

**170-0602-2014**  
**Approval of Agreements for**  
**Creation of Health and Wellness Center**

May 23, 2014

The Honorable Mayor Ellison  
And  
Members of the City Commission:

Reducing and managing healthcare costs is a major concern at every level of government. Most municipalities, including Royal Oak, have dealt with the rising costs of healthcare by reducing benefits to employees and/or requiring employees to pay a larger share of the costs. We have reduced benefits, increased deductibles and co-pays and required employees to pay 20% of premiums. These tactics saved the city a great deal of money by shifting the cost of healthcare to our employees. They did absolutely nothing to address the cost of healthcare itself. To date, nothing we have done has actually had any impact on the cost of health care. We are looking to change that by implementing a program that will actually reduce health care costs and save money for both the city and for our employees. We are recommending the creation of a health and wellness center in partnership with the cities of Ferndale and Madison Heights.

An employer-sponsored health and wellness center is a small operation (usually only two rooms) that provides primary care medical services to employees, their spouses, and dependents at no cost to them. The clinic is situated on or near the worksite, and is managed by a medical management company. All of the costs for the operation of the clinic are negotiated in advance with the management company and are passed directly to the employer without markup. The clinic is typically staffed by a physician and physician assistants or nurses. The physician dispenses prescribed generic medications to patients on-site and free of charge, eliminating the need to go to a pharmacy in many cases. Lab and diagnostic testing are handled onsite. Health and wellness centers focus on identifying high-risk patients through biometric health screening, and actively engaging and managing patients' chronic health conditions over the long term. These clinics are an additional option for employees, so employees can choose to continue to go to their own doctor or mix and match.

If utilized sufficiently by employees, health and wellness centers can reduce the cost of healthcare in several ways. The payment model is much more efficient, controlled and transparent. Under the current model, the patient is treated by a provider and may need to go to a third party for labs and diagnostics, and then finally to a pharmacy for dispensation of medication. The provider then creates individual bills for each charge that is monitored by staff of the provider and submitted to the insurance company. The insurance company reviews the bill and renders payment based on the fee schedule for each service. The employer has no input on the fees set. Each step of this process includes additional cost, time, and markup. Under the health and wellness clinic model, the costs are controlled through negotiation up front, and passed through directly to the employer without markup. Billing is bundled, and services are all provided at one place. The insurance company does not slow down the process. This works for us because total cost of a visit is significantly less than the insured portion (city's share) of the cost of a visit under the current model.

Another important cost-saving measure is that the physician at the clinic is paid hourly rather than under a traditional fee for service model that rewards quantity of care rather than quality. A model based on hourly pay incentivizes the doctor to focus on the care of the patient, and likely reduces the potential for unnecessary visits, testing, and procedures.

The cost of medication is also lower under the health and wellness clinic model. The medical management company achieves this by acquiring medication at up to half the retail market rate. Only the acquisition cost of the medication is paid by the employer. There are no markup costs. Our cost, even with no employee deductible, is less than our share under the current model.

The lack of deductibles gives the employees a huge incentive to use the health and wellness center instead of a private provider. Currently our plans call for a \$30 deductible or co-pay which the employee pays directly to the provider. The employee also pays a deductible or co-pay on prescriptions. The health and wellness center is able to provide these services to the employee without charge and still cost the city less than we pay for the same products and services under the traditional model with the employee paying deductibles or co-pays.

All of these are immediate, hard cost savings that can be measured. There are also many soft cost savings that may be more difficult to measure and identify, but can have a substantial impact on long-term costs. Health and wellness centers are focused on improving the health and wellness of employees. Once the center is open, employees participate in a comprehensive health screening. These screenings are often performed at the worksite, and can be done in the middle of the workday. The ease of the access to the screenings often encourages many people to participate that have not been to the doctor in many years. Employees with high risk indicators and chronic conditions are notified and the medical management company concentrates their efforts on improving the long-term health of those individuals. Patients are assigned, and meet regularly with, health coaches to help manage their chronic condition and reduce their high risk indicators such as obesity, high blood pressure, etc. These efforts serve to engage the patient with their health and wellness, improve their overall health, and avoid future potentially costly catastrophic claims for the patients and city.

In March of last year, Cornerstone Municipal Advisory Group, Royal Oak's healthcare consultant submitted a detailed impact study considering the possibility of a shared health and wellness center. The report evaluated the operations and management of health and wellness centers which included two site-visits that were attended by staff from the representative cities, city-specific benefit plan population research, healthcare services utilization analysis, cost projections, return on investment analysis, and background research on the topic. Cornerstone found that a health and wellness center would be highly beneficial and was economically feasible. They projected an annualized reduction in healthcare costs and improved healthcare services. Their final recommendation suggested that the cities move forward with a request for proposals.

Six vendors responded to the cities' joint request for proposals in January. Three of the vendors submitted a complete application. They included Care ATC, CareHere, and Henry Ford Health System. Representatives from each community and Cornerstone reviewed the proposals in detail, and selected CareHere and Care ATC for interview based on qualifications, references, clinic operations, administration, and financial submittals. The communities unanimously selected CareHere as the preferred vendor following interviews. CareHere, based in Brentwood, Tennessee is a privately held medical management company that recently opened

Michigan's first public/private employer-sponsored health and wellness center in Battle Creek, Michigan earlier this year.

The selection of a vendor allowed Cornerstone and CareHere to submit final financial analyses projecting potential cost savings. Utilization is the most important factor when considering potential healthcare cost savings. In this respect, utilization is defined as the amount of current doctor visits that are shifted from current providers to the health and wellness center. The more the center is utilized, the more costs are avoided (saved) from the current model. As such, the financial analysis presented by both CareHere and Cornerstone was contingent upon predicting potential utilization rates.

CareHere, based on past experience, recommends projections include utilization rates of 35 percent in the first year, 45 percent in the second, and 55 percent in the third. Cornerstone has submitted a financial model at these utilization rates (Attachment 1). They find that the health and wellness center would save the City of Royal Oak over \$480,000 in reduced healthcare costs over three years. It is important to note that this analysis does not include the cost of the initial building retrofit. That cost would only exist in the first year, and is shared equally among the participating cities. This cost is expected to be less than \$20,000, but a final estimate is not yet known. It is also important to note this estimate does not include any "soft" costs including improved employee health, avoided catastrophic claims, reduced time away from work, etc. A similar analysis by CareHere suggests that the City could save up to \$800,000 over the first three years (Attachment 2).

The health and wellness center concept has been presented to Royal Oak's employee Health and Wellness Committee. The feedback from employees so far has been very positive, so we expect there to be interest in the center. However, it is important to consider the worst case scenario when considering such a program. Cornerstone has also prepared an analysis of the cost savings for the center in the first year for all three cities at utilization rates of 35 percent, 20 percent, and zero percent (Attachment 3). Projections at 20 percent and zero percent should be considered worst case scenarios. The zero percent projection is meant only for illustrative purposes. Such a low utilization is presented only to show our maximum risk. You will see that at 20 percent utilization, Royal Oak is very close to breaking even in the first year. This estimate does not include the building retrofit. Utilization rates would be expected to increase each year, and cost savings along with it.

Ultimately, we think that the creation of a health and wellness center in partnership with the Cities of Ferndale and Madison Heights will save the City of Royal Oak money, improve employee health, and improve healthcare services offered to employees. However, it is important to recognize that there is some risk involved. As we see it, our downside risk is no more than \$190,000 and our upside potential savings is many times that amount. The expected value of this investment is for it to be positive at the one year point or sooner.

We are recommending that this facility be created in the lower level of Madison Heights' City Hall. They have unused space with discrete and immediate access to parking that should require minimal retrofitting. It would be a five to ten minute drive for Royal Oak employees from work. We do not have an appropriate and available location in any Royal Oak facility at this time.

Creation of this center in partnership with Ferndale and Madison Heights requires the approval of several agreements. The first agreement (Attachment 4) is the interlocal agreement that covers the terms between the cities. The second agreement (Attachment 5) is with Cornerstone

Municipal Advisory Group to coordinate and assist the city in overseeing CareHere and center operations. The third agreement (Attachment 6) is with CareHere to operate the health and wellness center. Ferndale and Madison Heights have already approved the agreements.

The following resolutions are recommended for approval:

**BE IT RESOLVED**, the city commission hereby authorizes the creation of a health and wellness center in partnership with the Cities of Ferndale and Madison Heights, and;


**BE IT FURTHER RESOLVED**, the city commission hereby approves the interlocal agreement with the Cities of Ferndale and Madison Heights, Cornerstone management agreement, and CareHere operations agreement, contingent upon approval of the agreements by the Cities of Ferndale and Madison Heights and;

**BE IT FURTHER RESOLVED**, the mayor and city clerk are authorized to execute the approved agreements on behalf of the city.

Respectfully submitted,

Stewart Meek  
Assistant to the City Manager

Approved,

  
Donald E. Johnson  
City Manager

6 Attachments

cc: Mary Jo DiPaolo, Human Resources Director  
Dave Gillam, City Attorney  
Julie Rudd, Finance Director

# Attachment 1



CareHere is a leader in providing exceptional on-site clinics and provider driven wellness programs. The patient-centered medical home approach practiced by CareHere integrates a vast scope of resources such as on-site primary care, case/disease management, wellness and behavior modification programs, occupational healthcare, wellness improvement tracking applications, and much more. CareHere's on-site services provide companies with the means to significantly decrease claims cost, while improving the overall health and morale of the employees.

The cost savings comes in several waves.

1. Initial wave consisting of increased efficiency of on-site clinics as opposed to the "retail" or fee for service system used by insurance companies/third party administrators today.
2. The second wave of savings comes as the population's health improves and catastrophic claims are reduced in large part due to the wellness, disease management, and chronic care programs offered as a part of the model.
3. The third wave of savings comes from "soft" savings such as increased productivity and reduced time away from work, reduced disability and FMLA claims, reduced accident and sickness on the job which affects workers compensation claims, and more.

Establishing an on-site health and wellness center is a long-term investment in the health of the employee as well as the employer group.

## Health & Wellness Center Expense Summary – City of Royal Oak (3 cities)

	YEAR 1	YEAR 2	YEAR 3	TOTAL
Active Employee Contracts <small>(full-time enrolled in the medical/Rx plan)</small>	261	261	261	783
Retiree Contracts	n/a	n/a	n/a	n/a
<b>Annual Contracts</b>	<b>3,132</b>	<b>3,132</b>	<b>3,132</b>	<b>9,396</b>
<b>CENTER EXPENSES – FIXED</b>				
Utilization of available visits	35%	45%	55%	
Administrative Fee <sup>1</sup>	\$82,998	\$82,998	\$82,998	\$248,994
Consultant Fee <sup>2</sup>	\$12,528	\$12,528	\$12,528	\$37,584
Start-Up Fee (1 <sup>st</sup> Year only) <sup>3</sup>	\$17,150	n/a	n/a	\$17,150
Doctor Staffing <sup>4</sup>	\$59,795	\$79,954	\$101,631	\$241,380
Nurse Staffing <sup>4</sup>	\$21,260	\$28,428	\$36,135	\$85,823
PCMH Nurse Coord <sup>4</sup>	\$1,772	\$2,369	\$3,011	\$7,152
Building Retrofit <sup>5</sup>		n/a	n/a	
Building Maintenance <sup>6</sup>	\$5,560	\$5,560	\$5,560	\$16,680
<b>Fixed Expense Total</b>	<b>\$201,063</b>	<b>\$211,837</b>	<b>\$241,863</b>	<b>\$654,763</b>
<b>CENTER EXPENSES – VARIABLE (BASED ON UTILIZATION)</b>				
Lab & Supplies	\$10,763	\$14,392	\$18,294	\$43,449
Pharmacy	\$77,448	\$85,193	\$93,712	\$256,353
<b>Variable Expense Total</b>	<b>\$88,211</b>	<b>\$99,585</b>	<b>\$112,006</b>	<b>\$299,802</b>
<b>Total Center Expense</b>	<b>\$289,274</b>	<b>\$311,422</b>	<b>\$353,869</b>	<b>\$954,565</b>
<b>MEDICAL/RX PLAN COST AVOIDED</b>				
Office Visit	\$230,113	\$307,694	\$391,113	\$928,920
Pharmacy	\$154,896	\$170,386	\$187,424	\$512,706
<b>Total Cost Avoided</b>	<b>\$385,009</b>	<b>\$478,080</b>	<b>\$578,537</b>	<b>\$1,441,626</b>
<b>Total Savings (Cost)</b>	<b>\$95,735</b>	<b>\$166,658</b>	<b>\$224,668</b>	<b>\$487,061</b>

<sup>1</sup>Fee of \$26.50 is per active employee only for Preventive Care, Wellness, Basic Primary Care. No Occupational Health or Workers Comp services which has a separate administrative fee. Includes 24 hour nurseline, health risk assessments, wellness programs.

<sup>2</sup>Fee is \$4.00 for the first 500 employees, reduced to \$3.00 for the next 120 employees or 80% at \$4 and 20% at \$3 for each City. CMAG services include implementation, communications, account management, financial analysis, and other services.

<sup>3</sup>Covers fee charged by management company to provide medical equipment, furniture, supplies, and the initial stocking of the pharmaceutical dispensary. Does not include any occupational health and workers compensation which has a separate Fee. Assumption is each City is charged a prorated amount based on eligible employee population. Ferndale is 22%, Madison Heights 29%, and Royal Oak at 49%.

<sup>4</sup>Assumption is 4 provider hours/week in Year 1; 6 in Year 2; and 7 in year 3. In actuality, City will be billed upon their employee's time with the medical staff. Unused appointments will be billed to City based upon the ratio of used appointments. Assumption is 2.3 – 2.7 appointments per hour. Doctor staffing is \$135/hour in Year 1; \$140 in Year 2; \$146 in Year 3. Nurse Staffing hours are 5 in Year 1, 7 in Year 2 and 8 in Year 3; PCMH Nurse Coordinators staffing is 0.4 hours in Year 1; 0.6 in Year 2, 0.7 in Year 3. Nursing is \$40/hour in Year 1; \$42 in Year 2 and \$43 in Year 3.

<sup>5</sup>Cost to retrofit City of Madison Heights lower level.

<sup>6</sup>Operating costs of the Center to include electricity, water, phone/fax, internet, housekeeping, etc. Assumption is each City is charged a prorated amount based on eligible employee population. Ferndale is 22%, Madison Heights 29%, and Royal Oak at 49%.

# Attachment 1



# Royal Oak, MI

## Recommended Model

### On-Site Health & Wellness Center Cost and Savings Analysis

March 27, 2014



## Royal Oak, MI

# CareHere! On-Site Clinic Projections

### Executive Summary

CareHere, LLC is a leader in providing exceptional on-site clinics and provider driven wellness programs. The patient-centered medical home approach practiced by CareHere integrates a vast scope of resources such as on-site primary care, case/disease management, wellness and behavior modification programs, occupational healthcare, wellness improvement tracking applications, and much more. CareHere’s on-site services provide companies with the means to significantly decrease claims cost, while improving the overall health and morale of the employees. CareHere clients are experiencing savings in industries consisting of municipalities, manufacturers, service companies, hospitals, educational institutions, and transportation entities. CareHere, LLC operates 160+ clinics in 22 states across the country.

The cost savings comes in two waves with the initial wave consisting of increased efficiency of on-site clinics as opposed to the “Retail” system used by organizations today. The second wave of savings comes as the population’s health improves and catastrophic claims are reduced in large part due to the wellness, disease management, and chronic care programs offered as a part of the model. In the following projections for Royal Oak, MI, you will see the considerable cost savings each year that the program is in place with an overall savings during the first three years totaling **\$834,287**.

## Royal Oak, MI

### Recommended Model

#### Estimated Clinic Expenses

Medical and Wellness Cost Analysis	
MD/NP/RN (Pass-Through)	\$ 82,827
Pharmaceutical Cost	\$ 77,448
Laboratory/Pathology (Pass-Through)	\$ 10,763
Program Savings Engine	\$ 82,998
Clinic Set-Up Estimate: Equipment and Supplies (Pass-Through)	Pass-Through
Health Risk Assessment	Included
Wellness Coaches	Included
Electronic Medical Records (EMR)	Included
185 Wellness Programs	Included
<b>Total Medical Cost Year One:</b>	<b>\$ 254,036</b>

#### Clinic Projected Savings

Year One Savings Detail	
Medical Savings	\$ 136,523
Pharmaceutical Savings	\$ 77,448
PEPM Cost	\$ (82,998)
Productivity Savings	\$ 59,795
Clinic Set-Up Estimate	Pass-Through
<b>Total Savings</b>	<b>\$ 190,768</b>

#### Accumulative Savings

Accumulative Savings Year 1	\$ 130,973
Accumulative Savings Year 2	\$ 376,227
Accumulative Savings Year 3	\$ 774,492

#### Accumulative Savings (Productivity Savings Included)

Accumulative Savings Year 1	\$ 190,768
Accumulative Savings Year 2	\$ 436,022
Accumulative Savings Year 3	\$ 834,287

\*The productivity savings is only applied to year one.



