall increase by 10% with employee shares increasing to 15% for all three levels of coverage; Single - \$409.54; 2/4 - \$864.16; and, Family - \$1,264.88. Employees' share may be altered by labor agreement.
- Infertility coverage shall be three courses of treatment instead of six.
- Inclusion of "myhealthIQ" formal wellness program with a \$35 per month reduction of premium for employees who successfully participate in the plan.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that the city's health and dental is hereby amended to reflect the revisions set out above.

BE IT FURTHER RESOLVED, that the Mayor is hereby authorized and directed to execute such amendment on behalf of the City of Grand Island.

- - -

Adopted by the City Council of the City of Grand Island, Nebraska on July 24, 2007.

\_\_\_\_\_  
Margaret Hornady, Mayor

Attest:

\_\_\_\_\_  
Approved as to Form ? \_\_\_\_\_  
July 20, 2007                      ? City Attorney

RaNae Edwards, City Clerk

Approved as to Form ? \_\_\_\_\_  
July 20, 2007 ? City Attorney