

LETTER OF AGREEMENT FOR WELLNESS ALLIANCE SERVICES

February 27, 2012

Resource Wellness Alliance
Resource Training & Solutions
Dr. Robert C. Cavanna, Executive Director
4150 Second Street South, Suite 550
St. Cloud, MN 56302

Buffalo-Hanover-Montrose School District 877
Mr. Gary Kawlewski, Director of Finance and Operations
214 1st Avenue NE
Buffalo, MN 55313

Dear Dr. Robert Cavanna,

This letter is to affirm our mutual understanding and agreement between Resource Wellness Alliance ("Wellness Alliance") and Buffalo-Hanover-Montrose School District 877 ("Employer") with respect to the operation of the Wellness Program outlined in the attached Memorandum dated October 17, 2011. The following is a summary of each party's obligation for the 2012 and 2013 plan years.

The Wellness Alliance agrees as follows:

- Upon certification of the Service Cooperative's Executive Director as to adequacy of reserves, the Wellness Alliance will agree to pay incentives in the amount of \$200 in 2012 for each employee who completes a health risk assessment between February 28 and March 29 of 2012.
- Upon certification of the Service Cooperative's Executive Director as to adequacy of reserves, the Wellness Alliance will agree to pay incentives in the amount of \$240 in 2013 for each employee who completes a health risk assessment and participates in biometric screening in 2013.
- The Wellness Alliance will direct Blue Cross Blue Shield ("BCBS") to send a report to the Employer listing individuals who have completed and reviewed the health risk assessment. BCBS will send a report to the Wellness Alliance with the total amount of funds to transfer to Employer. No individually identifiable data shall be provided to the Wellness Alliance by BCBS.
- The Wellness Institution will send funds to the Employer in October of 2012 and 2013, based on the total amount of incentives earned.

The Employer agrees as follows:

- Employer will communicate the wellness program to employees.
- Employer will sponsor this program for its employees pursuant to either a personnel policy or memorandum of understanding substantially in the form attached hereto, and will follow the

ordering rules for allocation of incentives in those model documents. Incentives that are not allocated for any reason shall be returned to the Wellness Alliance.

- Employer will permit occasional, limited audits of their wellness program pursuant to agreed-upon-procedures. The purpose of the audits will be to ensure that the incentives due to employees are properly applied.

Both the Employer and the Wellness Alliance agree as follows:

- BCBS does not access or use information on biometric screening or any results or other information from an individual's health assessment questionnaire (which is administered by an outside third party health risk assessment vendor) to determine an individual's or employer's group's rates.
- BCBS does not share any individual health assessment results or information on biometric screening with employers; an individual's name, address and program selection, if applicable, may be shared with an employer for purposes of incentive determinations only.
- The Wellness Program is a pilot program, and will sunset on December 31, 2013, unless renewed by agreement of both parties to this letter of agreement.
- The incentives are only available to employees who are enrolled in group health plans made available through the Minnesota Service Cooperatives.
- Incentives will be paid from the Service Cooperative's rate stabilization reserve in 2012. Incentives advanced from the Service Cooperative's rate stabilization reserves in 2012, adjusted for increases in incentives and Wellness Program costs, shall be added to the experience rating of Employer's group health plan for 2013. If the Wellness Program is extended beyond the Pilot Program, the experience rating of the Employer's group health plan shall be adjusted in the same manner going forward.
- The Wellness Alliance will charge an administrative fee in the amount of \$5.00 per employee per month (PEPM) who is enrolled in the Employer's group health plan. The administrative fee shall be paid during the Pilot Program from excess reserves rather than assessed directly to participating employers or added to equivalent premium rates.
- Nothing herein shall contravene the Joint Power Agreement for Group Employee Benefits and other Financial and Risk Management Services.

Agreed and Accepted,

[Employer]

[Wellness Alliance]

Dated: _____

Dated: _____