Updated:  
Proposal effective until:

March 27, 2014  
June 25, 2014

## Royal Oak, MI Recommended Model

### Year One Clinic Operation: Cost and Savings Analysis

<b>Clinic Operation Year 1</b>		Unit Cost
<b>Total Employees On Medical Plan</b>	261	
		<b>Weekly Staff Hours</b>
		Physician 9
<b>Clinic Operations</b>		
Visit Total - Covered Employees and Retirees	1,196	<b>Total Medical Provider Hours 9</b>
Average Time With Provider (minutes)	20	Nurse 11
Clinic Medical Provider Hours Per Week:	9	Medical Home Nurse 0.9

<b>Cost and Savings Year 1</b>	Marketplace Cost	CareHere Cost	Savings With CareHere
<b>Marketplace Visit Cost</b>			
Current Year Cost/Visit	\$ 185.02		
Cost/Visit Next Year	\$ 192.42	\$ 230,113	
<b>Staffing Cost</b>			
Doctor Cost	Per Hour \$ 135	\$ 59,795	
Nurse Cost	Per Hour \$ 40	\$ 21,260	
Nurse (Patient-Centered Healthcare Coordination)	\$ 40	\$ 1,772	
Malpractice Insurance - Annually		Included	
<b>Lab/Supplies Estimate Per Visit</b>	\$ 9.00	\$ 10,763	
<b>Health Risk Assessment Questionnaire</b>		Included*	
<b>Biometric Screening - 30 Lab Panel</b>		Included*	
		\$ 230,113	\$ 93,590
<b>Pharmaceuticals - On-Site Dispensing</b>			
Pharmacy Impact - Marketplace Cost	12%	\$ 154,896	
Pharmacy Discount - CareHere Cost	50%	\$ 77,448	
		\$ 154,896	\$ 77,448
<b>Program Savings Engine (PEPM)</b>	\$ 26.50	\$ 82,998	
<b>Initial Clinic Set-Up</b>			
(The projected start-up cost is \$35,000 that will be divided between the Cities)			
<b>Total Medical Savings (Cost) for Year One: (Before Productivity Savings)</b>		\$ 385,009	\$ 254,036
<b>Total Time Away From Work Savings</b>			\$ (59,795)
<b>Total Savings (Cost) for Year One:</b>		\$ 385,009	\$ 194,241
	Marketplace Cost	CareHere Cost	Savings With CareHere

\*The included biometric screening quantity equals the number of eligible employees that have access to the clinic.



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## Royal Oak, MI Recommended Model

### Year Two Clinic Operation: Cost and Savings Analysis

<u>Clinic Operation Year 1</u>		Unit Cost
<b>Total Employees On Medical Plan</b>	261	<b>Weekly Staff Hours</b>
		Physician 11
<b>Clinic Operations</b>		
Visit Total - Covered Employees and Retirees	1,538	<b>Total Medical Provider Hours</b> 11
Average Time With Provider (minutes)	20	Nurse 14
Clinic Medical Provider Hours Per Week:	11	Medical Home Nurse 1.1

<u>Cost and Savings Year 1</u>		Marketplace Cost	CareHere Cost	Savings With CareHere
<b>Marketplace Visit Cost</b>				
Cost Per Visit	\$ 200.11	\$ 307,694		
<b>Staffing Cost</b>				
Doctor Cost	Per Hour \$ 140		\$ 79,954	
Nurse Cost	Per Hour \$ 42		\$ 28,428	
Nurse (Patient-Centered Healthcare Coordination)	\$ 42		\$ 2,369	
Malpractice Insurance - Annually			Included	
<b>Lab/Supplies Estimate Per Visit</b>	\$ 9.36		\$ 14,392	
<b>Health Risk Assessment Questionnaire</b>			Included*	
<b>Biometric Screening - 30 Lab Panel</b>			Included*	
		\$ 307,694	\$ 125,144	\$ 182,550
<b>Pharmaceuticals - On-Site Dispensing</b>				
Pharmacy Impact - Marketplace Cost	12%	\$ 170,386		
Pharmacy Discount - CareHere Cost	50%		\$ 85,193	
		\$ 170,386	\$ 85,193	\$ 85,193
<b>Program Savings Engine (PEPM)</b>	\$ 26.50		\$ 82,998	
<b>Total Medical Savings (Cost) for Year One: (Before Productivity Savings)</b>		<b>\$ 478,079</b>	<b>\$ 293,334</b>	<b>\$ 184,745</b>
		Marketplace Cost	CareHere Cost	Savings With CareHere

\*The included biometric screening quantity equals the number of eligible employees that have access to the clinic.



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June 25, 2014

## Royal Oak, MI Recommended Model

### Year Three Clinic Operation: Cost and Savings Analysis

<u>Clinic Operation Year 1</u>		Unit Cost
<b>Total Employees On Medical Plan</b>	261	<b>Weekly Staff Hours</b>
		Physician 14
<b>Clinic Operations</b>		
Visit Total - Covered Employees and Retirees	1,879	<b>Total Medical Provider Hours 14</b>
Average Time With Provider (minutes)	20	Nurse 17
Clinic Medical Provider Hours Per Week:	14	Medical Home Nurse 1.4

<u>Cost and Savings Year 1</u>	Marketplace Cost	CareHere Cost	Savings With CareHere
<b>Marketplace Visit Cost</b>			
Cost/Visit Next Year	\$ 208.12	\$ 391,113	
<b>Staffing Cost</b>			
Doctor Cost	<b>Per Hour \$ 146</b>	\$ 101,631	
Nurse Cost	<b>Per Hour \$ 43</b>	\$ 36,135	
Nurse (Patient-Centered Healthcare Coordination)	\$ 43	\$ 3,011	
Malpractice Insurance - Annually		Included	
<b>Lab/Supplies Estimate Per Visit</b>	\$ 9.73	\$ 18,294	
<b>Health Risk Assessment Questionnaire</b>		Included*	
<b>Biometric Screening - 30 Lab Panel</b>		Included*	
		\$ 391,113	\$ 159,071
<b>Pharmaceuticals - On-Site Dispensing</b>			
Pharmacy Impact - Marketplace Cost	12%	\$ 187,424	
Pharmacy Discount - CareHere Cost	50%	\$ 93,712	
		\$ 187,424	\$ 93,712
<b>Program Savings Engine (PEPM)</b>	\$ 26.50	\$ 82,998	
<b>Total Medical Savings (Cost) for Year One: (Before Productivity Savings)</b>		<b>\$ 578,537</b>	<b>\$ 335,781</b>
		<b>\$ 242,756</b>	
	Marketplace Cost	CareHere Cost	Savings With CareHere

\*The included biometric screening quantity equals the number of eligible employees that have access to the clinic.



## Royal Oak, MI

Recommended Model**ESTIMATED RETURN ON INVESTMENT**

Description	Year 1	Year 2	Year 3	Total
Employee Total	261	261	261	
Visits	1,196	1,196	1,196	
Medical Claims Savings	\$ 136,523	\$ 182,550	\$ 232,042	\$ 551,115
Pharmaceutical Savings	\$ 77,448	\$ 85,193	\$ 93,712	\$ 256,353
Productivity Savings	\$ 59,795			\$ 59,795
Wellness/Case Management		\$ 60,509	\$ 155,509	\$ 216,018
PEPM and PRPM Cost	\$ (82,998)	\$ (82,998)	\$ (82,998)	\$ (248,994)
Clinic Set-Up Estimate: Equipment and Supplies	Pass-Through			Pass-Through
<b>Annual Savings Through CareHere</b>	<b>\$ 190,768</b>	<b>\$ 245,254</b>	<b>\$ 398,265</b>	<b>\$ 834,287</b>
<b>Market Place Annual Cost</b>	<b>\$ 444,804</b>	<b>\$ 538,589</b>	<b>\$ 734,046</b>	<b>\$ 1,717,439</b>
<b>Annual Total Cost</b>	<b>\$ 254,036</b>	<b>\$ 293,334</b>	<b>\$ 335,781</b>	<b>\$ 883,152</b>
<b>Estimated Return on Investment Ratio:</b>	<b>\$ 1 to \$ 1.75</b>	<b>\$ 1 to \$ 1.84</b>	<b>\$ 1 to \$ 2.19</b>	<b>\$ 1 to \$ 1.94</b>
<b>Accumulative Savings Year 1:</b>	<b>\$ 190,768</b>			
<b>Accumulative Savings Year 2:</b>	<b>\$ 436,022</b>			
<b>Accumulative Savings Year 3:</b>	<b>\$ 834,287</b>			

## Medical Data Collection



**Royal Oak, MI**

The data you are providing below includes costs for the health plan year ending on (mm/dd/yy):

12/31/2012

Enter the total number of months included in the current year data below:

12

Add Notes for exceptions, comments, etc.

Total Medical costs should include All Medical, Drug, Work Comp (if applicable)

Total Medical (as given):

Annualized Total Medical Costs:

\$ 6,096,846

Year Ending December-11

Annualized December-10

Notes

Prescription Costs (as given):

Breakout of Prescription Costs:

Prescription Costs PEPY:

% of Total Medical Claims:

\$ 2,459,310

\$ 4,496

40.3%

#DIV/0!

#DIV/0!

0.0%

#DIV/0!

#DIV/0!

0.0%

Primary Care costs should include Dr/Office visit, Diagnostic & Lab (DXL), ER visits, Prevention

Primary Care Costs (as given):

Annualized Primary Care Costs:

% of Total Medical Claims:

\$ -

\$ 1,324,910

21.7%

0.0%

0.0%

0.0%

Primary Care Office Visits (as given):

Annualized Primary Care Office Visits:

Average Primary Care Office Visit Cost:

7,161

\$ 185.02

\$ -

\$ -

Year Ending December-14

Year Ending December-11

Year Ending December-10

Total Number of Employees with Medical Benefits:

547

Total Medical Costs PEPY:

% Increase YoY

\$ 11,146

0.0%

\$ -

0.0%

\$ -

-

Year Ending December-13

Planned number of Employees for next year:

261

or expected % increase/decrease:

0%

Average hourly wage per employee:

\$20.00

Should census vary more than 10% in a 12-month period, this Projection is subject to revision

### Proposal Assumptions

Total Health Plan % Annual Increase:	4%	Estimated Avg Office Visit:	\$ 185.02
Primary Care % Annual Increase:	4%		
Prescriptions % Annual Increase:	10%		
% of Prescriptions CareHere will dispense:	15%	at a 50% impact.	
Medical Provider Mix: Doctors	100%	Physician Extender (NP/PA)	0%

# SERVICES *CareHere!*



## Medical & Health Services:

- Primary Care
- Acute Care
- Episodic Care
- Patient Medication Adherence
- Pharmaceutical Dispensary
- Mail Order Medication
- Immunizations
- Sports Physicals
- Plan of Care Compliance



## Wellness:

- Case Management
  - Weight Management
  - Hypertension Management
  - Addiction Intervention
  - Pre-Diabetes Management
  - Lipid Management
  - Stress Management
  - Nutritional Counseling
  - Plan of Care Compliance
  - Mental Health Management
  - Disease Management
  - Tobacco Cessation
  - Exercise Adherence
  - Cardiovascular Risk Reduction
- \*Health Risk Assessments/28 Panel Biometric Blood Draw\**



## Staffing:

- CareHere Staffing
- Wellness Coaches
- Accounting
- Training
- Pharmacist
- Director of Client/Clinic Operations
- Care Coordinator/Case Manager
- Medical Staff Management
- Medical Provider Management
- Medical Staff Recruitment
- Medical Provider Recruitment
- Medical Malpractice Insurance



## Technology:

- Electronic Medical Record
- CareHere Connect
- Information Technology
- Online Appointment Scheduler
- Smartphone Application
- EMR Access & Integration with Outside Specialist/PCP/ER



## Clinical Outcome Services

- Self-Care Education Tools
- Reporting
- Purchasing Coordination
- Clinic Inventory Management
- Patient Survey Feedback
- Clinic Best Practices Sharing
- Integration of Services
- ROI Analysis
- Budget Adherence



## Support Services

- 24/7 Call-Center
- 1-800 Customer Support
- Education Tools
- Marketing
- Information Technology Support
- HRA Employee Events



CAREHERE.COM

CareHere

## Features & Services

2014

### Long Term Prevention Program

Population Health Management	Programs are designed specifically to target chronic health problems.
Disease/Case Management	To help patients control and manage high risk health factors, CareHere offers over 180 wellness initiatives, as well as health coaches to better educate the patient on healthy decision making.
LabInsight Health Risk Assessments	30 panel biometric screening/questionnaire
Self-Care Education Tools	Available through print material, the CareHere website, coaches, email, webinars, phone app, newsletters, etc.
Integrated Service	A unified approach to primary care, acute care, case/disease management, and wellness services provide the optimal experience for the patient.
Promotions/Incentives	Wellness promotions are conducted periodically to re-energize patients and inspire them to take the appropriate steps toward leading a healthier lifestyle. Incentive plans can be developed to further encourage participation as well.

### Comprehensive Health Education Training

Weight Management  
 Diabetes/Pre-Diabetes Management  
 Lipid Management  
 Smoking Cessation  
 Plan of Care Compliance  
 Addiction Intervention

Exercise Adherence  
 Hypertension Management  
 Stress Management  
 Mental Health Management  
 Cardiovascular Risk Reduction  
 Medication Adherence



## Program Enablers and Infrastructure

24/7 Nurse Telephone Line	CareHere provides a 24/7 nurse telephone line for online appointment scheduling and health related questions.
Online Scheduling System	Scheduling an appointment is only a few clicks away. Each appointment slot allows the patient to spend a full 20 minutes with the health center medical provider.
Electronic Medical Management & Tracking System	CareHere developed its own electronic medical record (EMR) system, which documents all patient activity within or outside the health center.
Best Practices Sharing Among Health Centers	Successful techniques, methods, and processes are communicated and shared with all CareHere health and wellness centers.
Health Center Inventory Management	A thorough medical inventory check is performed once a month. Any expired medications or supplies are appropriately disposed of.
Physician Recruiting	This is one of the most important tasks when implementing a health and wellness center. Success is directly related to the quality of the medical personnel. Their personality and interaction with the patient is what drives the patient to return and utilize the health center.
Staff Management	Clinical Quality Improvement (CQI) is a program integrating both physician and ancillary staff actions to provide quality healthcare. It establishes a framework for continuously improving patient care and services by encouragement. This promotes the staff to work individually and as a team, and also eliminates any barriers that affect the quality of care.
Annual Analysis, Trends, Reporting, and Survey Results	Management reports are provided by CareHere to show financial analysis, health center utilization, population health status, HRA participation, patient satisfaction, and all other ad hoc reports. Also, analysis can be provided that includes information on medications, labs, procedures, diagnosis, providers, and wellness results.

# Attachment 3



CareHere is a leader in providing exceptional on-site clinics and provider driven wellness programs. The patient-centered medical home approach practiced by CareHere integrates a vast scope of resources such as on-site primary care, case/disease management, wellness and behavior modification programs, occupational healthcare, wellness improvement tracking applications, and much more. CareHere's on-site services provide companies with the means to significantly decrease claims cost, while improving the overall health and morale of the employees.

The cost savings comes in several waves.

1. Initial wave consisting of increased efficiency of on-site clinics as opposed to the "retail" or fee for service system used by insurance companies/third party administrators today.
2. The second wave of savings comes as the population's health improves and catastrophic claims are reduced in large part due to the wellness, disease management, and chronic care programs offered as a part of the model.
3. The third wave of savings comes from "soft" savings such as increased productivity and reduced time away from work, reduced disability and FMLA claims, reduced accident and sickness on the job which affects workers compensation claims, and more.

Establishing an on-site health and wellness center is a long-term investment in the health of the employee as well as the employer group.

