

EMPLOYEE WELLNESS SERVICES AGREEMENT

THIS EMPLOYEE WELLNESS SERVICES AGREEMENT (this "Agreement") is entered into as of the ____ day of _____, 2011 ("Effective Date") by and between Lawrence Memorial Hospital, a governmental hospital organized under K.S.A. § 12-1615, with its principal offices at 325 Maine Street, Lawrence, Kansas 66044 ("Hospital"), and the City of Lawrence, Kansas, with its principal offices at 6 East 6th Street, Lawrence, Kansas 66044 ("Employer").

WHEREAS, Hospital is a licensed Kansas hospital which provides a wide range of health care services, including primary care wellness services, doing business as "LMH WellCare," to the residents of Lawrence, Kansas and the surrounding area; and

WHEREAS, Employer desires to contract with Hospital for the provision of certain primary care wellness services to its "Employees" and "eligible dependants;" and

WHEREAS, Hospital desires to provide certain primary care wellness services to Employer's Employees and eligible dependants, and Employer desires to accept such services, according to the following terms and conditions.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, it is understood and agreed by and between the parties hereto, as follows:

1. Definitions.

a. "Clinic" means Hospital's wellness clinic located at Hospital's Maine Street Medical Office Building with an address of 325 Maine Street, Lawrence, Kansas 66044. The Hospital shall provide parking for at least two (2) large vehicles. The Clinic has a minimum of two (2) fully equipped patient examination rooms and a reception area and entrance that will be respectful of patient confidentiality.

b. "Covered Services" means those primary care wellness and minor medical care services, including providing written prescriptions related to such services, which shall be provided by Hospital to the Employees under this Agreement as set forth on Exhibit A which is attached hereto and incorporated herein by reference to this Agreement.

c. "Employee" means any individual employed by the Employer or any retiree of Employer that is eligible to receive Covered Services.

d. "Payor" means in the case of a self-insured Employer, the Employer and its agents and representatives.

e. "Dependant" means spouse or dependent children (over age 18) covered by Employee's health plan.

2. Obligations of Hospital.

a. Provision of Covered Services. Hospital agrees to provide Covered Services consistent with the quality standards offered to all Hospital patients at the Clinic. The Clinic will be open as a walk-in clinic twenty (20) hours per week exclusively for Employees to receive the Covered Services. The Clinic will be available by appointment only Monday thru Friday for Employees outside of the Clinic's walk-in hours. The days and times that the Clinic shall be open for appointments shall be set by mutual agreement between Hospital and Employer. Covered Services shall be provided by physician's assistants and advanced registered nurse practitioners supervised by an on-site physician. Any direct patient care physician services provided to an Employee outside the Clinic, or any other area of the Hospital, shall be billed separately to Employee and shall not be subject to or covered by this Agreement. Services outside of the clinic such as laboratory or radiology, if needed for proper diagnosis, will be covered under this agreement and billed to Employer.

b. Branding of Clinic. Hospital shall incorporate Employer's logo, which shall be provided by Employer to Hospital, with the Clinic name of signage on the outside of the Clinic and on all branding, marketing, promoting and advertising of the Clinic. Hospital shall be responsible for the branding on all Clinic materials and all related wellness program materials, which branding shall include both the name of the Clinic and Employer's logo.

c. Clinic Reports. Hospital shall create and provide Employer with reports detailing the utilization of the Clinic and aggregate reports on the wellness of the Employees as requested by Employer, but no less than semi-annually.

d. Preauthorization. Employer shall furnish Hospital with a timely and reliable system for identifying Employees. Hospital shall use reasonable efforts to confirm Employee's status with Employer. Employer shall have no duty to cover the costs of services for anyone who is not an Employee or Dependant except as set forth in 3.a.

e. Medical Records. Hospital shall maintain a personal and confidential medical record for each Employee receiving services pursuant to this Agreement. Such medical record shall contain such information as is required by state and federal laws and regulations. Such medical record shall be and remain the property of Hospital and shall not be accessed, removed or transferred from Hospital except in accordance with applicable state and federal laws and regulations and Hospital rules and regulations. To the extent permitted by law and Hospital rules and regulations, and provided that Payor has obtained the written consent from the applicable Employee, Hospital shall permit Payor to inspect and make copies of Employee's medical records. Payor shall reimburse Hospital in an amount equal to Hospital's standard charges for copying charges related to the provision of Employee's medical records.

3. Employer's Obligations.

a. Employee Identification. Employer shall provide Hospital with a list of all Employees and shall update that list as necessary to assure that Hospital has current information regarding Employees. Before providing Covered Services to an Employee, Hospital shall secure preauthorization for such services pursuant to Section 2.d. hereof. Provided, however, that Hospital is entitled to rely upon the list provided by Employer and, if Hospital is not able to reasonably preauthorize service to an individual, but such individual is listed on an Employee list provided by Employer, then Hospital shall provide Covered Services to such individual and Employer shall be obligated to pay for such services, even if it is subsequently determined that an individual was not an eligible Employee at the time of service.

