



## SERVICE AGREEMENT

Pursuant to this Service Agreement (“Agreement”), The City of La Crosse (“Plan Sponsor”), has engaged HEALICS Inc. (“Provider”), to provide certain services to plan sponsor.

### 1. Effective Date and Term

The effective date of this Agreement is May 1, 2013 (“Effective Date”). The initial term shall be the period commencing on the effective date and ending one year from the effective date.

### 2. Definitions

- (a) “Agreement” means this Service Agreement, including all appendices and attachments.
- (b) “Health Care Consultant” means the health care professional with whom the Participant may consult about his or her Health Risk Assessment.
- (c) “Health Risk Assessment” (“HRA”) means the assessment under the Plan Sponsor’s voluntary HRA program for Participants, including without limitation, for the individual Participant, a written questionnaire; body measurements; blood draw; blood analysis; health risk analysis based on the written questionnaire, body measurements, and blood analysis; Health Risk Report; and consultation with a Health Care Consultant.
- (d) “Health Risk Questionnaire” means the written questionnaire, in a form approved by Plan Sponsor, with the original produced by Provider and reproduced by Plan Sponsor for Participants, and completed by a Participant as part of the HRA process.
- (e) “Health Risk Report” means the confidential written report produced and evaluated by Provider for an individual Participant.
- (f) “HRA Benchmark Report” means the report produced by Provider for Plan Sponsor (although not requested for this contract period) that identifies each Participant as a member of one of the following groups based on the HRA Wellness Score for that Plan year: Participants with an HRA Wellness Score that meets or exceeds the HRA Wellness Benchmark, and Participants with an HRA Wellness Score below the HRA Wellness Benchmark but who have improved their HRA Wellness Score by a measure, to be set by the Plan Sponsor, since the Participant’s prior year HRA.
- (g) “HRA Group Report” means the aggregate information reports provided online by Provider to Plan Sponsor, including, without limitation, a current group profile; graphic presentations of individual risk factors; comparisons among subgroups of the Plan Sponsor and other groups serviced by Provider; comparisons between Plan Sponsor’s health plans; annual comparisons among the Plan Sponsor’s offices or locations; and annual comparisons of repeat participants among Participants.
- (h) “HRA Wellness Score” means the overall score assigned to a Participant by Provider based on the HRA.
- (i) “HRA Wellness Benchmark” means the numerical HRA Wellness Score provided by Provider in the event the Plan Sponsor chooses to offer a participant bonus based on the HRA Wellness Benchmark.
- (j) “Participant” means an individual that participates in the health assessment process.