## Health & Wellness Center Expense Summary – Year 1

	FERNDALE	MADISON HEIGHTS	ROYAL OAK	TOTAL
Active Employee Contracts <small>(full-time enrolled in the medical/Rx plan)</small>	118	155	261	534
Retiree Contracts	n/a	n/a	n/a	n/a
<b>Annual Contracts</b>	<b>1,416</b>	<b>1,860</b>	<b>3,132</b>	<b>6,408</b>
<b>CENTER EXPENSES – FIXED</b>				
Utilization of available visits	35%	35%	35%	
Administrative Fee <sup>1</sup>	\$37,524	\$49,290	\$82,998	\$169,812
Consultant Fee <sup>2</sup>	\$5,664	\$7,440	\$12,528	\$25,632
Start-Up Fee (1 <sup>st</sup> Year only) <sup>3</sup>	\$7,700	\$10,150	\$17,150	\$35,000
Doctor Staffing <sup>4</sup>	\$23,549	\$29,205	\$59,795	\$112,549
Nurse Staffing <sup>4</sup>	\$8,373	\$10,384	\$21,260	\$40,017
PCMH Nurse Coord <sup>4</sup>	\$698	\$865	\$1,772	\$3,335
Building Retrofit <sup>5</sup>		n/a	n/a	
Building Maintenance <sup>6</sup>	\$2,497	\$3,290	\$5,560	\$11,347
<b>Fixed Expense Total</b>	<b>\$86,005</b>	<b>\$110,624</b>	<b>\$201,063</b>	<b>\$397,692</b>
<b>CENTER EXPENSES – VARIABLE (BASED ON UTILIZATION)</b>				
Lab & Supplies	\$4,239	\$5,257	\$10,763	\$20,259
Pharmacy	\$21,092	\$33,808	\$77,448	\$132,348
<b>Variable Expense Total</b>	<b>\$25,331</b>	<b>\$39,065</b>	<b>\$88,211</b>	<b>\$152,607</b>
<b>Total Center Expense</b>	<b>\$111,336</b>	<b>\$149,689</b>	<b>\$289,274</b>	<b>\$550,299</b>
<b>MEDICAL/RX PLAN COST AVOIDED</b>				
Office Visit	\$82,206	\$104,651	\$230,113	\$416,970
Pharmacy	\$42,184	\$67,616	\$154,896	\$264,696
<b>Total Cost Avoided</b>	<b>\$124,390</b>	<b>\$172,267</b>	<b>\$385,009</b>	<b>\$681,666</b>
<b>Total Savings (Cost)</b>	<b>\$13,054</b>	<b>\$22,578</b>	<b>\$95,735</b>	<b>\$131,367</b>

<sup>1</sup>Fee of \$26.50 is per active employee only for Preventive Care, Wellness, Basic Primary Care. No Occupational Health or Workers Comp services which has a separate administrative fee. Includes 24 hour nurseline, health risk assessments, wellness programs.

<sup>2</sup>Fee is \$4.00 for the first 500 employees, reduced to \$3.00 for the next 120 employees or 80% at \$4 and 20% at \$3 for each City. CMAG services include implementation, communications, account management, financial analysis, and other services.

<sup>3</sup>Covers fee charged by management company to provide medical equipment, furniture, supplies, and the initial stocking of the pharmaceutical dispensary. Does not include any occupational health and workers compensation which has a separate Fee. Assumption is each City is charged a prorated amount based on eligible employee population. Ferndale is 22%, Madison Heights 29%, and Royal Oak at 49%.

<sup>4</sup>Assumption is 16 provider hours/week in Year 1 (3 Ferndale, 4 Madison Heights, 9 Royal Oak) In actuality, City will be billed upon their employee's time with the medical staff. Unused appointments will be billed to City based upon the ratio of used appointments. Doctor staffing is \$135/hour in Year 1. Nurse Staffing at \$40/hour is 20 in Year 1 (4 Ferndale, 5 Madison Heights, 11 Royal Oak); PCMH Nurse Coordinators staffing is 1.5 hours in Year 1 (.3 Ferndale, .4 Madison Heights, .9 Royal Oak).

<sup>5</sup>Cost to retrofit City of Madison Heights lower level.

<sup>6</sup>Operating costs of the Center to include electricity, water, phone/fax, internet, housekeeping, etc. Assumption is each City is charged a prorated amount based on eligible employee population. Ferndale is 22%, Madison Heights 29%, and Royal Oak at 49%.

## Health & Wellness Center Expense Summary – Year 1

	FERNDALE	MADISON HEIGHTS	ROYAL OAK	TOTAL
Active Employee Contracts <small>(full-time enrolled in the medical/Rx plan)</small>	118	155	261	534
Retiree Contracts	n/a	n/a	n/a	n/a
<b>Annual Contracts</b>	<b>1,416</b>	<b>1,860</b>	<b>3,132</b>	<b>6,408</b>
<b>CENTER EXPENSES – FIXED</b>				
Utilization of available visits	20%	20%	20%	
Administrative Fee <sup>1</sup>	\$37,524	\$49,290	\$82,998	\$169,812
Consultant Fee <sup>2</sup>	\$5,664	\$7,440	\$12,528	\$25,632
Start-Up Fee (1 <sup>st</sup> Year only) <sup>3</sup>	\$7,700	\$10,150	\$17,150	\$35,000
Doctor Staffing <sup>4</sup>	\$13,456	\$16,689	\$34,169	\$64,314
Nurse Staffing <sup>4</sup>	\$4,784	\$5,934	\$12,149	\$22,867
PCMH Nurse Coord <sup>4</sup>	\$399	\$494	\$1,012	\$1,905
Building Retrofit <sup>5</sup>		n/a	n/a	
Building Maintenance <sup>6</sup>	\$2,497	\$3,290	\$5,560	\$11,347
<b>Fixed Expense Total</b>	<b>\$72,024</b>	<b>\$93,287</b>	<b>\$165,566</b>	<b>\$330,877</b>
<b>CENTER EXPENSES – VARIABLE (BASED ON UTILIZATION)</b>				
Lab & Supplies	\$2,422	\$3,004	\$6,150	\$11,576
Pharmacy	\$14,061	\$22,539	\$51,632	\$88,232
<b>Variable Expense Total</b>	<b>\$16,483</b>	<b>\$25,543</b>	<b>\$57,782</b>	<b>\$99,808</b>
<b>Total Center Expense</b>	<b>\$88,507</b>	<b>\$118,830</b>	<b>\$223,348</b>	<b>\$430,685</b>
<b>MEDICAL/RX PLAN COST AVOIDED</b>				
Office Visit	\$46,975	\$59,801	\$131,493	\$238,269
Pharmacy	\$28,123	\$45,077	\$103,264	\$176,464
<b>Total Cost Avoided</b>	<b>\$75,098</b>	<b>\$104,878</b>	<b>\$234,757</b>	<b>\$414,733</b>
<b>Total Savings (Cost)</b>	<b>\$(13,409)</b>	<b>\$(13,952)</b>	<b>\$11,409</b>	<b>\$(15,952)</b>

<sup>1</sup>Fee of \$26.50 is per active employee only for Preventive Care, Wellness, Basic Primary Care. No Occupational Health or Workers Comp services which has a separate administrative fee. Includes 24 hour nurseline, health risk assessments, wellness programs.

<sup>2</sup>Fee is \$4.00 for the first 500 employees, reduced to \$3.00 for the next 120 employees or 80% at \$4 and 20% at \$3 for each City. CMAG services include implementation, communications, account management, financial analysis, and other services.

<sup>3</sup>Covers fee charged by management company to provide medical equipment, furniture, supplies, and the initial stocking of the pharmaceutical dispensary. Does not include any occupational health and workers compensation which has a separate Fee. Assumption is each City is charged a prorated amount based on eligible employee population. Ferndale is 22%, Madison Heights 29%, and Royal Oak at 49%.

<sup>4</sup>Assumption is 9 provider hours/week in Year 1 (2 Ferndale, 2 Madison Heights, 5 Royal Oak) In actuality, City will be billed upon their employee's time with the medical staff. Unused appointments will be billed to City based upon the ratio of used appointments. Doctor staffing is \$135/hour in Year 1. Nurse Staffing at \$40/hour is 11 in Year 1 (2 Ferndale, 3 Madison Heights, 6 Royal Oak); PCMH Nurse Coordinators staffing is 1 hour in Year 1 (.2 Ferndale, .2 Madison Heights, .5 Royal Oak).

<sup>5</sup>Cost to retrofit City of Madison Heights lower level.

<sup>6</sup>Operating costs of the Center to include electricity, water, phone/fax, internet, housekeeping, etc. Assumption is each City is charged a prorated amount based on eligible employee population. Ferndale is 22%, Madison Heights 29%, and Royal Oak at 49%.

## Health & Wellness Center Expense Summary – Year 1

	FERNDALE	MADISON HEIGHTS	ROYAL OAK	TOTAL
Active Employee Contracts <small>(full-time enrolled in the medical/Rx plan)</small>	118	155	261	534
Retiree Contracts	n/a	n/a	n/a	n/a
<b>Annual Contracts</b>	<b>1,416</b>	<b>1,860</b>	<b>3,132</b>	<b>6,408</b>
<b>CENTER EXPENSES – FIXED</b>				
Utilization of available visits	0%	0%	0%	
Administrative Fee <sup>1</sup>	\$37,524	\$49,290	\$82,998	\$169,812
Consultant Fee <sup>2</sup>	\$5,664	\$7,440	\$12,528	\$25,632
Start-Up Fee (1 <sup>st</sup> Year only) <sup>3</sup>	\$7,700	\$10,150	\$17,150	\$35,000
Doctor Staffing <sup>4</sup>	\$13,456	\$16,689	\$34,169	\$64,314
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PCMH Nurse Coord <sup>4</sup>	\$399	\$494	\$1,012	\$1,905
Building Retrofit <sup>5</sup>		n/a	n/a	
Building Maintenance <sup>6</sup>	\$2,497	\$3,290	\$5,560	\$11,347
<b>Fixed Expense Total</b>	<b>\$72,024</b>	<b>\$93,287</b>	<b>\$165,566</b>	<b>\$330,877</b>
<b>CENTER EXPENSES – VARIABLE (BASED ON UTILIZATION)</b>				
Lab & Supplies	\$-0-	\$-0-	\$-0-	-0-
Pharmacy	\$-0-	\$-0-	\$-0-	\$-0-
<b>Variable Expense Total</b>	<b>\$-0-</b>	<b>\$-0-</b>	<b>\$-0-</b>	<b>\$-0-</b>
<b>Total Center Expense</b>	<b>\$72,024</b>	<b>\$93,287</b>	<b>\$165,566</b>	<b>\$330,877</b>
<b>MEDICAL/RX PLAN COST AVOIDED</b>				
Office Visit	\$-0-	\$-0-	\$-0-	\$-0-
Pharmacy	\$-0-	\$-0-	\$-0-	\$0-
<b>Total Cost Avoided</b>	<b>\$-0-</b>	<b>\$-0-</b>	<b>\$-0-</b>	<b>\$-0-</b>
<b>Total Savings (Cost)</b>	<b>\$(72,024)</b>	<b>\$(93,287)</b>	<b>\$(165,566)</b>	<b>\$(330,877)</b>

<sup>1</sup>Fee of \$26.50 is per active employee only for Preventive Care, Wellness, Basic Primary Care. No Occupational Health or Workers Comp services which has a separate administrative fee. Includes 24 hour nurseline, health risk assessments, wellness programs.

<sup>2</sup>Fee is \$4.00 for the first 500 employees, reduced to \$3.00 for the next 120 employees or 80% at \$4 and 20% at \$3 for each City. CMAG services include implementation, communications, account management, financial analysis, and other services.

<sup>3</sup>Covers fee charged by management company to provide medical equipment, furniture, supplies, and the initial stocking of the pharmaceutical dispensary. Does not include any occupational health and workers compensation which has a separate Fee. Assumption is each City is charged a prorated amount based on eligible employee population. Ferndale is 22%, Madison Heights 29%, and Royal Oak at 49%.

<sup>4</sup>Assumption is 9 provider hours/week in Year 1 (2 Ferndale, 2 Madison Heights, 5 Royal Oak). Doctor staffing is \$135/hour in Year 1. Nurse Staffing at \$40/hour is 11 in Year 1 (2 Ferndale, 3 Madison Heights, 6 Royal Oak); PCMH Nurse Coordinators staffing is 1 hour in Year 1 (.2 Ferndale, .2 Madison Heights, .5 Royal Oak). **NOTE: This 0% utilization scenario is an impossibility; all parties (management company, consultant, and Cities) would be apprised early in the year if utilization was not at acceptable levels and take steps to increase utilization.**

<sup>5</sup>Cost to retrofit City of Madison Heights lower level.

<sup>6</sup>Operating costs of the Center to include electricity, water, phone/fax, internet, housekeeping, etc. Assumption is each City is charged a prorated amount based on eligible employee population. Ferndale is 22%, Madison Heights 29%, and Royal Oak at 49%.

# Attachment 4

## INTERLOCAL AGREEMENT FOR ON-SITE HEALTH & WELLNESS CENTER

This Agreement is entered into this \_\_\_\_ day of \_\_\_\_\_, 2014 by and between the CITY OF FERNDALE (hereinafter "Ferndale"), CITY OF MADISON HEIGHTS (hereinafter "Madison Heights"), and CITY OF ROYAL OAK (hereinafter "Royal Oak"), collectively referred herein as "Employers", for the creation of a jointly operated on-site Health & Wellness Center (hereinafter "Center") for the Employers' eligible employees ("employees"), eligible retirees ("retirees"), and their eligible dependents ("dependents") as defined.

WHEREAS, the Employers are "self-insured" for the purpose of providing and managing prescription drug, hospitalization, physician services, medical supplies, and other medical plan benefits to their employees, the cost of which continues to rise; and,

WHEREAS, the Employers are required by the Michigan Workers' Disability Compensation Act to cover the cost of medical treatment and rehabilitation of a worker who is injured on the job or becomes ill due to their job by which the employer may direct the injured worker to a treating physician or medical facility of the employer's choice for the first 10 days of care following the injury or illness; and,

WHEREAS, the Employers contract for occupational health exams, the main purpose of which is to assess the suitability of a worker to carry out certain jobs by virtue of pre-employment or periodic health examinations, and return to work examinations which are carried out either on the basis of regulations or as a part of good occupational health practice; and,

WHEREAS, Employer-sponsored workplace wellness programs and employee assistance programs have the potential to reduce health risks and cut health care spending, and

WHEREAS, for the purpose of employee health, efficient governmental administration, and reduction in health care costs resulting in anticipated budgetary savings for the Employers, it is in the best interest of the Employers that they join in the creation of an on-site medical care facility; and

WHEREAS the Employers desire to enable certain additional Employers to enjoy the benefits of this cooperative Agreement and will provide for their participation by separate Agreement; and

WHEREAS the Employers wish to join together under the authority of the Urban Cooperation Act, MCL 124.501, to form a cooperative effort to provide access to affordable medical care services for their respective employees, retirees and eligible dependents, utilizing the Patient Centered Medical Home (PCMH) model of salaried physicians plus a support team consisting of nurse practitioners or physicians assistants, nurses and/or medical assistants who are paid by a third-party management company under contract with the Employers; and,

WHEREAS, the Employers have individually contracted CareHere Management, PLLC (CareHere) a medical services management company to provide those medical services on behalf of the Employers to the Employers' Employees, Retirees, and their dependents in accordance with the terms included in the CareHere Medical Services Agreement; and,

# Attachment 4

WHEREAS, the CareHere Medical Services Agreement, the January 30, 2014 Proposal submitted by CareHere, and the Employers' December 4, 2013 Request for Proposals and all Addenda are hereby incorporated by reference as part of this Interlocal Agreement as if fully set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants, obligations and benefits hereunder, the Employers do hereby agree as follows:

## 1. AUTHORITY OF PARTIES - INTERLOCAL AGREEMENT

- a. **City of Ferndale** – City of Ferndale hereby confirms its City Council, on the \_\_\_\_ day of \_\_\_\_\_, 2014 authorized entering into this Agreement.
- b. **City of Madison Heights** – City of Madison Heights hereby confirms its City Council, on the \_\_\_\_ day of \_\_\_\_\_, 2014, authorized entering into this Agreement.
- c. **City of Royal Oak** – City of Royal Oak hereby confirms its City Commission, on the \_\_\_\_ day of \_\_\_\_\_, 2014, authorized the entrance into this Agreement.

## 2. MEDICAL MANAGEMENT SERVICES

CareHere will hire the medical staff and other licensed health professionals, schedule and provide medical management services to treat minor illnesses, conduct health assessments, physicals, and screenings, vaccinations, acute and injury care, laboratory services, dispense certain medications and other services as described in the Medical Management Services Agreements (“Services Agreements”) which shall be included as part of this Agreement by reference. The medical management company is an independent contractor and separate entity from the Employers.

## 3. STATEMENT OF RESPONSIBILITIES

The Employers shall bear the responsibilities as set forth in their respective Services Agreements with CareHere. Each Employer will be responsible for the payment of any fee, tax, assessment, or charge for administration services, the pass through costs for supplies, laboratory, x-ray, pharmacy and other ongoing operational expenses attributed to their respective Employee, Retiree, dependent or eligible member population census. Each Employer is responsible for amending their medical plan documents and employee manuals or other documents as necessary.