4. Billing and Payment.

a. Fee Schedule. Payor shall pay Hospital for Covered Services according to the fee schedule set forth on Exhibit B attached hereto and incorporated herein by reference (the "Fee Schedule").

b. Claims Procedure. Hospital shall submit to Employer claims for Covered Services rendered to Employees within thirty (30) days from the date that such Covered Services were provided. Such claim shall include the Employee's name and (if applicable) identification number and an itemized record of services and charges in customary claim form. Employer and Payor (if Payor is not the Employer) shall arrange for payment to be made to Hospital within thirty (30) days following receipt of a complete and undisputed claim.

5. Term and Termination.

a. Term. The initial term of this Agreement shall commence on the Effective Date and shall remain in effect until terminated pursuant to this Section 5b. Fees will be reviewed and mutually agreed upon between Hospital and Payor on a yearly basis, after the commencement of this agreement.

b. Termination Without Cause. Either party shall have the right to terminate this Agreement without cause at any time upon thirty (30) days advance written notice to the other party.

c. Termination With Cause. Employer shall have the right to terminate this Agreement upon written notice to Hospital in the event Hospital's license or licenses to provide services is/are terminated, suspended or restricted in any material way that would affect the ability of Hospital to furnish Covered Services to Employees. Hospital shall have the right to terminate this Agreement immediately upon written notice to Employer if Payor files or has filed against it a petition for bankruptcy or if Payor otherwise becomes insolvent. In addition, either party shall have the right to terminate this Agreement immediately in the event the other party commits a material breach of this Agreement if said breach is not corrected within thirty (30) days of written notice of such breach.

d. Continuation of Obligations. In the event of termination of this Agreement at the end of the stated term or otherwise, Payor shall pay Hospital in accordance with the terms of this Agreement within thirty (30) days of the date of termination for all services rendered to Employees as of the date of termination.

6. Insurance and Indemnity.

a. Each party shall, throughout the term of this Agreement and as otherwise provided below, maintain, at its sole cost and expense, policies of insurance or self-insurance providing coverage for its general liability and, where applicable, professional liability with minimum limits of liability of One Million and No/100 Dollars (\$1,000,000) per occurrence and Three Million and No/100 Dollars (\$3,000,000) in the aggregate.

b. Within the limits of their policies of professional and general liability insurance, and to the extent not otherwise inconsistent with the laws of the State of Kansas, each party shall indemnify and hold harmless the other, its appointed boards, officers, employees, agents, and sub-agents, individually and collectively, from all fines, claims, demands, suits or actions of any kind or nature arising by reason of the indemnifying party's acts or omissions in the course of its performance of its obligations under this Agreement. Nothing in this Agreement or in its performance shall be construed to result in any person being the officer, servant, agent, or employee of the other party when such person, absent this Agreement and its performance, would not in law have had such status.

7. Employee Privacy. The parties shall maintain the privacy and security of individually identifiable patient health information of all Employees in accordance with all relevant state and federal laws and regulations, including, but not limited to, the privacy and security standards of the Health Insurance Portability and Accountability Act of 1996 set forth at 45 CFR parts 160, 162, and 164, and agree to take such actions as necessary and appropriate in connection therewith. The parties agree that this Section shall survive the termination of this Agreement.

8. Relationship of Parties. This Agreement creates an independent contract relationship between Hospital and Employer solely for the purpose of the arrangement for and provision of Covered Services to Employees; and this Agreement shall not constitute the formation of a partnership, joint venture, employment or master-servant relationship between Hospital and Employer or any Payor.

9. Notices. All notices by either party required by this Agreement shall be in writing and sent by certified mail, return receipt requested, or delivered in person to the other party at the addresses set forth on page 1 of this Agreement or at such other address as hereafter provided by a party in accordance with this Section.

10. Severability, Governing Law. If any clause or provision herein shall be judged invalid or unenforceable by a court of competent jurisdiction or by operation of any applicable law, it shall not affect the validity of any other clause or provision but shall remain in full force

and effect. The District Court of Douglas County, Kansas shall have jurisdiction over any dispute which arises under this Agreement and each of the parties submits and hereby consents to such court's exercise of jurisdiction. Each provision of this Agreement shall be enforceable independently of any other provision of the contract and independent of any other claim or cause of action. In the event of any dispute arising under this Agreement, it is agreed between the parties that the laws of the State of Kansas will govern the interpretation, validity and effect of this Agreement without regard to the place of execution or place of performance thereof.

11. Waiver of Breach. The failure of either party at any time to require the performance of the other of any of the provisions herein shall in no way affect the rights of the parties to enforce the same nor shall the waiver by either party of any breach of any provisions hereof be construed to be a waiver of any succeeding breach or as a waiver or modification of the provision itself.

