



City of Grand Island

Tuesday, August 12, 2008

Council Session

Item G20

**#2008-215 - Approving Amendment to Wellness Program with
Coventry Health and Life Insurance Company**

Staff Contact: Brenda Sutherland

Council Agenda Memo

From: Brenda Sutherland, Human Resources Director

Meeting: August 12, 2008

Subject: Amendment to Administrative Services Agreement with
Coventry Health and Life Insurance Company

Item #'s: G - 20

Presenter(s): Brenda Sutherland, Human Resources Director

Background

The City entered into an agreement this past fiscal year with Healthways, Inc. through our health insurance provider to administer the City's wellness plan as an addition to our health insurance program. The employee participation was outstanding with 87% of the employees on the City's health insurance plan participating. The cost for the service was \$100 per participating employee. Healthways administered on-site physicals for participating employees and followed up with extensive reports with not only the test results but also information about the test and what an employee might do to improve their test results, thus arming employees with the ammunition to improve their overall health.

Discussion

In September it will be time for the annual physical in which employees will be able to see if they have maintained a score of more than 71 points or if they have improved their score by 5 points over the last year. The goal with the wellness program is to give employees information about their health so that they may choose to make lifestyle adjustments that will enhance their well-being. The overall City goal is to improve the health of our employee base which should in turn reduce the City's and the employees' cost for health care coverage.

It is too early to make a correlation between claims and the City's wellness plan although the City is experiencing a good claims year. National averages show a return on wellness investments any where from 2 to 1, to 7 to 1, meaning for every dollar spent on preventative wellness measures two dollars are saved and so on. Various groups around the City are getting on the band wagon and the program is really starting to pick up

momentum. Statistics will need to be monitored for three to five years before anyone can say with great certainty what kind of impact the wellness program has had on City employees.

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 amendment to the administrative services agreement with Coventry Health and Life Insurance Company.

Sample Motion

Motion to approve the amendment to the administrative services agreement with Coventry Health and Life Insurance Company.

**FIRST AMENDMENT TO THE
ADMINISTRATIVE SERVICES AGREEMENT FOR
HEALTH SCREENING AND SUPPORT SERVICES**

Effective October 1, 2008, this First Amendment ("Amendment") is attached to and made a part of the Administrative Services Agreement for Health Screening and Support Services (Agreement) dated October 1, 2007 between City of Grand Island (Employer) and Coventry Health and Life Insurance Company (Company) and is subject to all provisions of the Agreement which are not in conflict with the provisions of this Amendment.

WHEREAS, the parties desire to amend the Agreement to modify Exhibit D.

NOW THEREFORE, in consideration of the mutual promises and benefits described herein, the Agreement is hereby amended as follows:

1. Employer and Company mutually agree that Exhibit D Fee Schedule is deleted from the Agreement and replaced with the Exhibit D attached hereto.
2. All other terms, conditions and provisions of the Agreement and its amendments, attachments and exhibits shall remain in full force and effect.
3. This Amendment may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

INTENDING TO BE BOUND, the authorized representatives of the parties have duly executed this amendment as set forth below as of the date first written above.

City of Grand Island

By: _____

Name: _____

Title: _____

Date: _____

**COVENTRY HEALTH AND LIFE
INSURANCE COMPANY**

By: _____

Name: _____

Title: _____

Date: _____

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. **myhealthIQ Fee.** Customer shall pay a fee for each Eligible Person who participates in the myhealthIQ program as follows:

myhealthIQ Program	Fee
For each Eligible Person who receives a Health Screen at the Health Screening Event and completes the Health Risk Assessment	\$110
For each Eligible Person who receives an Individual Screening and completes the Health Risk Assessment	\$190

Company shall be entitled to payment of the myhealthIQ Fee 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 myhealthIQ 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 Twenty Dollars (\$20.00) 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 for 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 Heath Screening Fees, the Fulfillment Fee, if applicable, and the Screening Fee within fifteen (15) days of receipt of the invoice from Company.

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

RESOLUTION 2008 - 215

WHEREAS, the City subscribes to a wellness program for its employees as authorized by the City of Grand Island ; and

WHEREAS, these services are provided through Coventry Life and Health Insurance Company and the contract will be amended to reflect a cost of \$110 per participant.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that the contract with Coventry Life and Health Insurance be amended to reflect the new price for services as set forth 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.

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Adopted by the City Council of the City of Grand Island, Nebraska, _____, 2008.

Margaret Hornady, Mayor

Attest:

RaNae Edwards, City Clerk