## 4. ESTABLISHMENT OF HEALTH & WELLNESS CENTER

- a. Location of Center. Madison Heights has offered, and the Employers agree, that the Center will be located in the Lower Level of the Madison Heights City Hall, 300 West Thirteen Mile Road, Madison Heights, Michigan 48071. The layout plan for the Center will be provided for by CareHere. Madison Heights will also make available a minimum of two dedicated parking spaces for Center use within the west City Hall Parking Lot and near the west building entrance.
- b. Construction of Health & Wellness Center. Madison Heights will assume responsibility for the construction of the Center at the agreed upon location, based upon the design and specifications furnished by CareHere and reviewed by the committee, and subject to all applicable building codes and regulations, the Madison Heights City Charter and ordinance provisions governing procurement, and other pertinent legal requirements. CareHere and Madison Heights shall mutually agree upon the Center floor plans along

# Attachment 4

with minimum facility requirements including, but not limited to, exam room space, cabinetry, counter space, lockable medication storage, internet connectivity, restroom facilities, waiting area space, telephone and fax connectivity, and security. Madison Heights agrees that the Center will be prepared, cleaned, and ready for \_\_\_\_\_ to occupy at least two weeks in advance of the agreed upon targeted Center opening date.

- c. Payment for Construction and Setup of Center. Insofar as the physical remodeling of the Lower Level of the Madison Heights City Hall is unique to its use as the Center and is outside the scope of Madison Heights' needs, the Employers agree to equally share the cost to remodel the space in accordance with Section 5(b) above. Madison Heights will provide construction cost estimates to the other Employers prior to the start of work. Madison Heights will pay the construction costs and, upon completion of work, will invoice the other Employers for reimbursement based on their respective shares. Madison Heights agrees to complete the work in a timely manner, and will not pass on internal personnel costs to the other Employers except where overtime is required and cannot be avoided. The Employers will share, in a ratio relative to their estimated employee/retiree access to the Center, in the fee charged by the medical management services company for the initial set-up of the Center (i.e., furniture, medical and office supplies, pharmaceuticals, etc.).
- d. Future Construction Costs for the Center. After the initial set-up of the Center and in the event that additional funds are needed to update, remodel or to perform other work on the Center during the term of this Agreement, then the Employers agree to share any such costs equally.
- e. Maintenance of Center. The cost of providing, maintaining, and repairing/servicing electricity, heating/air conditioning, water, housekeeping (during and after Center hours of operation), taxes, telephone and fax lines, internet, bio-medical waste disposal, liability insurance, and other items not provided by the management services company contract shall be shared by the Employers in a ratio relative to their estimated employee/retiree access to the Center.
- f. Improvements upon Termination by all Employers or Relocation of Center. The Employers agree that upon termination of this Agreement or relocation of the Center to a different site, all of the improvements relative to the Center space shall be the sole property of Madison Heights. Any supplies and equipment (exclusive of supplies and equipment charged to all Employers as operating Expenses) in place as of the effective date of termination shall be shared property of all participating Employers in a ratio relative to their contribution to the costs of acquisition of such supplies and equipment over the course of operation of the Center.
- g. Additional Center sites. The Employers may, from time to time, add additional Center sites at which some or all of the services set forth herein will be provided by the Employers. Such additional sites shall be addressed by written amendments to this Agreement.



# Attachment 4

## 5. DURATION AND TERMINATION

- a. Duration of Agreement. The Employers agree that the duration of this Agreement commences on the date on which this Agreement is filed with the Oakland County Clerk and Secretary of State in accordance with MCL 124.510(4) and continues until the termination of the expiration of the Management Services Agreement, unless terminated earlier as set forth herein.
- b. Termination of Participation. The Employers agree that an Employer or Additional Employer may terminate this Agreement with or without cause only after being a member for a minimum of one year and upon providing at least ninety (90) days prior written notice to the other Employers subsequent to the first anniversary of the effective date of this Agreement. The advisory committee shall determine the return or refund of initial or ongoing investment in equipment, supplies, etc. made by an Employer in the event of termination.

## 6. DESIGNATION OF ADVISORY COMMITTEE AND CONSULTANT

- a. Advisory Committee. An advisory committee comprised of Employer management representatives and medical service management company representative shall meet monthly or quarterly as needed to discuss any issues related to the operation of the Center. An Employer may send multiple representatives to advisory committee meetings; however, each Employer must designate one voting representative.
- b. Consultant. Cornerstone Municipal Advisory Group ("CMAG") shall provide consulting and account servicing to the Employers in accordance with the terms of a separate agreement. Implementation services would include Center contract review, project management, communication material review, meetings with employees, Retirees, key staff, Councils and Commissions. Ongoing services include, but are not limited to, analyzing financial impacts and outcomes, providing executive-level progress reports, manage public relations, troubleshoot issues, and conduct advisory committee meetings to review Center utilization, improvements, and strategy for growth.

## 7. ADDITIONAL EMPLOYERS

- a. Entry Fee. In the event that an outside public agency (hereinafter "Additional Employer") wishes to utilize the services of the Center, and the Employers agree to allow the Additional Employer to join, the Additional Employer shall pay a lump sum of \$7,500. This entry fee will be divided among the Employers to offset initial set-up expenses.
- b. Services Agreement. An Additional Employer shall be required to enter into a Services Agreement with CareHere and bear the financial and other responsibilities as set forth in the service agreement for the services provided. An Additional Employer shall pay its proportionate share of the total CareHere contract with the Center and shall pay an additional five (\$5.00) dollars for each employee, retiree or dependent visit to the Center. This \$5.00 will be divided among the original Employers to offset on-going maintenance expenses and building cost.

# Attachment 4

- c. Reciprocal agreement. If an Additional Employer constructs or partners with an agency or agencies to construct its own health and wellness center or similar venue with CareHere as the provider, the additional Employer shall execute a reciprocal agreement with the original Employers for their use of the additional Employer's center.

## 8. COOPERATIVE PURCHASING

- a. Employer Cooperative Purchasing. This Agreement allows the Employers to participate in, sponsor, conduct, or administer a cooperative purchasing agreement for the procurement of any supplies, services, or construction with one or more public procurement units in accordance with an agreement entered into between the participants. Such cooperative purchasing may include, but is not limited to; joint or multi-party contracts between public procurement units and open-ended public procurement unit contracts that are made available to other public procurement units (joint purchasing and piggybacking).
- b. CareHere pricing. CareHere has agreed to provide pricing which reflects awards to multiple employers desiring to sponsor an onsite health and wellness center. As such, any resulting purchases between Employers and other additional employers shall require CareHere to extend all goods and/or services at the same rates, prices, and contractual terms as written in the Services Agreements. The Employers shall not be construed as a dealer, re-marketer, representative, partner, or agent of any type of any type that may be awarded any agreement resulting from a request for proposal.

## 9. GENERAL LIABILITY

- a. Employer Liability and Insurance. The Employers agree to carry separate liability insurance, currently handled by the MMRMA. As long as the location of the Center is located in Madison Heights facility, Madison Heights shall present a Certificate of Insurance as proof of liability insurance to each of the other Employers.
- b. No Waiver of Governmental Immunity. All of the privileges and immunities from liability, and exemptions from laws, ordinances and rules, and all pensions, relief, disability, worker's compensation and other benefits which apply to the activity of Employers and the officers, agency, or employees of any public agency when performing their respective functions within the territorial limits for their respective agencies shall apply to the same degree and extent to the performance of such functions and duties of such Employers, officers, agents or employees extraterritorially under the provision of this Agreement. No provision of this Agreement is intended, nor shall any provision of this Agreement be construed, as a waiver by any Employer of any governmental immunity under law.
- c. Eligible Participant Insurance and Liability. Each Employer shall be responsible for insuring its activities and its employees and/or retirees as they relate to this Agreement. Each Employer shall be solely responsible for the acts of its own employees and/or retirees, the costs associated with those acts and the defense of those acts. The Employers shall not be responsible for any liability or costs associated with those acts and the defense of those acts of other Employers or their employees/and or retirees.

# Attachment 4

## 10. OTHER PROVISIONS

- a. Entire Agreement; Amendment. This Agreement sets forth the entire agreement between the parties with respect to the subject matter hereof, and all prior discussions, representations, proposals, offers and oral or written communications of any nature are entirely superseded hereby and extinguished by the execution of this Agreement. No amendment, modification of, or waiver of, any right under this Agreement will be effective unless it is evidenced in writing executed by an authorized representative of each party to the Agreement.
- b. Governing Law. This Agreement is entered into and accepted in the State of Michigan and all questions relating to its validity, interpretation, performance, and enforcement shall be governed by and construed in accordance with the laws of the State of Michigan.
- c. Relationship to Other Agreements. This Agreement enhances the Employer's respective health care services for its employees and those qualified for health care coverage, and does not supersede or negate any other agreements heretofore entered into between the parties.
- c. Voluntary Services. No provision of this Agreement shall be construed to compel an Employer to require its employees, retirees and/or its dependents to utilize the services of the Health & Wellness Center.
- d. Severability. The phrases, clauses, sentences, paragraphs or sections of this Agreement are severable and, if any phrase, clause, sentence, paragraph, or section of the Agreement should be declared invalid or unenforceable by the final decree or judgment of any court of competent jurisdiction, such invalidity shall not affect any of the remaining phrases, clauses, sentences paragraphs and sections of this Agreement.
- e. Captions and Headings. Captions and headings contained in this Agreement are for reference purposes only and shall not be construed as part of this Agreement.
- f. Notice. Any notice required to be given hereunder shall be in writing and delivered to the address and title set forth below by certified mail (return receipt requested), a recorded delivery service, or by other means of delivery requiring a signed receipt. All notices shall be effective upon receipt. The addresses provided herein may be changed at any time on prior written notice.
- g. Succession. Subject to the other terms of this Agreement, this Agreement will inure to the benefit of, and be binding on each Employer's permitted successors and assigns.
- h. Assignment. No Employer shall have the right to assign or transfer its obligations under this Agreement, voluntarily or by operation of law, without first obtaining the written consent of the other Employers, and any attempted assignment or transfer in the absence of such consent shall be void and of no effect.

# Attachment 4

11. IN WITNESS WHEREOF, the Agreement has been signed on behalf of the Employers on the date indicated and pursuant to authorization of the respective bodies.

## City of Ferndale, MI

Date of Signature: \_\_\_\_\_

Signature: \_\_\_\_\_

Print Name: April M. Lynch  
Title: City Manager  
Address: 300 East Nine Mile Road  
Ferndale, MI 48220

## City of Madison Heights, MI

Date of Signature: \_\_\_\_\_

Signature: \_\_\_\_\_

Print Name: Benjamin I. Myers  
Title: City Manager  
Address: 300 West Thirteen Mile Road  
Madison Heights, MI 48071

## City of Royal Oak, MI

Date of Signature: \_\_\_\_\_

Signature: \_\_\_\_\_

Print Name: Donald E. Johnson  
Title: City Manager  
Address: 211 South Williams Street  
Royal Oak, MI 48067

## CORNERSTONE MUNICIPAL ADVISORY GROUP, LLC

### AGREEMENT FOR CMAG HEALTH & WELLNESS CENTER PROGRAM SERVICES

THIS AGREEMENT FOR CMAG HEALTH & WELLNESS CENTER PROGRAM SERVICES (“Agreement”) is entered into by and between Cornerstone Municipal Advisory Group, LLC, a Michigan limited liability company (“CMAG”) and \_\_\_\_\_ (“Plan Sponsor”) and shall be effective as of \_\_\_\_\_, 2014 (“Effective Date”).

Plan Sponsor maintains a group health program (hereinafter referred to as the “Plan”) under which eligible individuals are able to obtain healthcare plan benefits. Plan Sponsor has joined with other employers (hereinafter referred to as “Employers”) under the authority of the Urban Cooperation Act, MCL 124.501, to form a cooperative effort to provide access to affordable medical care services for their respective employees (“Employees”), retirees (“Retirees”) and eligible dependents, utilizing the Patient Centered Medical Home (PCMH) model of salaried physicians plus a support team consisting of nurse practitioners or physicians assistants, nurses and/or medical assistants who are paid by a third-party management company. Plan Sponsor and Employers has engaged the services of a third-party management company (hereinafter referred to as “Management Company”) to operate a Health & Wellness Center jointly owned/operated by the Plan Sponsor and Employers (hereinafter referred to as “Center”). Plan Sponsor desires to engage CMAG to act as the Center coordinator and assist Plan Sponsor in all activities as it relates to the management and oversight of Center operations and growth (See Exhibit A). CMAG desires to provide such assistance, all on the terms and subject to the conditions set forth in this Agreement.

NOW THEREFORE, the parties agree as follows:

#### SECTION 1 SERVICES AND RESPONSIBILITIES

1.01 CMAG Center Services. During the term of this Agreement, CMAG shall provide to Plan Sponsor the services described on **Exhibit A** to this Agreement (collectively, “Center Services”). In performance of Center Services, CMAG shall rely on any communication and/or data reasonably believed by it to be genuine, including necessary information received from Plan Sponsor and Management Company in a timely manner and in good order. For purposes hereof, “timely manner” means a reasonable period of time as may be necessary for sorting, processing, analyzing, entering and/or posting of information received.

1.02 Compensation. The fees for Center Services are set forth on **Exhibit B** to this Agreement. CMAG shall, prior to the beginning of each quarter, send an invoice to each Plan Sponsor for fees. Payment shall be due 15 days after receipt of invoice. Accounts and invoices not paid by the later of the end of the month, or within 30 days of billing, are considered delinquent and are subject to a monthly service charge of 1.5 percent (1.5%) of the delinquent amount. Late fees and charges shall not apply where there is a bona fide dispute as to the amount owed.

1.03 Caveats. By its execution of this Agreement, Plan Sponsor is acknowledging its knowledge, understanding and agreement to the specific items set forth on **Exhibit C** to this Agreement regarding Center Services.

1.04 Disclaimer. Except as otherwise expressly stated herein, CMAG disclaims to the fullest extent permissible by law all warranties, express or implied, as to the nature or standard of Center Services hereunder, including any warranty of merchantability or of fitness for a particular purpose. Notwithstanding anything to the contrary contained in this Agreement, in no event will CMAG be liable for special, consequential or indirect damages, including but not limited to loss of profits or loss of use.

## SECTION 2 RELATIONSHIP OF THE PARTIES

2.01 Independent Contractor. In performing services under this Agreement, CMAG performs all acts as an independent contractor and not as an officer, employee or agent of the Plan. Nothing in this Agreement shall be construed to mean that Plan Sponsor (or any of its agents) retains any control over the manner and means of how CMAG performs the services provided for herein, but only a right to review the results of the work performed.

2.02 Not a Fiduciary or Insurer. Plan Sponsor is the named fiduciary and/or primary decision maker of the Plan and the Center. As fiduciary and/or decision maker, Plan Sponsor maintains discretionary authority and responsibility in the administration and operation of the Plan and Center, including, but not limited to, the determination of covered services, interpretation of the terms and entitlement to benefits under the Plan, and the determination of eligibility for and entitlement to Center services in accordance with the Management Company service agreement or contract. CMAG does not assume any responsibility for any act, omission or breach by any fiduciary.

## SECTION 3 TERM AND TERMINATION

3.01 Term. This Agreement shall be in effect for a period of three years starting on the Effective Date and will run concurrently with the Management Company service agreement or contract such that it will automatically renew for subsequent years unless otherwise terminated in accordance with Section 3.02.

3.02 Termination. Subject to continuing obligations under Section 3.03, this Agreement may be terminated as specified below:

- (a) By either party as of the date the other voluntarily or involuntarily files for bankruptcy protection for any or all portion of its business operations;
- (b) By mutual written agreement of the parties;
- (c) By Plan Sponsor or CMAG with 60 day written notice; or

# Attachment 5

(d) By Plan Sponsor if CMAG breaches this Agreement in any material respect and fails to cure such breach within thirty (30) days following written notice of such breach from Plan Sponsor.

3.03 Obligations After Contract Termination; Survival. All responsibilities of either party under this Agreement shall terminate upon the termination of this Agreement, except that the following rights and liabilities of the parties shall survive the termination of this Agreement for the specified time period as provided below or as otherwise agreed by the parties hereto:

- (a) Plan Sponsor's duty to pay CMAG for amounts due to CMAG hereunder, until such amounts are paid in full.
- (b) Plan Sponsor's and CMAG's respective duties hereunder that are reasonably contemplated to continue beyond the termination of this Agreement, including, but not limited to, this Section 3.03 and Sections 3.04, 3.05, 3.06, and 5.02. Notwithstanding the foregoing, such duties shall not survive beyond the duration of any applicable statute of limitations.
- (c) Plan Sponsor's and CMAG's indemnification duties and liabilities under Section 4 hereof with respect to events and claims arising before the termination of the Agreement, until the appropriate statute of limitations has run.

3.04 Outstanding Fees; Records. Upon termination of this Agreement, Plan Sponsor agrees to remit to CMAG any outstanding balances due (or which, under Section 3.03(a), becomes due) under this Agreement. Without limiting other available remedies, CMAG shall have the right to retain all records in its possession with regard to its services pursuant to this Agreement until receipt of all outstanding monies due.