### 3. Obligations and Activities of Provider:

- (a) *Services to Be Provided:* Provider agrees to provide services relating to Health Risk Assessments. Such HRA services shall be based on and shall employ actuarially sound methods of assessing individual health risks, and shall include, without limitation, the following:
- (1) Health screenings for Participants conducted at the worksite or other selected locations at times specified by Plan Sponsor, including blood drawing, laboratory tests, and physical measurements. In the event Plan Sponsor has employees, spouses, or retirees that it wants tested, and they are not available at scheduled times and dates at the worksite or other selected group testing locations, then Provider shall assist in arranging in-clinic testing for such persons.
  - (2) Provider shall provide Plan Sponsor via email with an original Health Risk Questionnaire, Participant instructions, and laboratory consent form for Plan Sponsor to print according to specifications and distribute as appropriate. Upon receipt of completed Health Risk Questionnaires from examiners and laboratory results from a laboratory, Provider shall enter Health Risk Questionnaire and laboratory results in its database.
  - (3) Provider shall prepare and send an individual printed Health Risk Report for each Participant within four weeks of the later of the Participant's completing the questionnaire and having blood drawn unless Plan Sponsor has requested and authorized personal report delivery. Provider shall come to worksite locations to deliver individual reports in person based on a schedule provided in advance by Plan Sponsor. In the event HRA participants miss their appointments or are not available on scheduled days for in-person delivery, then Provider shall mail personal health risk reports to those individuals and follow up with telephonic report delivery.
  - (4) Provider shall provide personal health consultations for Participants, if requested by Plan Sponsor. Personal health consultations with Health Care Consultants shall be conducted with those eligible Participants who elect to have such consultation, at times and locations set by Plan Sponsor.
  - (5) Provider shall respond to Participant inquiries and requests. Provider shall make itself available during normal working hours to respond to Participant inquiries relating to the HRA and to Participant requests for information and documents, and shall respond to such inquiries and requests within a reasonable time.
  - (6) Provider shall submit a list of individuals that fully participated in the HRA process to Plan Sponsor. Full participation is defined as:
    - 1) Completed and returned HRA questionnaire;
    - 2) Completed biometric testing with fasting; and
    - 3) Attended personal report delivery - or received telephonic report delivery if unable to attend as described in #3 above
  - (7) Provider shall prepare and transmit HRA Benchmark Report to Plan Sponsor if such report is requested in advance by Plan Sponsor.
  - (8) Provider shall transmit the HRA Group Report to Plan Sponsor via online access.
  - (9) Provider shall provide Plan Sponsor with notification of any and all changes in standards relating to its HRAs, including, without limitation, any adjustments to standards based on age and shall provide timely updates to Plan Sponsor regarding such changes.
  - (10) Provider shall work to administer and resolve claims and appeals from Participants relating to HRAs, including, without limitation, any Participant dispute of HRA-related tests and HRA results, and any Participant request for review or adjustment of the Participant's HRA Wellness Score because of a disability, medical condition, or other extenuating circumstance to the extent allowed under the Plan. Provider will apprise Plan Sponsor of any unusual policy-setting situations or unusual policy determinations.

(11) Provider shall afford Plan Sponsor a reasonable opportunity to review any generic written communications, including all forms, reports, and questionnaires, sent by Provider to Participants, before such communication is sent to any Participant or Participants.

(b) *Payment for Services:*

(1) Plan Sponsor shall pay all fees properly invoiced by Provider per the attached fee schedule.

(2) Provider shall not increase fees during the term of this Agreement unless the parties shall mutually agree in writing signed by the parties.

(c) *Compliance with Laws and Regulations:* Provider represents and warrants that Provider is fully compliant with all state and Federal laws and regulations. Provider agrees to take all necessary steps to remain fully compliant.

#### **4. Confidentiality/Prohibited Use and Disclosure Provisions**

(a) *In General:* Provider agrees to comply with all applicable privacy laws with respect to all HRA information and the name or other identifying information of Plan Sponsor and Participants. Provider shall not disclose any such confidential information to the Plan Sponsor, any third party or any employee if such disclosure would violate any law. Provider agrees not to use any such confidential information for any purpose other than carrying out Provider's obligations under this Agreement or as may be required by law. Provider agrees that it shall require its employees to adhere to and comply with the confidentiality, prohibited use and disclosure provisions stated in this Agreement.

(b) *Name and Other Identifying Information:* Provider agrees not to use or to sell, lease, assign, disclose, or otherwise transfer to any third party the name or other identifying information of any Participant, except as specifically provided in the Agreement, or as disclosed to Provider's employees, agents, or subcontractors for the limited purpose of carrying out Provider's obligations under the Agreement, or as may be required by law.

(c) *HRA Information:* Provider agrees not to use or to sell, lease, assign, disclose, or otherwise transfer to any third party any information obtained or generated through Plan Sponsor's HRAs, except as specifically provided in the Agreement, or as disclosed to Provider's employees, agents, or subcontractors for the limited purpose of carrying out Provider's obligations under the Agreement, or as may be required by law.

(d) *HRA Blood Samples:* Provider agrees not to use or to sell, lease, assign, disclose, or otherwise transfer to any third party any blood samples obtained through the HRAs, except as specifically provided in the Agreement, or as transferred or released to Provider's employees, agents, or subcontractors for the limited purpose of carrying out Provider's obligations under the Agreement, or as may be required by law.