12. Complete Agreement. This Agreement supersedes all prior agreements and understandings between the parties and may not be modified or terminated orally. No modification, termination or attempted waiver shall be valid unless in writing and signed by the party against whom the same is sought to be enforced.

13. Assignment, Binding Effect. The benefit of this Agreement may not be assigned without the written consent of Hospital and Employer. Subject to the foregoing limitations upon assignment, this Agreement shall be binding upon and inure to the benefit of the successors and assigns of the parties.

14. Supervening Law. Any provisions of law that invalidate or otherwise are inconsistent with the terms of this Agreement, or would cause one or both of the parties to be in violation of the law, shall be deemed to have superseded the terms of this Agreement; provided, however, that the parties shall exercise their best efforts to accommodate the terms and intent of this Agreement to the greatest extent possible consistent with the requirements of the law.

15. Books and Records. The parties hereby agree to make available for a period of ten (10) years after furnishing of services under this Agreement, upon written request of the Secretary of the U.S. Department of Health and Human Services, or upon request of the Comptroller General, or any of their duly authorized representatives, this Agreement and any of the parties' books, documents, and records that are necessary to certify the nature and extent of costs incurred by Hospital pursuant to this Agreement. Further, if the parties carry out any of their duties under this Agreement through subcontract with a value and cost of Ten Thousand and No/100 Dollars (\$10,000) or more over a 12-month period with a related organization, such contract must contain a clause to the effect that the related organization shall furnish its books, documents and records upon request as described above to verify the nature and extent of this cost.

16. Counterparts. This Agreement may be executed in any number of counterparts, and each counterpart hereof shall be deemed to be an original instrument, but all counterparts hereof taken together shall constitute but a single instrument. Signatures provided by facsimile or in portable document format (a/k/a pdf) shall be as binding as original signatures.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date first above written.

“Hospital”

LAWRENCE MEMORIAL HOSPITAL

By: _____
Eugene W. Meyer
President and CEO

“Employer”

CITY OF LAWRENCE, KANSAS

By: _____
Printed Name: _____
Title: _____

EXHIBIT A

COVERED SERVICES

Fixed Monthly Expenses

- Provide Personal Health Risk Management (PHA) reporting and services
- Provide well care counseling and follow-up visits based upon PHA results
- Conduct trend reporting on biometrics such as blood pressure, cholesterol and weight
- Record and report participation data for incentive programs
- General wellness services and examinations
- Identify and treat, or refer when appropriate, chronic diseases (i.e. diabetes, high cholesterol, high blood pressure, etc.)
- Provide program materials for health and wellness programming
- Conduct flu shot clinics at designated city locations
- Conduct biometrics clinics at designated city locations
- Offer wellness education programming and/or screenings at designated city locations
- Provide medical care for minor episodic events (i.e. sore throat, ear ache, etc.)
- Provide written prescriptions, as necessary and appropriate, for treatment of chronic illness and minor episodic events

Variable Monthly Expenses

- Lab work related to follow up wellness services (i.e. Hemaglobin A1c, lipid panel, etc)
- Cultures and swabs for minor episodic treatment (i.e. strep throat and other minor illnesses)
- Suture supplies for minor cuts
- Radiology charges for minor falls requiring x-rays

EXHIBIT B

FEE SCHEDULE



FEE SCHEDULE		
<i>Description</i>	<i>Unit</i>	<i>Cost per Unit</i>
One Time Start Up Cost		
EMR Licensing (medical record software license)		\$8,000.00
Annual Costs		
Health Assessment and Biometrics (Personal Health Assessment, Blood Draw for Cholesterol, Height, Weight, Blood Pressure, Waist Circumference)	per person receiving	\$35.00
PSA (males over 40)	per person receiving	\$10.00
Recurring Costs		
ARNP	per contract hour per month	\$75.00
Administration Costs	per person enrolled to utilize the clinic per month	\$6.50
Disp. Clinic Supplies	per item used (list below)	
Laboratory/Pathology	per item used (list below)	

<i>Per item used charges</i>	<i>Unit</i>	<i>Cost per Unit</i>	<i>Pass Through Cost for Contracted Services</i>
Urine Dip	per item used	\$15.00	
Preg. Test	per item used	\$20.00	
Spirometry	per item used	\$20.00	
Quick Strep	per item used	\$23.00	
Lipid + Glucose	per item used	\$25.00	
Lipid + Chem10	per item used	\$30.00	
Finger x-ray	per item used	\$69.86	+ Reading Fee \$25.00
Ankle x-ray	per item used	\$60.52	+ Reading Fee \$25.00
Suture kit	per item used	\$14.00	
Other per item services will be charged at 45% of LMH Usual and Customary.			
Radiology and other contract services to LMH will be a pass through cost as charged the hospital			