3.05 Cooperation with Successor. In the event Plan Sponsor appoints a successor to CMAG for any or all of CMAG's services described herein, CMAG shall cooperate as reasonably necessary in transferring files, records, reports and the like, and CMAG shall be entitled to reasonable compensation for its services in connection therewith. Notwithstanding any provision of this Agreement (including any exhibit or addendum hereto), to the contrary, CMAG shall not, without prior written agreement with Plan Sponsor, be obligated to assist a successor to CMAG or otherwise take or continue any action following termination of the Agreement if and to the extent such assistance or action may reasonably be viewed as causing CMAG to become a fiduciary with respect to the Center in any manner.

3.06 Access to Information. Plan Sponsor shall have the right, upon providing reasonable notice, to periodically review, at its own expense, any records of CMAG relating to the services provided herein; any examination of such records shall be carried out in a manner mutually agreeable to CMAG and Plan Sponsor and to the extent permitted by applicable law.

## SECTION 4 INDEMNIFICATION

4.01 Indemnification by CMAG. CMAG agrees to indemnify Plan Sponsor, its officers, directors, employees and agents for and hold them harmless from any claim, liability, cost, loss, expense or damage (including reasonable attorney fees) which may be paid or incurred by Plan Sponsor resulting from or in connection with a material breach by CMAG of its responsibilities and duties outlined under this Agreement.

## SECTION 5 GENERAL PROVISIONS

5.01 Amendment; Assignment. This Agreement may not be amended without the express written consent of both parties. No assignment by either party pertaining to this Agreement shall be valid without the express written consent of the other party, which consent will not be unreasonably withheld.

5.02 Confidentiality. CMAG recognizes that it shall be provided with personal information regarding Members of Plan and Center in the course of providing services under this Agreement. CMAG shall safeguard such information to ensure that no person who does not need to know such information has access to such information. To the extent required by law, CMAG will enter into a “Business Associate Agreement” with the Plan and/or Center and/or Plan Sponsor.

5.03 Entire Agreement. This Agreement (including any exhibits or addenda hereto) constitutes the complete and exclusive statement of the terms of the agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements, understandings, promises, and arrangements, oral or written, between the parties with respect to the subject matter hereof.

5.04 Governing Law. This Agreement is entered into and accepted in the State of Michigan and all questions relating to its validity, interpretation, performance, and enforcement shall be governed by and construed in accordance with the laws of the State of Michigan.

5.05 Headings. The headings of this Agreement are solely for the convenience of the parties and do not affect the meaning or interpretation of any provision of this Agreement.

5.06 Notice. Any notice required to be given hereunder between the parties shall be written, effective upon receipt and shall be served by facsimile or by personal delivery or certified mail, return receipt requested to the address cited in the signature block of this Agreement or to such other address as shall be specified by like notice by either party.

5.07 Other Service Providers; No Legal or Tax Advice. CMAG may seek the services of others in performing its duties and obligations under this Agreement. Such service providers shall not have access to personal health information of Plan Sponsor’s Eligible Participants unless such service providers sign “Business Associate Agreement” with CMAG which is substantially the same as the “Business Associate Agreement” executed between CMAG and the Plan and/or the Center and/or Plan Sponsor. Plan Sponsor



# Attachment 5

acknowledges and agrees that CMAG's services pursuant to this Agreement are in the nature of consulting, logistical and non-discretionary ministerial services and are not intended, and shall not be construed or characterized as, the provision of legal or tax advice or professional fiduciary services.

5.08 Successor and Assigns; Waiver. Subject to the provisions of Section 5.01 above, this Agreement shall be binding upon and inure to the benefit of and be enforceable against the parties hereto and their respective successors and assigns. Failure to enforce any provision of this Agreement shall not affect the rights of the parties to enforce such provision in another circumstance or their right to enforce any other provision of this Agreement at any time. If any provision of this Agreement is determined to be unenforceable or invalid, such determination shall not affect the validity of the other provisions contained in this Agreement.

5.09 Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed to be an original and all of which together shall constitute a single agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed, effective as of the Effective Date, by their duly authorized officers.

**Cornerstone Municipal Advisory Group, LLC**

\_\_\_\_\_ (Plan Sponsor)

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: Mark A Manquen

Name: \_\_\_\_\_

Title: President

Title: \_\_\_\_\_

Address:

Address: \_\_\_\_\_

50 W Big Beaver Road, Suite 220

\_\_\_\_\_

Troy MI 48084

\_\_\_\_\_

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

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

# Attachment 5

## EXHIBIT A

### CENTER SERVICES

1. Center Services. During the term of this Agreement, CMAG shall provide the following services:

A. Implementations - Center Openings and Expansion

1. Develop metrics and anticipated ROI
2. Create communication materials
3. Conduct meetings with employees, retirees, key staff, and councils/boards/commissions
4. Develop and implement health & wellness activities

B. Ongoing Center Oversight

1. Assume the role of Wellness Center Coordinator to endeavor that all Plan Sponsor objectives (financial and non-financial) for the Center(s) are being met and that the Center(s) operations are being managed effectively and efficiently
2. Act as a liaison between Management Company and participating member groups
3. Troubleshoot issues that arise
4. Coordination of member “cost of services” to insurance carrier/3<sup>rd</sup> party administrator (data transfer for deductible application)
5. Monitor Center capacity; peak/low hours
6. Monitor and track member use/member demographic
7. Compare and manage Center and Plan data
8. Assist with implementation of health & wellness initiatives
9. Perform drill down analysis on all data
10. Analyze financial impact of diseases and conditions
11. Conduct meetings with Plan Sponsor, keep track of timelines and project plans
12. Track metrics and report results
13. Conduct account management meetings with Plan Sponsor and Management Company to review Center utilization, improvements and strategy
14. Assist in managing Center growth, develop new initiatives for usage and utilization
15. Provide executive-level progress reports

C. Communications

1. Develop a promotional strategy and annual marketing events to enhance Center utilization
2. Coordinate promotion of Center services to employee/retiree populations
3. Manage overall public relations with Plan Sponsor assistance and support
4. Organize and facilitate employee meetings to educate employee populations of Center benefits
5. If applicable, assist Plan Sponsor with developing and implementing employee incentive programs in order to improve the general health and well-being of employee population
6. Explore expansion of Center services, locations and/or strategic partners.

# Attachment 5

## EXHIBIT B

### COMPENSATION

CMAG's compensation for the services provided pursuant to the Agreement shall be:

1. Center Services. For the Center Services performed by CMAG as described in **Exhibit A** to this Agreement, the **annual fee** for such Center Services shall be calculated equal to **a per Employee or per Retiree per month** (based on the sliding scale below) charge. Per Employee or per Retiree per month is further defined as the number of "Eligible Plan Participants" identified at the beginning of each new contract year which coincides with the number of Employees/Retirees billed the first month by the Management Company. The number of Eligible Plan Participants will be adjusted, however, in the event a new employer joins the Employers during the year.

For purposes of this Agreement, the sliding scale is applied to the aggregate total of the Eligible Plan Participants of the Employers establishing the jointly owned/operated Center as well as new employer groups joining the Employers to utilize the original Center or by establishing additional Health & Wellness Center locations.

The fees for Center Services shall be billed each quarter to the Plan Sponsor as described in Section 1.02 Compensation.

#### **CMAG Center Services Fee**

<b>Eligible Plan Participants - Employees</b>	<b>Monthly Fee</b>
For the first 3 years of this Agreement (coinciding with the Management Company agreement)	
First 500	\$4.00 per participant
501 –	\$3.00 per participant
Upon renewal of the Management Company agreement	
First 500	\$5.00 per participant
501 –	\$4.00 per participant
<b>Eligible Plan Participants - Retirees</b>	\$2.00 per participant
<b>Workers Comp/Occupational Health Only</b>	\$2.00 per eligible employee (full-time, part-time, temporary)

2. Agreement Coverage Period. The annual fee covers the services referred to in **Exhibit A** to this Agreement, within the terms of this Agreement, as defined in Section 3.01 of this Agreement.

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## **EXHIBIT C**

### **CAVEATS**

Plan Sponsor acknowledges understands and agrees to the following with respect to Center services:

1. The services described within this Agreement are mutually exclusive of services performed under our broker/consulting Agreement;
2. Plan Sponsor understands that from time to time there may be a need to obtain authorization to correspond with Plan Sponsor's insurance carrier(s) or third-party administrator to access plan and employee/member data;
3. CMAG will keep Plan Sponsor up to date on the progress of any other municipal Health and Wellness Cooperatives established throughout the State of Michigan.



**CareHere Management, PLLC**  
**City of Royal Oak, MI Employer Agreement**

This Employer Agreement is made and entered into this \_\_\_\_ day of \_\_\_\_\_ 2014, by and between the City of Royal Oak, MI (“Employer”), and CareHere Management, PLLC, a Tennessee professional limited liability company (“CareHere”).

**Recitals:**

A. CareHere contracts with employers to arrange for physicians or physician extenders (nurse practitioners or physician assistants) and/or nurses and/or medical assistants to be located at the employer's place of business, or other mutually agreed upon location, to perform certain medical services to the employees and/or retirees, including spouses and dependents, as deemed eligible by Employer hereinafter collectively referred to as defined below in Section B as “eligible members”.

B. “Eligible Members” shall include those employees, retirees, spouses and dependent children deemed eligible at the sole discretion of Employer.

C. Employer desires for the onsite physicians and other professionals to provide onsite medical services at a mutually agreed upon location to be shared with one or more other employers as designated in Exhibit F.

D. Employer desires to contract with CareHere and CareHere desires to contract with Employer for CareHere to arrange for a physician and nurse to provide certain onsite medical services on behalf of Employer to Eligible Members of Employer on the terms and subject to the conditions contained herein.

E. Employer desires to contract with CareHere and CareHere desires to contract with Employer for CareHere to provide management and non-medical services to assist Employer and physician or physician extenders in providing medical services to Eligible Members of Employer on the terms and subject to the contained herein.

NOW, THEREFORE, for good and valuable consideration, the receipt and the sufficiency of which are hereby acknowledged, Employer and CareHere hereby agree as follows:

**ARTICLE I**  
**PROVISION OF PHYSICIAN OR PHYSICIAN EXTENDERS**

1.01 Provision of Medical Professional. CareHere shall arrange for a physician(s) or Physician Extenders (Nurse Practitioner(s) or Physician Assistant(s)) and/or nurses (L.P.N or R.N.) hereafter collectively referred to as “Medical Professionals”, and/or medical assistants (“Medical Assistant”) to be located at the site designated in Section 1.04 to provide the Medical Services (as defined herein) to Eligible Members of Employer. CareHere is not committing to arrange for a particular person as the Medical Professional/Medical Assistant and, at any time and from time to time, CareHere may change the Medical Professional/Medical Assistant. Employer shall have the opportunity to interview all final Medical Professional candidates identified by CareHere. Employer shall also have the right to have CareHere

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remove a Medical Professional upon written notice, which notice shall specify the time by which the physician shall be removed.

As used herein, the term “Medical Services” means, with respect to Employer, the medical services with respect to which CareHere has agreed to arrange for a Medical Professional and/or Medical Assistant to be present pursuant to this Agreement. The Medical Services with respect to which CareHere has agreed to arrange for Medical Professionals are listed on Exhibit A.

Employer and CareHere may, at any time and from time to time, amend or supplement Exhibit A by written agreement.

1.02 Standards of Medical Professional Performance. CareHere shall contract with an independent Medical Professional such that the Medical Professional is obligated to perform or deliver the following, supported by a Medical Assistant under the Medical Professional’s direction, control, and supervision:

(a) Medical Professional shall determine his or her own means and methods of providing Medical Services in connection with this Agreement.

(b) Medical Professional and Medical Assistant shall comply with all applicable laws and regulations with respect to the licensing and state regulations.

(c) Medical Professional and Medical Assistant shall provide Medical Services in a manner consistent with all applicable laws and regulations and in a professional manner consistent with Medical Services provided in the community.

(d) Medical Professional shall maintain, during the term of this Agreement, Appropriate Credentials including:

(1) A duly issued and active license to practice medicine and prescribe medication in the State of Michigan; and

(2) The absence of any involuntary restriction placed on his or her federal DEA registration.

(e) Medical Professional and Medical Assistant, during the term of this Agreement, shall maintain the following:

(1) A good standing with his or her profession and state professional association;

(2) The absence of any license restriction, revocation, or suspension; and

(3) The absence of any conviction of a felony or misdemeanor involving alcohol, drugs or crimes of moral turpitude as evidence of a background check completed by CareHere.

(f) In the event that any Medical Professional (1) has his or her license to practice medicine or prescribe medication restricted, revoked or suspended, (2) has an involuntary restriction placed on his or her federal DEA registration, (3) is convicted of a felony or misdemeanor involving alcohol, drugs or crimes of moral turpitude, or (4) is no longer in good standing with his or her professional or state licensing authority, CareHere shall promptly remove that Medical Professional and replace such Medical Professional with another Medical Professional that meets the requirements

## Attachment 6

of Section 1.02 (d). CareHere shall require any Medical Professional to remove and promptly replace any Medical Assistant or other Health Professional (as defined in Section 1.08) who has his or her professional license restricted, revoked or suspended, is convicted of a felony, or is no longer in good standing with his or her professional or state licensing authority.

(g) CareHere shall require Medical Professional to ensure that any Medical Assistant or other Health Professional complies with the requirements of this Section 1.02 with respect to performance, licensing, certification, and good standing, as applicable, except as otherwise provided in Section 1.08 with respect to medical doctor interns and residents. CareHere shall require Medical Professional to notify CareHere immediately in the event Medical Professional learns of the possibility that any of the events specified in Section 1.02(e) may occur with respect to Medical Professional, any Medical Assistant or any other Health Professional, and CareHere shall immediately notify Employer of such notification, so that Employer can determine whether or not to exercise its right to remove Medical Professional pursuant to Section 1.01.

(h) This agreement and the independent contractor agreement in which CareHere has agreed to arrange for Medical Professionals located at the site designated in Section 1.04 is intended to comply with Michigan regulations that allow employers to hire a physician to treat Employer's Eligible Members.

1.03 Scheduling of Services. CareHere shall contract with Medical Professional/Medical Assistant for Medical Professional to provide Medical Services at the site designated in Section 1.04 and schedule agreeable with Employer. Both CareHere and Employer shall agree upon a target clinic opening date for Medical Professional to begin delivering Medical Services. Medical Professional shall be working for CareHere on behalf of Employer in accordance with all applicable federal, state and local laws and regulations.

1.04 Place of Services. Employer desires to join an already established, or soon to be established, clinic located at 300 W. Thirteen Mile, Madison Heights, MI 48071, or other location as mutually agreed upon between Employer and CareHere, (the "Place of Services"). Employer shall contract with the respective other parties and owner(s) of the Place of Services to establish any terms, duties or responsibilities between Employer, the owner of the Place of Services and any other party that may also share the Place of Services and be contracted with CareHere for the provision of Medical Services. CareHere shall supply Employer with example clinic facility floor plans along with minimum facility requirements including, but not limited to, minimum exam room space, cabinetry, counter space, lockable medication storage, internet connectivity, and telephone and fax connectivity. Employer agrees to coordinate, manage, fund and oversee any construction and/or renovation required to provide the Place of Services. Employer agrees that the Place of Services will be prepared, cleaned, and ready for CareHere to occupy at least two weeks in advance of the targeted clinic opening date.

1.05 Equipment and Supplies. Per Article II of this Agreement, Employer shall reimburse CareHere, based on Employer's Share of the cost, for the equipment and supplies which are listed, but not limited to, the items listed in Exhibit B (in addition to a chair, a desk, a file cabinet and office supplies, and initial stocking of dispensary all of which shall also be obtained by CareHere and submitted to Employer for reimbursement). Following the Initial Set-Up, Medical Professional shall notify CareHere, at any time and from time to time, of the quantity of such equipment and such supplies which Medical Professional reasonably requires in connection with the provision of Medical Services and the date by which such equipment and such supplies are required and CareHere shall provide such equipment and such supplies by such date and be reimbursed by Employer.

## Attachment 6

1.06 Professional Liability Insurance. CareHere shall ensure that Medical Professional maintains, throughout the term of this Agreement, professional liability (medical malpractice) insurance covering the acts and omissions of Medical Professional with a carrier licensed and authorized to do business in the State of Michigan. To comply with this obligation, CareHere shall add Medical Professional as an insured in a professional liability insurance program having minimum coverage limits of \$1,000,000.00 per occurrence and \$5,000,000.00 aggregate with an insurance company reasonably satisfactory to CareHere. At Employer's request, CareHere shall provide Employer proof of such professional liability insurance maintained by Medical Professional within 15 calendar days from the date the request was received.