(e) *Plan Sponsor Information:* Provider agrees not to use or to sell, lease, assign, disclose, or otherwise transfer to any third party the name or other identifying information of the Plan Sponsor, except as specifically provided in the Agreement, or as disclosed to Provider's employees, agents, or subcontractors for the limited purpose of carrying out Provider's obligations under the Agreement, or as may be required by law. HEALICS may disclose the name of Plan Sponsor as a client of HEALICS and Plan Sponsor's average score in any report that shows all Healics clients and their average scores. Any disclosure is not for release to the general public.

(f) *Unauthorized Tests:* Provider may not conduct a test on Participants unless Plan Sponsor has specifically authorized the test in writing. In particular, Provider may not test Participants for communicable diseases, including but not limited to HIV or sexually transmitted diseases; for illegal drug use; for pregnancy; or to screen for the presence or absence of genetic diseases/disorders or markers for genetic diseases/disorders.

(g) *Safeguards:* Provider agrees to use appropriate safeguards to prevent use or disclosure of HRA information or the name or other identifying information of Plan Sponsor or Participants, other than use or

disclosure as provided for by this Agreement or as may be required by law, but nevertheless shall also use appropriate safeguards when using or disclosing HRA information or the name or other identifying information as provided for by this Agreement or as may be required by law to mitigate breaches of confidentiality.

- (h) *Mitigation*: Provider agrees to mitigate, to the extent practicable, any harmful effect that is known to Provider of a use or disclosure of HRA information or the name or other identifying information by Provider or Provider's employees, agents, or subcontractors in violation of the terms of this Agreement, to notify Plan Sponsor and Participants of any breach of confidentiality of a participant's HRA or other identifying information.
- (i) *Reporting Uses or Disclosures Not Covered by Agreement*: Provider agrees to promptly report to Plan Sponsor any use or disclosure of HRA information or the name or other identifying information of Plan Sponsor or Participants not provided for by this Agreement of which it becomes aware.
- (j) *Use of Agents or Subcontractors*: Provider agrees to ensure that any agent, including a subcontractor, who may obtain HRA information or the name or other identifying information of Plan Sponsor or Participants, agrees to the same restrictions and conditions that apply under this Agreement to Provider with respect to such information. Any such agreement with an agent or subcontractor shall be in writing. Provider further agrees to promptly disclose to Plan Sponsor the identity of any subcontractor or other agent who routinely provides and/or receives HRA information or the name or other identifying information of Plan Sponsor or Participants upon request for such information by Plan Sponsor.

## 5. Indemnification

Provider agrees to indemnify, defend, and hold harmless Plan Sponsor and its officers, directors, employees, and agents from any loss, cost, claim, or penalty, including reasonable attorney fees, against Plan Sponsor or its officers, directors, or employees arising in connection with Provider's obligations or provision of services under the Agreement, including, but not limited to, any harm caused to Participants, from any improper uses and/or disclosures of HRA information, or of the name or other identifying information of any Participant, or of the name or other identifying information of Plan Sponsor, or improper administration of blood drawing. This indemnification shall survive termination of this Agreement.

## 6. Termination

- (a) *Term*: The initial term of this Agreement shall be the period commencing on the effective date and ending one year from the effective date.
- (b) *Termination upon Notice*:
  - (1) Plan Sponsor may terminate this Agreement at any time by providing written notice to Provider. Such termination shall be effective 60 days following such notice of termination.
  - (2) Provider may terminate this Agreement at any time by providing written notice to Plan Sponsor. Such termination shall be effective 60 days following such notice of termination.
- (c) *Termination at Dissolution/Bankruptcy of Provider*: Provider shall immediately notify Plan Sponsor if Provider ceases to do business in Wisconsin or files for bankruptcy. This Agreement shall terminate without notice if Provider ceases to do business in Wisconsin or files for bankruptcy. At such time, the Agreement immediately terminates, and Provider must, at Plan Sponsor's option, either:
  - (1) Provide for the maintenance of all medical records by another person or entity. The transfer of medical records by Provider to another person or entity must be approved by Plan Sponsor in writing before the medical records are transferred. Provider must provide written notice to each Participant whose medical records will be transferred, describing where and by whom the medical records will be maintained.