1.07 Responsibilities of Parties. Employer and CareHere are independent contractors. Medical Professional shall be solely responsible for his or her actions and /or omissions and the actions and/or the omissions of any agent or any employee used by him or her (including without limitation any Medical Assistant or other Health Professional) in connection with providing Medical Services contemplated by this Agreement. Neither Employer nor CareHere shall have any control or involvement in the independent exercise of medical judgment by Medical Professional and/or any Medical Assistant or other Health Professional, and neither Employer nor CareHere shall incur any liability for the actions or the omissions of Medical Professional and/or any agent or any employee used by Medical Professional (including without limitation any Medical Assistant or other Health Professional) in connection with this Agreement. CareHere agrees to indemnify and hold harmless Employer from and against any cost, damage, expense, loss, liability or obligation of any kind, including, without limitation, reasonable attorney's fees, which Employer may incur in connection with CareHere's arranging for Medical Professionals, Medical Assistants or other Health Professionals to be present, or with the medical services provided by them, under this Agreement. However, such indemnification by CareHere shall not be construed to mean malpractice insurance in any manner. Said indemnity obligation shall be supported by appropriate liability insurance with minimum limits required by Employer's state.

1.08 Other Licensed Health Professionals. Employer agrees and acknowledges that Medical Professional may from time to time have other Health Professionals, as defined in the next sentence, assist Medical Professional and/or replace Medical Professional during his or her regularly scheduled time at Place of Services in the event of an emergency at the hospital or at Medical Professional's office (provided, however, that CareHere will require Medical Professional to ensure that services provided by replacement individuals do not exceed the scope of their professional training and licensure). "Health Professional" shall mean a duly licensed nurse, medical doctor and licensed physician's assistant. Section 1.07 shall apply in the same manner to Health Professional as such section applies to Medical Professional. CareHere shall also ensure, or require Medical Professional to ensure, that all Health Professionals who provide services hereunder have insurance coverage consistent with the requirements of Section 1.06. From time to time, Medical Professional, upon consent of an Eligible Members of Employer, may have medical doctors that are interns or residents associated with one of the medical schools in the state observe and assist Medical Professional for educational and teaching purposes under Medical Professional's direct supervision. The same level of professional standards as set forth in Section 1.02 shall apply as well to Health Professionals, other than medical doctor interns and residents, working under the direct supervision of Medical Professional.

1.09 Cost of Living Increases. On an annual basis, cost of living increases for Medical Professionals will be agreed upon by CareHere and Employer.

1.10 Billing. CareHere shall contract with Medical Professional such that Medical Professional shall not bill or otherwise solicit payment from Eligible Members of Employer, or Employer, or from any Employer benefit plan or trust for Medical Services provided by Medical Professional.



## Attachment 6

1.11 Medical Records. CareHere shall contract with Medical Professional for Medical Professional to maintain medical records with respect to all of the patients, all of which medical records shall be maintained in a professional manner consistent with the accepted practice of the community in which Medical Professional provides Medical Services in connection with this Agreement. CareHere shall also require Medical Professional to comply with the HIPAA privacy standards. All patient records maintained by Medical Professional in connection with this Agreement shall be the sole property of Medical Professional and CareHere.

Employer understands and agrees that all of the medical records and other protected health information maintained by Medical Professional will be held by Medical Professional in strictest confidence, and that Employer will not be entitled to have access to the medical records maintained by Medical Professional in the absence of an appropriate written authorization from the patient.

In the event of termination for any reason, CareHere agrees to electronically transfer all medical records to any successor clinic administrator selected by Employer. The electronic transfer of these records will be in an industry standard format to be determined by CareHere. In the event Employer requests a specific format or requests any additional preparing, packaging, testing or similar process, the electronic transfer of medical records will be dependent upon the successor clinic administrator or Employer agreeing to pay the costs, up to \$7,500, to CareHere to cover expenses associated with preparing, packaging, testing, transferring, and verifying the electronic transfer of medical records to the successor clinic administrator.

1.12 Reports. CareHere shall provide to Employer within sixty (60) calendar days following each 12-month period of operations, and more frequently as deemed appropriate by CareHere and Employer, a written report with respect to the provision of Medical Services by Medical Professional during the immediately preceding 12-month period. The written report shall be in a form reasonably satisfactory to each Employer as designated in Exhibit F and CareHere and it is contemplated that the written report will report (a) the number of Eligible Members specifying employees, retirees, and dependents treated by Medical Professional during such immediately preceding 12-month period, (b) the number of employees for whom work-related treatments were provided and (c) the number of Eligible Members specifying employees, retirees, and dependents for whom primary care services were provided. All reports shall be sent to Employer's HIPAA Privacy Officer(s) in accordance with Exhibit E of this Agreement.

Employer agrees to provide CareHere detailed medical claims and prescription drug claims information and demographic data for at least the 36-month period prior to the effective date of this Agreement. Employer agrees to provide CareHere detailed medical claims and prescription drug claims information and demographic data on an ongoing yearly basis. The claims information and demographic data will be provided in an electronic format and content suitable to CareHere. Prior to receipt of any data, CareHere agrees to establish appropriate Business Associate Agreements with Employer (see Exhibit C & D) and any administrator or agency designated by Employer as the source for the data.

1.13 Noncompliance by the Medical Professional. In the event Employer becomes aware of any failure by Medical Professional to comply with the obligations of Medical Professional which are contemplated by this Agreement, Employer shall immediately provide written notice to CareHere of such failure, which written notice shall describe the failure in reasonable detail, and CareHere shall use its best efforts to address such failure. In the alternative, CareHere may arrange for the substitution of another person as Medical Professional. As provided in Section 1.01, Employer shall have the right to require the immediate removal of Medical Professional by CareHere. As provided in Section 1.07, CareHere shall indemnify and hold Employer harmless for any act or omission by Medical Professional and/or Medical Assistant.

# Attachment 6

1.14 General Liability. CareHere agrees to include Employer as an additional named insured on the General Liability policy of CareHere and will pay any additional premium that may be associated with this inclusion. Such General Liability policy will be with a carrier authorized to do business in the State of Michigan. CareHere will provide documentation to Employer supporting this inclusion on the General Liability policy.

1.15 Provision of Management Services. Medical Services to be provided by the independent on-site Medical Professional include but are not limited to the items listed in Exhibit A.

## ARTICLE II COMPENSATION

2.01 Initial Set-Up Fee. Employer is responsible for the expense of setting up the clinic. Upon execution of this Agreement, Employer shall pay to CareHere their Employer's Share, as defined in Section 2.07, of the initial set-up fee of \$35,000. The initial set-up is based on two (2) exam rooms, and covers CareHere's purchase of the equipment and the supplies listed on Exhibit B, CareHere's travel during clinic set-up and any other clinic set-up expenses, including initial stocking of clinic dispensary. If actual expenses total less than the initial set-up fee, Employer will receive a credit; if the expense exceeds the initial set-up fee, CareHere will provide documentation to Employer for approval prior to purchase or installation of supplies or equipment. CareHere will bill Employer according to their Employer's Share for the difference, which Employer will pay in 15 days. The initial set-up fee for any Occupational/Workers Compensation services will be an additional amount agreed upon by CareHere and Employer if these services are added after year one (1) of this Agreement.

2.02 Monthly Fee. Monthly invoicing by CareHere will commence upon the targeted opening date agreed upon per Section 1.03 of this Agreement. No later than the 10th day of each calendar month immediately following the receipt of the CareHere invoice, Employer shall pay to CareHere the amount of \$26.50 per employee per month and \$12.00 per retiree per month for arranging for the Medical Professional and the other services provided under this Agreement to Eligible Members during the immediately preceding calendar month.

2.03 Ongoing Operational Expenses. In advance of the first day of each month, CareHere shall submit an amount equal to the sum of the estimate of that month's medical expenditures and an adjustment from prior months' actual expenditures for all expenses required to operate and maintain Employer clinic in order to provide Medical Services under this Agreement. These expenses include Medical Professional and/or Medical Assistant costs, Medical Professional and Medical Assistant training expenses, approved medical staff travel expenses, required taxes (federal, state, local, or other), medical supplies, medications, laboratory expenses, office supplies, equipment and all other items that may be required by CareHere or Medical Professional to provide Medical Services under this Agreement and any sales taxes (federal, state, local, or other) incurred by CareHere to purchase items necessary to provide Medical Services under this Agreement. CareHere will provide documentation for the pass-through billing of all equipment, medications, supplies, laboratory expenses and other items. On an annual basis, CareHere and Employer will negotiate appropriate Cost of Living Adjustments to be enacted for Medical Professionals. Employer shall be responsible to pay CareHere such amount invoiced no later than the 15<sup>th</sup> day of the calendar month immediately following the receipt of the CareHere invoice. Past due amounts are subject to a finance charge of 1.5% per month.

# Attachment 6

2.04 Health Risk Assessments. CareHere agrees to provide, equal to the number of Eligible Employees covered by Employer's health plan, an annual Health Risk Assessment at no additional charge to Employer. In the event Employer requests for HRA events to be held in locations other than the Place of Services, CareHere shall draft terms, including, but not limited to, any associated costs and location requirements, which must be agreed to by both parties prior to CareHere providing HRAs at locations other than the Place of Services. For annual Health Risk Assessments performed in excess of the number of Eligible Employees covered by Employer's health plan, a charge of \$50.00 will be assessed for each.

2.05 Extra Occupational/Workers Compensation Services. When Occupational/Workers Compensation services beyond any described in this Agreement are to be provided within the first year, the cost shall be a \$25,000 Initial Set-Up Fee, all staffing expenses and a management fee equal to 30% of all staffing expenses. When Occupational/Workers Compensation services beyond any described in this Agreement are provided in year two or later, Employer shall pay to CareHere a yet to be quoted amount to be agreed upon by CareHere and Employer.

2.06 Travel & Living Expenses. Following the initial opening of Employer clinic, CareHere shall receive reimbursement for any annual cumulative travel expenses outside the customary and reasonable travel expenses incurred by CareHere in its provision of services and not otherwise provided for in this Agreement. Travel expenses associated with the ordinary running of the clinic are considered customary and reasonable. Travel expenses not considered customary and reasonable include, but are not limited to, travel expenses for unscheduled requested visits, administration of special onsite health programs, and presentations, conferences and visits from non-local CareHere executives, employees, and contractors requested by Employer and not contemplated by this Agreement. CareHere shall make reasonable efforts to control the costs associated with such travel and in no event shall Employer be responsible for more than their Employer's Share of a maximum of \$5,000 in annual customary and reasonable travel expenses.

2.07 Employer's Share. Employer agrees that it is sponsoring the clinic with those other employers listed in Exhibit F. Employer further agrees that "Employer's Share", as used in this Article II shall mean the total cost divided according to an expense formula developed by the sponsoring employers listed in Exhibit F and submitted to CareHere upon execution of this Agreement. In the event the sponsoring employers have not submitted an expense formula to CareHere signed by all sponsoring employers, Employer's Share shall default to mean the total cost divided evenly among the sponsoring employers.

## ARTICLE III TERM AND TERMINATION

3.01 Term. This Agreement shall be for a term of three years following the actual opening date of the Employer clinic to commence delivery of care to patients, subject to earlier termination in accordance with this Agreement. Unless either the Employer or CareHere gives written notice of nonrenewal to the other party at least sixty (60) calendar days prior to the end of the initial term or of any renewal term, this Agreement shall be automatically renewed for additional periods of two years each. After the first year of the Agreement, Employer shall have the right to terminate this Agreement, with or without cause, by giving at least one hundred and eighty (180) days prior written notice.

3.02 Effect of Expiration or Termination. The expiration or the termination of this Agreement shall not affect the obligation of Employer to pay compensation to CareHere or pay for any outstanding invoice for the period prior to such expiration or termination and shall not affect the obligation of CareHere to provide monthly reports for the period prior to the effective date of such expiration or such termination.

# Attachment 6

3.03 Non-Compete. In the event of Termination, for a period of one (1) year, Employer shall not use the onsite professional healthcare services of Medical Professionals arranged for by CareHere.

## ARTICLE IV MISCELLANEOUS

4.01 Cooperative Contract. Employer has selected this Agreement as an extendable/cooperative contract. CareHere agrees to extend to other similarly situated Michigan public entities all services provided under this Agreement at the same or similar rates, prices, and contractual terms contained in this Agreement. However, CareHere retains the right to adjust the rates, prices and contractual terms at its sole discretion in the event of any such entity having a larger population than Employer or requesting additional services above and beyond what is contained in this Agreement. If other items or agreements are needed pursuant to applicable codes, ordinances or other laws governing such cooperative purchasing, CareHere agrees to work with Employer to complete such items or agreements within a reasonable time.

4.02 Notice. All notices and other communications permitted or required pursuant to this Agreement shall be in writing, addressed to the party at the address set forth at the end of this Agreement or to such other address as the party may designate from time to time in accordance with this Section 4.02. All notices and other communications shall be (a) mailed by certified or registered mail, return receipt requested, postage pre-paid, (b) personally delivered or (c) sent by telecopy with a receipt confirmation. Notices mailed pursuant to this Section 4.01 shall be deemed given as of three calendar days after the date of mailing and notices personally delivered or sent by telecopy shall be deemed given at time of receipt.

4.03 Transferability. Except as provided in Section 4.08, any transfer or assignment of this Agreement shall be contingent upon the transferring or assigning party receiving consent, in writing, from the other party. Such consent for transfer or assignment shall not be unreasonably withheld.

4.04 Entire Agreement; Amendment. This Agreement constitutes the entire agreement between Employer and CareHere with respect to the subject matter hereof and supersedes all prior agreements. This Agreement shall not be amended or waived, in whole or in part, except in writing signed by both Employer and CareHere.

4.05 Governing Law. This Agreement shall be governed by, and interpreted in accordance with, the internal laws of the State of Michigan, without giving effect to its conflict of laws provisions. Venue for any litigation arising out of the Agreement shall either be in the U.S. District Court for the Eastern District of Michigan or in Oakland County, Michigan.

4.06 Non-Disclosure. Employer and CareHere shall take all reasonable steps to ensure that information with respect to the terms of this Agreement or with respect to the business of Employer and CareHere acquired by virtue of the position of the other party under this Agreement shall not be disclosed or used outside of the business of either party; provided, however, the foregoing restriction shall not apply to information (a) provided to government authorities as required by applicable law or applicable regulation or consented to by the patient; (b) furnished to healthcare providers involved in a particular patient's case; (c) which is or becomes public knowledge through no fault of either party; or (d) which is otherwise required to be disclosed by applicable law or applicable regulation or pursuant to a court order.

4.07 Access to Books and Records. Both CareHere and Employer agree to provide access to their books and records, as they relate to this Agreement, to the other party.

## Attachment 6

4.08 Successors. As between the parties, any change in majority ownership, management or control of either CareHere or Employer shall not affect the provisions of this Agreement if, within thirty (30) calendar days from such change, the party experiencing the change notifies the other party of such change. In such event, this Agreement shall be assumed upon a change of ownership, change of control, change in management, reorganization, etc. of, or at, Employer or CareHere.

4.09 Counterparts. This Agreement may be executed in several counterparts, all of which taken together shall constitute one single agreement between the parties hereto.

4.10 Severability. In the event that any provision of this Agreement is held to be unenforceable for any reason by a court of competent jurisdiction, the validity of the remaining provisions of this Agreement shall not be affected thereby, and the invalid or unenforceable provision shall be deemed not to be a part of this Agreement.

4.11 Headings. Section headings contained in this Agreement are for reference purposes only and shall not be construed as part of this Agreement.

*(The remainder of this page intentionally left blank.)*

# Attachment 6

IN WITNESS WHEREOF, Employer and CareHere have executed and delivered this Agreement as of the date first above written.

## **CareHere Management, PLLC**

Date of Signature:

Signature:

Print Name: Ben Baker  
Title: Chief Operating Officer  
Address: 5141 Virginia Way  
Suite 350  
Brentwood, TN 37027

## **City of Royal Oak, MI**

Date of Signature:

Signature:

Print Name: Jim Ellison  
Title: Mayor  
Address: 211 Williams Street  
Royal Oak, MI 48067

## **City of Royal Oak, MI**

Date of Signature:

Signature:

Print Name: Melanie Halas  
Title: City Clerk  
Address: 211 Williams Street  
Royal Oak, MI 48067

## EXHIBIT A

### "SCOPE OF SERVICES"

Medical Services to be provided by the independent on-site Medical Professional may include, but are not limited, to the following:

- Chronic illness evaluation, treatment and management
  - Diabetes
  - High Cholesterol
  - Blood Pressure
  - Wellness Classes
  - Nutritional Counseling
  - Weight Management
  - Exercise Adherence
  - Stress Management
  - Cardiovascular Risk Reduction
- Preventive care including exams, immunizations; sports physicals
- Acute Conditions
  - Sore throats/ears/headache
  - Cough, Sinus
  - Strains/sprains/musculoskeletal problems
  - Acute urinary complaints
- Lab testing
- Medication dispensements and mail order medications
- Occupational Conditions
  - OJI/Work-related injuries
  - Minor surgical procedures, such as sutures for laceration treatment
- Employment Related Activities
  - Pre-employment and routine physicals
  - Pre-employment drug testing
- Personal hygiene related problems
- Ordinary and routine care of the nature of a visit to the doctor's office

#### **Long Term Prevention Programs Included**

- LabInsight Health Risk Assessment with comprehensive blood draw analysis
- Patient Medication Adherence
- Aggregate data analysis from Employer's population of Eligible Members, such data being provided to CareHere by Employer, that allows CareHere to develop just the right programs for the Pharmaceutical Program Management tailored to Employer's specific population
- Physician/Nurse "Reach Out" Program to touch the people with the highest health risks
- Population Health Management programs targeted for the greatest impact (obesity, diabetes, high blood pressure, etc.)
- Disease/Case Management – we proactively assign a “coach”, such as Registered Dietician, Exercise Coach, Tobacco Cessation Coach, to help those employees or retirees with the greatest need
- Self Care Education Tools and Manual online and in print form
- Comprehensive Health Education Training
- Physician Health Seminars

# Attachment 6

- Population Promotions such as employee presentations, HRA events, open houses, mailers and emails, paycheck stubs.

## **Program Enablers and Infrastructure Included**

- 800 Customer Support
- 24/7 Online Scheduling System
- 24/7 Nurse Line to answer any healthcare question from the patient
- CareHere Connect, a phone application and online program used to track and manage the health progress of each employee. Employees can view the most recent and historical HRA results, interact with their health coaches, and earn incentives for making healthy behavioral choices.
- Clinic Best Practices Sharing
- Clinic Inventory Management (supplies, medications, etc.)
- Physician Recruiting and Training
- Medical Assistant Recruiting and Training
- Physician Management
- Medical Assistant Management
- Electronic Medical Record (EMR) system and EMR access and integration with outside specialists/PCP/ER
- Smartphone Application
- Data Analytics: Analysis, Trends, Reporting & Survey Results

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## EXHIBIT B

### SAMPLE EXAM ROOM SET UP MEDICAL SUPPLIES AND EQUIPMENT

CareHere has a pre-packaged prescription medication program provided to Employer. If a medication may be purchased at a cost less than what the plan is currently paying (after copays and PBM discounts), then the medication is stocked. If the medication adds cost to the plan, then the CareHere physician will write a prescription and the medication will be obtained through a retail pharmacy. All medication charges to Employer will be at a 100% pass-through rate, with a \$0 mark-up on any medication stocked on-site. To analyze which medications should be stocked onsite, CareHere Director of Pharmacy will conduct a thorough analysis for the medications currently prescribed and paid by Employer plan over the prior 12 months. Then, CareHere will compare net paid amount to our cost. The clinic will not carry any controlled substances. Formularies may range from 150 to 200 medications for the clinic and will be based upon the needs of the patients. **Sample classes include:**

- Anti-infective
- Antihypertensive
- Antidepressants
- Anti-hyperlipidemics
- Anti-diabetics
- Antihistamine
- Acid Reflux Medications

#### Sample Formulary:

Generic Name	Strength	Form	QTY
a/b otic		Drops	15
acyclovir	400mg	Tab	60
acyclovir	800mg	Tab	35
albuterol HFA	108mcg/inh	Inh	8gm
alendronate sodium	70mg	Tab	4
allopurinol	100mg	Tab	90
allopurinol	300mg	Tab	100
amitriptyline	25mg	Tab	30
amlodipine	5mg	Tab	30
amlodipine besylate	5mg	Tab	90
amlodipine	10mg	Tab	30
amlodipine besylate	10mg	Tab	90
amoxicillin	250mg	Chewable Tab	30
amoxicillin	250mg/5ml	Susp	100ml
amoxicillin	500mg	Cap	30
amoxicillin/ clavulanate potassium	200mg/5ml	Susp	100ml
amoxicillin/ clavulanate potassium	500/125mg	Tab	20
amoxicillin/clavulanate potassium	875mg-125mg	Tab	20
antipyrine/benzocaine/glycerin anhydrous		Otic Soln	15ml
atenolol	25mg	Tab	100
atenolol	50mg	Tab	100
atenolol	100mg	Tab	90

# Attachment 6

azithromycin	250mg	Tab	6
azithromycin	500mg	Tab	5
benazepril hcl	10mg	Tab	60
benazepril hcl	10mg	Tab	90
benazepril hcl	20mg	Tab	30
benazepril hcl	20mg	Tab	90
benazepril hcl	40mg	Tab	30
benazepril hcl	40mg	Tab	90
benzonatate	100mg	Cap	30
betamethasone valerate	0.10%	Cream	15gm
bupropion hcl	100mg	Tab	90
bupropion hcl	150mg	SR Tab	60
carvedilol	3.125mg	Tab	60
carvedilol	6.25mg	Tab	60
carvedilol	12.5mg	Tab	60
carvedilol	25mg	Tab	60
cefdinir	300mg	Cap	20
cefdinir	250mg/5ml	Susp	100ml
cefuroxime axetil	250mg	Tab	20
cefuroxime axetil	500mg	Tab	20
cephalexin	250mg/5ml	Susp	100ml
cephalexin	500mg	Cap	20
citalopram	20mg	Tab	60
citalopram	40mg	Tab	30
clarithromycin	500mg	Tab	30
clindamycin	150mg	Cap	30
clonidine hcl	0.1mg	Tab	90
clonidine hcl	0.2mg	Tab	60
clotrimazole/betamethasone dipropionate	1%-0.05%	Cream	30
cyclobenzaprine hcl	10mg	Tab	30
diclofenac sodium	75mg	Tab DR	30
doxycycline hyclate	100mg	Tab	20
enalapril maleate	5mg	Tab	30
enalapril maleate	5mg	Tab	100
enalapril maleate	20mg	Tab	30
enalapril maleate	20mg	Tab	60
erythromycin ethylsuccinate	400mg	Tab	30
fluconazole	150mg	Tab	1
fluoxetine	20mg	Cap	90
fluticasone propionate	50mcg/spry	Spray	16gm
furosemide	20mg	Tab	100

# Attachment 6

furosemide	40mg	Tab	100
gabapentin	100mg	Tab	90
gabapentin	300mg	Tab	90
gemfibrozil	600mg	Tab	60
gentamicin sulfate	3mg/ml	Op Soln	5ml
glimepiride	2mg	Tab	30
glipizide	5mg	Tab	30
glipizide	5mg	Tab	100
glipizide	10mg	Tab	30
glipizide	10mg	Tab	100
glyburide	5mg	Tab	100
hydrochlorothiazide (hctz)	25mg	Tab	100
hydrocortisone/ neomycin/polymyxin b		Otic Susp	10ml
indomethacin	25mg	Cap	30
labetalol	100mg	Tab	60
levofloxacin	500mg	Tab	10
levofloxacin	750mg	Tab	5
Levora	0.15/0.03mg	Tab	28
levothyroxine sodium	0.025mg	Tab	30
levothyroxine sodium	0.025mg	Tab	90
levothyroxine sodium	0.05mg	Tab	30
levothyroxine sodium	0.05mg	Tab	90
levothyroxine sodium	0.075mg	Tab	30
levothyroxine sodium	0.075mg	Tab	90
levothyroxine sodium	0.088mg	Tab	30
levothyroxine sodium	0.1mg	Tab	30
levothyroxine sodium	0.1mg	Tab	90
levothyroxine sodium	0.125mg	Tab	30
levothyroxine sodium	0.125mg	Tab	90
levothyroxine	0.137mg	Tab	90
levothyroxine sodium	0.15mg	Tab	30
levothyroxine sodium	0.15mg	Tab	90
lisinopril	5mg	Tab	90
lisinopril	10mg	Tab	90
lisinopril	20mg	Tab	90
lisinopril	40mg	Tab	90
lisinopril/hydrochlorothiazide	10/12.5mg	Tab	90
lisinopril/hydrochlorothiazide	20/12.5mg	Tab	90
loratadine	10mg	Tab	90
losartan potassium	50mg	Tab	90
losartan potassium/hydrochlorothiazide	100mg/12.5mg	Tab	90

# Attachment 6

losartan potassium/hydrochlorothiazide	100mg/25mg	Tab	90
losartan potassium/hydrochlorothiazide	50/12.5mg	Tab	90
lovastatin	20mg	Tab	30
lovastatin	20mg	Tab	90
lovastatin	40mg	Tab	30
lovastatin	40mg	Tab	90
low-ogestrel 28-day	0.3mg/0.03mg	Tab	28
Lutera	0.1mg/0.02mg	Tab	28
meloxicam	15mg	Tab	30
meloxicam	15mg	Tab	60
metformin ER	500mg	Tab ER	90
metformin hydrochloride	1000mg	Tab	60
metformin hydrochloride	1000mg	Tab	100
metformin hydrochloride	500mg	Tab	60
metformin hydrochloride	500mg	Tab	100
metformin hydrochloride	850mg	Tab	60
metformin hydrochloride	850mg	Tab	100
methylprednisolone	4mg	Tab	21
metoclopramide	10mg	Tab	30
metoprolol succinate	25mg	Tab ER	90
metoprolol succinate	50mg	Tab ER	90
metoprolol succinate	100mg	Tab ER	90
metoprolol tartrate	50mg	Tab	60
metoprolol tartrate	50mg	Tab	90
metoprolol tartrate	100mg	Tab	60
metoprolol tartrate	100mg	Tab	90
metronidazole	500mg	Tab	20
metronidazole	500mg	Tab	28
Microgestin Fe	1/20	Tab	28
mupirocin	2%	Oint	22gm
naproxen	500mg	Tab	30
neomycin sulfate/polymyxin b sulfate/dexamethasone		Op Susp	5
neomycin/polymyxin b/ dexamethasone		Op Oint	3.5gm
nifedipine ER	30mg	Tab ER	30
nifedipine ER	60mg	Tab ER	30
nitrofurantoin macro/mono	100mg	Cap	14
nystatin	100mu/ml	Susp	60ml
nystatin		Cream	30gm
ofloxacin	0.3%	Ophth soln	5ml
ondansetron hydrochloride	8mg	Tab	4

# Attachment 6

pantoprazole	40mg	Tab	30
pantoprazole	40mg	Tab	90
penicillin v potassium	250mg	Tab	28
potassium chloride (750mg) ER	10mEq	Tab ER	30
potassium chloride (750mg) ER	10mEq	Tab ER	100
potassium chloride ER	20meq	Tab ER	60
pravastatin	20mg	Tab	90
pravastatin	40mg	Tab	90
prednisone	5mg	Tab	100
Previfem	0.25/0.035	Tab	28
promethazine hcl	25mg	Tab	30
ramipril	5mg	Cap	90
ranitidine hcl	300mg	Tab	30
sertraline hcl	50mg	Tab	90
sertraline hcl	100mg	Tab	90
silver sulfadiazine	1%	Cream	25gm
simvastatin	20mg	Tab	30
simvastatin	20mg	Tab	90
simvastatin	40mg	Tab	30
simvastatin	40mg	Tab	90
sulfamethoxazole/ trimethoprim	800/160mg	Tab	14
sulfamethoxazole/ trimethoprim	800/160mg	Tab	28
sumatriptan succinate	50mg	Tab	9
tamsulosin	0.4mg	Cap	30
topiramate	100mg	Tab	60
topiramate	25mg	Tab	60
trazodone hcl	50mg	Tab	90
trazodone hcl	100mg	Tab	90
triamcinolone acetonide	0.10%	Oint	15gm
triamterene/ hydrochlorothiazide	37.5/25mg	Cap	30
triamterene/ hydrochlorothiazide	37.5/25mg	Cap	100
triamterene/ hydrochlorothiazide	75/50mg	Tab	30
triamterene/ hydrochlorothiazide	75/50mg	Tab	100
Tri-Previfem		Tab	28
venlafaxine ER	150mg	ER Cap	30
venlafaxine ER	75mg	ER Cap	30
verapamil hcl	120mg	Tab	30
verapamil hcl	120mg	Tab	100
verapamil hcl ER	180mg	Tab ER	30
verapamil hcl ER	240mg	Tab ER	30
vitamin D	50,000u	Cap	8

# Attachment 6

The following is a list of supplies and equipment typically needed for a clinic with no more than two exams rooms. This list is to serve as an example and will be adjusted depending on the needs of Employer and the number of exam rooms requested.

## Health Center Start Up List

**Care Here!**<sup>®</sup>

<b>Supplier 1</b>		
<u>Description</u>	<u>Unit Measurement</u>	<u>Quantity</u>
ACETAMINOPHEN 160MG/5ML ELX	Box	1
Adacel TDAP Vac syr 5x.5ml	Box	1
ALBUTEROL .083% SOL 25X3ML	Box	1
ALCOHOL ISO 70% 16OZ 12/CS	Each	2
ALCOHOL PREP MED ST 200/BX	Box	2
AMMONIA INHALANTS 10/BX	Box	1
APLISOL 5TU PPD 10 TEST 1ML	Each	1
APPLICATOR CTTN 6" NS 1000BX	Box	1
APPLICATOR PAPER/RAY 8"NS	Box	1
BAG BIOHZD 24X32 1.2MIL 15GL	Case	1
BANDAGE ADH FLEX 1X3	Box	2
BANDAGE COHES 1" RNBOW 30BX	Box	1
BANDAGE ELAS 2" DLX VELCR LF	Box	1
BANDAGE ELAS 4" DLX VELCR LF	Box	1
BASE F/CLEARLITE W/CASTER	Each	1
BASIN EAR GOLDNAMER	Each	1
BASIN EMESIS 10" TURQUOISE	Each	4
BICILLIN CR 1.2MU ADULT 10/B	Box	1
BLEACH GENERIC GL 6/CS	Each	1
BLUING TABLETS 100/BT	Each	1
BSS BALANCED SALT SOLN 18ML	Each	1
CAPE 30X21 WHT F/B OPEN	Case	1
Cart for ECG	Each	1
CAUTERY HI-TEMP FINE	Each	1
CEFOTAXIME 500MG SDV	Box	1
CEFTRIAZONE 1 GM	Each	1
CEFTRIAZONE 250MG	Each	1
CEFTRIAZONE 500 MG VIAL	Each	1
CHAIR BLOOD DRAW W/DRWR BLK	Each	1
CHAIR SIDE W/O ARMS BLK	Each	1
CHART EYE SNELLEN 20FT	Each	1
CITRIGUARD II SPRAY 32OZ	Each	1
COTTON BALLS MED 2BX/CS	Box	1
CUP MEDICINE 2OZ GRAD	Each	10
CURETTE EAR OVAL WHT 50/BX	Box	1
CYANOCOBALAMIN 1000MCG 25X1M	Box	1
DEFIB AED G3 SEMIAUTO PKG	Each	1
DEXAMETH SOD 4MG/ML 1ML VIAL	Each	1
DIPHENHYD 25MG TAB UD 100/BOX	Box	1
DISPENSER DIAG SPEC W/O STOR	Each	2
DISPENSER F/7777 GBG ALOEGEL	Each	1
DRAPE 18X26 FEN ST BLUE	Box	1
DRAPE 40X48 TISSUE 2PLY WHT	Case	1
EARWASHER ELEPHANT	Each	1
EARWASHER TIP ELEPHANT BG=BX	Box	1