- (2) Transfer all medical records to another person or entity as directed by Plan Sponsor. The transfer of medical records by Provider to another person or entity must be approved by Plan Sponsor in writing before the medical records are transferred. Provider must provide written notice to each Participant whose medical records will be transferred, describing where and by whom the medical records will be maintained.
  - (3) Provide for the deletion or destruction of all medical records. The deletion or destruction of the medical records by Provider must be approved by Plan Sponsor in writing before the records are deleted or destroyed, and Provider must provide Plan Sponsor with a written description of the procedures that will be followed for deletion and/or destruction of medical records in accordance with applicable laws.
  - (4) "Records" under this Section shall include, without limitation, all books, medical records, and other documents, including electronic medical records, relating to the HRA, Plan Sponsor, and Participants.
- (d) *Termination for Cause:* Upon Plan Sponsor's determination that there has been a material breach or material violation of this Agreement by Provider, Plan Sponsor shall provide a reasonable opportunity for Provider to cure the breach or end the violation, as applicable, and terminate this Agreement if Provider does not cure the breach or end the violation within an agreed upon time.
- (e) *Effect of Termination:* Termination of this Agreement shall not terminate the rights or obligations of either Party arising out of a period prior to such termination. The indemnity, confidentiality, and privacy provisions of this Agreement shall survive its termination.

## **7. Miscellaneous:**

(a) *Amendment:*

- (1) Provider agrees to take such action to amend this Agreement from time to time as Plan Sponsor may determine is necessary or desirable for Plan Sponsor to comply with the requirements of any Federal or state law or regulation. Failure of Provider to take such action shall be deemed a material breach of this Agreement by Provider.
  - (2) Any amendment to the Agreement must be in writing and signed by an authorized representative of each party to the Agreement.
  - (3) Any proposed amendment of Subsection 3(b) of the Agreement, relating to fees, shall require advance written notice at least 90 days before the date of commencement of a renewal term. Unless the parties shall otherwise agree, such amendment, when signed by both parties in accordance with Subsection 9(a)(2), shall be effective beginning with the renewal term immediately following such notice.
- (b) *Notice:* All notices, requests, and communications to the parties shall be in writing (including facsimile or similar writing) and shall be given to the parties at their respective addresses identified in this Agreement or to such other address or facsimile number as either party may hereafter specify by notice to the other party. Each such notice, request, or communication shall be effective upon receipt, provided that if the day of receipt is not a business day, then the notice shall be deemed to have been received on the next succeeding business day.
- (c) *Interpretation:* This Agreement and the parties' rights and obligations shall be governed and construed pursuant to the laws of the State of Wisconsin, and Provider consents to be subject to the jurisdiction of La Crosse County or Federal courts located in Wisconsin.
- (d) *Assignment:* Provider may not assign this Agreement except with Plan Sponsor's prior written approval.
- (e) *Entire Agreement:* This Agreement constitutes the entire agreement between the parties pertaining to its subject matter (the HRA service agreement between the parties), and supersedes all prior and contemporaneous agreements, understandings, and discussions, whether oral or written, in connection with the subject matter.

(f) *Counterparts*: This document may be signed in counterpart.

(g) *Independent Contractors*: Provider, its employees, agents and representatives and volunteers shall be independent contractors and shall in no way be deemed as a result of this Agreement to be the employees of the Plan Sponsor. Provider, its employees, agents, representatives and volunteers are not entitled to any of the benefits that the Plan Sponsor provides for its employees.

**Plan Sponsor:**

The City of La Crosse  
400 La Crosse Street  
La Crosse, WI 54601

Fax: 608-789-7598

By: \_\_\_\_\_  
Mathias Harter, Mayor

By: \_\_\_\_\_  
Teri Lehrke, City Clerk

Date Signed: \_\_\_\_\_

Date Signed: \_\_\_\_\_

**Provider:**

Healics Incorporated  
8919 W. Heather Avenue  
Milwaukee, WI 53224

Telephone: 414-375-1600  
Fax: 414-375-1639

By: \_\_\_\_\_  
Michael Naparalla  
President

Date Signed: \_\_\_\_\_