# Attachment 6

ECG ATRIA 3100 W/INTERP	Each	0
ECG CCMD PC USB/DW	Each	1
ELECTRODE DEFIB PED 2PK=EA	Each	1
Epi Pen 2/pk	Each	2
Epi Pen Jr. 2/pk	Each	2
ETHYL CHLORIDE MED 3.5OZ	Each	1
EYEWASH IRRG SOL 4OZ	Each	1
FLURESS OPTH SOLN 5ML	Box	1
GAUZE CONFORM 2" NS	Box	1
GLOVE BOX F/SHARPS CABINET	Each	2
GLOVE EXAM NITRILE LG PF	Box	1
GLOVE EXAM NITRILE MED PF	Box	2
GLOVE EXAM NITRILE SM PF	Box	1
GOWN EXAM 30X42 WHT 3PLY	Case	1
GOWN EXAM 36X45 BLU XL	Case	1
HAMMER TAYLOR PERCUS SS	Each	2
HANDLE RECHARGEABLE 3.5V	Each	1
HISTOFREEZER 80ML 2/5MM 30KT	Each	1
HYDROCORT 1% CRM 1OZ	Each	2
HYDROGEN PEROX 3% 16OZ #117	Each	2
ICE PACK 6X9 KWIK KOLD DISP	Each	5
ILLUM VAG SYSTEM COMPLETE	Each	1
INSTA GLUCOSE GEL TB 3X31GM	Box	1
IV SET BC 23X3/4 12"TB SAF	Each	12
JAR SUNDRY PLASTIC UNLABELED	Each	8
KENALOG 40MG/ML 5ML	Each	1
KETOROLAC 30MG/ML 1ML	Each	2
KETOROLAC 60MG/2ML 2ML	Each	2
LABEL BIOHZD 4X4	Each	12
LACERATION TRAY W/INSTR	Each	2
LANCET SAFETY 2.2MM NDL ORNG	Box	1
LIDOCAINE 1% 20ML MDV	Each	1
LIDOCAINE 1% W/EPI 20ML	Each	1
LIDOCAINE 2% 20ML	Each	1
LIDOCAINE 2% W/EPI 30ML	Each	1
LIGHT EXAM 35W HALOGEN BEIGE	Each	1
LINER 30X36 HVY 20-30GL BLK 250/cs	Case	1
LUBE JELLY 4OZ TUBE ST 12/BX	Each	3
MASK PARTICULATE RESP RG N95	Box	1
MAYO STAND CENTER BASE CASTR	Each	1
METHYLPRED AC 80MG/ML 10X1ML	Box	1
MONITOR SPOT BP/P	Each	1
MOUTHPIECE PEAKFLOW DISP	Box	1
NEBULIZER MISTI-NEB ADLT	Each	6
NEBULIZER MISTI-NEB PED MASK	Each	6
NEBULIZER PULMO-AIDE	Each	1
NEEDLE 22X1 SAF ECLIP	Box	1
NEEDLE 22X1.5 SAF ECLIP	Box	1
NEEDLE 25X1 SAF ECLIP	Box	1
NITROSTAT .4MG TABS 25/ BOTTLE	Each	1
OCCULT BLOOD TEST LAB PK E-S	Box	1
OPHTHALMOSCOPE 3.5V HALOGEN	Each	1
OTOSCOPE DIAG W/SPEC 3.5V	Each	1
OTOSCOPE POCKET "AA" HN DL	Each	1
PACKING STRIP PLAIN 1/4" LF	Each	1
PACKING STRIP W/IODO 1/4" LF	Each	1
PAD NON-ADHER 2X3 ST 100/BX	Box	1
PEAK FLOW METER UNIV RANGE	Each	1
PENLIGHT COBALT BLUE 3/PK=EA	Each	1

# Attachment 6

PILLOW 18X24	Each	2
PILLOWCASE 21X30 BLU TP	Case	1
PREG HCG CASSETTE 25/BX	Box	1
PROBE COVER DISP 250/BX	Box	1
PROMETHAZINE 25MG VIAL 1ML, 25 per box	Each	1
PROPARACAINE .5% DRP 15ML	Each	1
PULSE OXIMETER FINGER	Each	1
PUNCH BIOPSY DISP 2MM 25BX	Each	3
PUNCH BIOPSY DISP 3.5MM 25BX	Each	3
PUNCH BIOPSY DISP 4MM 25BX	Each	3
PUNCH BIOPSY DISP 5MM 25BX	Each	3
PVP SWABSTICK 1'S 50/BX	Box	1
RESUSCITATOR ADLT W/BAG DISP	Each	1
RESUSCITATOR SPUR 2 PED	Each	1
SANITIZER GBG HAND 800ML	Each	1
SCALE DIG EYE LVL 500LB	Each	1
SCALPEL#10 SAFETY DISP 10BX	Box	1
SCALPEL#15 SAFETY DISP 10BX	Box	1
SCISSOR LISTER BNDG 4.25"	Each	2
SHARPS CABINET LOCK WALL 5QT	Each	2
SHARPS COLL 5QT RED HORIZ	Each	3
SHEATH F/VAGINAL SPEC 125/CS	Box	1
SILVER NITRATE APPLI 100/EA	Each	1
SKIN STAPLE REMOVER 50/CS	Each	1
SODIUM CHL .9% 250ML IRR	Each	1
SODIUM CHL .9% PF 50ML VL	Each	1
SPECULA KLEENSPEC 2.75MM	Box	1
SPECULA KLEENSPEC 4.25MM	Box	1
SPECULUM VAG GRAVES DISP LG	Box	1
SPECULUM VAG GRAVES DISP MED	Box	1
SPECULUM VAG GRAVES DISP SM	Box	1
SPIROMETER SYS II EASYONE	Each	1
SPONGE GAUZE 4X4X12P NS	Box	1
STETH DUALHEAD BLK	Each	1
STOOL EXAM PNEU W/BK BLK	Each	1
STRAINER CALCULI 100/CS	Each	3
STREP A DIPSTICK WAIVED 25BX	Box	1
SUTURE 3-0 NYLON FS1	Box	1
SUTURE 4-0 NYLON FS2	Box	1
SUTURE 5-0 NYLON FS2	Box	1
SUTURE REMOVAL TRAY	Each	2
SUTURE STRIP 1/4X3 150/BX	Box	1
SYRINGE 1CC 27X.5 SAF ECLIP	Box	1
SYRINGE 2OZ EAR	Each	3
SYRINGE 3CC 23X1 SAF ECLIP	Box	1
SYRINGE 3CC LL	Box	1
TABLE EXAM H 27"SHF ADJ BACK	Each	1
TABLE EXAM RH FLEX REC BASE	Each	1
TABLE PAPER 21" CRP WHT	Case	1
TABLE TOP 60X62X ULT PACBLU	Each	1
TAPE CLOTH/SILK 1"X10YD	Box	1
TAPE MEASURE WHITE CASE	Each	1
TAPE PAPER 1"X10YD 12/BX	Box	1
TAPE TAMPER EVIDENT 36YD RED	Each	1
THERMOM REFR/FREEZ -40-+80F	Each	3
THERMOM SURETEMP W/4' CORD	Each	1
TIMER DIGITAL	Each	1
TISSUE FACIAL KLEENEX 100/BX	Box	4
TONGUE BLADE ADULT NS 500/BX	Box	1



# Attachment 6

TOWEL PROF 13.5X18 3P WHT	Case	1
TRIPLE ANTI OINT 1OZ	Each	2
TRUETRACK GLUCOSE CTL LVL 0	Each	1
TRUETRACK GLUCOSE CTL LVL1	Each	1
TRUETRACK GLUCOSE METER KIT	Box	1
TRUETRACK GLUCOSE STRIP 100B	Box	1
URINE STRIP 10SGL 100/BX	Box	1
WASTECAN 32QT STEPON REC RED	Each	1
WASTECAN 32QT STEPON REC WHT	Each	1
WATER DISTILLED GL 6/CS	Each	1

## Supplier 2

Item Description	Unit Measurement	
409 cleaner	Each	1
9 plug surge protectors strip	Each	2
AA Batteries, 4/pk	Pack	1
AAA Batteries 4/pk	Pack	1
air freshener spray	Each	1
broom/dustpan	Each	1
clock	Each	4
computer desk	Each	2
desk/office chair	Each	2
dorm refrig with freezer	Each	3
drawer organizer trays- medium	Each	20
drawer organizer trays- small	Each	20
file box, letter size	Each	1
frame, 8.5x11"	Each	3
hand sanitizer, antibacterial	Each	2
Hooks for backs of door	Each	3
indoor mat	Each	1
instant hand sanitizer	Each	2
light bulbs, 60 watt	pack	2
mop	Each	1
paper towel holder	Each	3
paper towels, 12 rolls	Each	1
picture hanging hardware accessories	Each	1
pinesol	Each	1
radio	Each	1
rolling drawer caddie	Each	1
room thermometer	Each	1
toilet paper	Case	1
tray caddy for lab supplies	Each	1
waiting room lamp	Each	1
waiting room table	Each	1
Waste cans with flip top, 1 bath room, 1 office, 1 lobby	Each	3
wire ties	Pack	1

# Attachment 6

## Supplier 3

Return Address Stamp	Each	1

## Supplier 4

Item Description	<u>Unit Measurement</u>	
stapler	Each	1
staples	Each	1
pens, black	Dozen	1
pens, blue	Dozen	1
pens, red	Dozen	1
sharpies	Each	6
paper clip, small	Box	1
paper clip, large	Box	1
copy paper, letter	Reams	3
hanging file folders 1/5 cut	Box	1
file folders, 1/3 cut	Box	1
organizer, desk	Each	1
holder, business card	Each	2
note, stick it 3x3	Dozen	1
file, covered rolodex	Each	1
file, wall, stack, letter	Each	2
file, exp, 31 pocket	Each	1
clipboard, legal	Each	2
remover, staple	Each	1
dispenser, tape	Each	1
tape, 3/4 x 36yard	Each	1
shears, office, 8"	Each	2
shredder	Each	1
lubricant, shredder	Each	1
punch, three hole	Each	1

## Supplier 5

Item Description	<u>Unit Measurement</u>	
Shelves, mobile	Each	1
chairs 1 per exam, 5 waiting room	Each	7
Storage cabinet- needed if no cabinets in rooms	Each	2

## Supplier 6

Item Description	<u>Unit Measurement</u>	
Key lock box for exterior of building (combination)	Each	1

# Attachment 6

<b>Supplier 7</b>		
<b>Item Description</b>	<b>Unit Measurement</b>	
4in1 printer/fax/copier plus cable	Each	1
desktop/laptop 512m ram/modem/wireless	Each	3
Laser printer for labels	Each	1
Barcode scanner	Each	1
LAN Cables, Dial-up phone cable, phone line splitter	Each	1
<b>Grand total</b>	<b>\$</b>	<b>35,000</b>
<b>Preferred Facilities:</b>		
Two exam rooms approximately 10'x15' private examination room (lockable)		
Storage closet 6'x6' (lockable)		
Small waiting (15'x15') area with space for small desk and 4-5 waiting chairs		
Dedicated Phone and fax lines (fax line must be in an area that can be closed/locked)		
Internet connectivity in exam room, blood draw lab, and office area		
Nearby access to running water and restroom facilities		

## EXHIBIT C

### BUSINESS ASSOCIATE AGREEMENT – EMPLOYER IS BA

THIS BUSINESS ASSOCIATE AGREEMENT (the “**Agreement**”) is made and entered into between **CareHere Management, PLLC** (“**Customer**”), and the party identified on the signature page of this Agreement (“**BA**”).

Customer is a Covered Entity that possesses information about individuals that is protected under the Health Insurance Portability and Accountability Act of 1996, the Health Information Technology for Economic and Clinical Health Act (commonly referred to as the “HITECH Act”), and the regulations promulgated under the foregoing from time to time by the United States Department of Health and Human Services (collectively, as amended from time to time, “**HIPAA**”).

Customer has engaged BA to provide certain services (the “**Services**”) pursuant to one or more agreements between the parties (each, a “**Services Agreement**”). In the course of performing the Services, Customer may deliver or to BA, allow BA access to, or have BA obtain or create on Customer’s behalf information that may be deemed protected health information subject to the provisions of HIPAA.

In order to comply with the applicable provisions of HIPAA, the parties agree as follows:

#### 1. **Definitions.**

1.1 Capitalized terms used but not otherwise defined in this Agreement shall have the meanings ascribed in HIPAA (whether or not such terms are capitalized therein).

1.2 “**Effective Date**” means the date indicated on the signature page of this Agreement or, if earlier, the first date upon which BA receives or creates PHI.

1.3 “**PHI**” means Protected Health Information received by BA from or on behalf of Customer or created by BA for or on behalf of Customer.

2. **Permitted Uses.** BA may use PHI only as permitted or required by this Agreement for the following purposes:

- (i) as necessary to perform the Services;
- (ii) to carry out its legal responsibilities;
- (iii) for the proper business management and administration of BA;
- (iv) to provide Data Aggregation services relating to the Health Care Operations of Customer to the extent, if any, expressly provided in the Services Agreement; and
- (v) as Required By Law.

3. **Permitted Disclosures.** BA may disclose PHI only as permitted or required by this Agreement for the following purposes:

- (i) as necessary to perform the Services;
- (ii) for the proper business management and administration of BA or to carry out its legal responsibilities, if Required By Law or if BA has obtained reasonable assurances that the recipient will (A) hold such PHI in confidence, (B) use or further disclose it only for the purpose for which it was received or as Required By Law, and (C) notify BA of any instance of which the recipient becomes aware in which the confidentiality of such PHI has been breached;
- (iii) as otherwise Required By Law;

provided, however, that any disclosure to an agent or subcontractor of BA shall be pursuant to a written agreement between BA and such agent or subcontractor containing substantially the same restrictions

and conditions on the use and disclosure of PHI as are set forth in this Agreement.

4. **Prohibited Uses and Disclosures.** Subject to Customer’s compliance with its obligations set forth in Section 17 as applicable, BA shall not use or further disclose PHI in a manner that would violate HIPAA if done by the Customer. BA shall not sell PHI or use or disclose PHI for purposes of marketing or fundraising. Unless Customer gives its prior, express written consent, BA shall not de-identify any PHI except as necessary to perform the Services, and unless expressly provided otherwise in a written agreement between the parties, (i) as between BA and Customer all de-identified PHI shall be and remain exclusively the property of Customer, (ii) BA assigns to Customer all of BA’s right, title, and interest therein, if any, and (iii) BA shall not use any such de-identified PHI for any purpose other than to provide the Services and shall not disclose the same to any third party except with the prior written consent of Customer or as otherwise required by applicable law or upon the order of a court of competent jurisdiction.

5. **Safeguards.** BA shall establish and maintain appropriate safeguards intended to prevent use or disclosure of PHI other than as provided in this Agreement. Without limiting the foregoing, BA shall establish and maintain, in compliance with HIPAA and any applicable guidance issued pursuant thereto, administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of any PHI that is Electronic Protected Health Information or any other Electronic Protected Health Information maintained or transmitted by BA for or on behalf of Customer, and BA shall establish and maintain policies and procedures, and comply with the documentation requirements, set forth in HIPAA.

#### 6. **Reports to Customer; Breach Notification.**

6.1 Without unreasonable delay and in no case later than 48 hours after discovering a Breach (whether or not such Breach is of PHI that is Unsecured Protected Health Information), BA shall report such Breach to Customer in writing, setting forth the date of discovery thereof, the identities of affected individuals (or, if such identities are unknown at that time, the classes of such individuals), a general description of the nature of the incident, and such other information as is required pursuant to HIPAA or reasonably

# Attachment 6

requested by Customer. For purposes hereof, a Breach shall be deemed discovered as provided under HIPAA.

6.2 BA shall report to Customer in writing any use or disclosure of PHI that is not permitted by this Agreement, other than a Breach, within five days of BA's discovery thereof.

6.3 BA shall report to Customer in writing any Security Incident involving PHI that is Electronic Protected Health Information within five days of BA's discovery thereof. The parties acknowledge and agree that this section constitutes notice by BA to Customer of the ongoing occurrence of incidents that may constitute Security Incidents but that are trivial and do not result in unauthorized access, use, or disclosure of PHI that is Electronic Protected Health Information, including without limitation pings and other broadcast attacks on BA's firewall, port scans, unsuccessful log-on attempts, and denials of service, for which no additional notice to Customer shall be required.

7. **Reimbursement; Mitigation.** BA shall reimburse Customer for all reasonable and necessary out-of-pocket costs incurred by Customer (including without limitation costs associated with providing required notices) as a result of a Breach of PHI or of any other use or disclosure of PHI in violation of the terms and conditions of this Agreement, and shall take all actions reasonably necessary, and BA shall cooperate with Customer as reasonably requested, to mitigate, to the extent practicable, any harmful effect of such occurrence.

8. **Minimum Necessary.** BA shall request, use, and disclose only the minimum amount of PHI necessary to perform the Services.

9. **Access and Amendment.** With respect to an Individual as to whom BA maintains PHI, BA shall notify Customer promptly upon receipt of a request from such an Individual for access to or a copy of such Individual's PHI or to amend such Individual's PHI. To the extent permitted under HIPAA, and except as otherwise required upon the order of a court of competent jurisdiction, (i) BA shall direct such Individual to make such request of Customer and (ii) BA shall not consent to such access, deliver such copy, or comply with such request except as directed by Customer. With respect to PHI maintained by BA in a Designated Record Set, to the extent required by HIPAA of a Covered Entity, BA shall (i) make available PHI to Individuals or Customer, as requested by Customer and in accordance with HIPAA and (ii) upon receipt of notice from Customer, promptly amend any portion of the PHI so that Customer may meet its amendment obligations under HIPAA.

10. **Accounting for Disclosures.** BA shall document all disclosures of PHI by BA and information related to such disclosures as would be required for Customer to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with HIPAA. BA shall maintain such information for the applicable period set forth in HIPAA. BA shall deliver such information to Customer or, upon Customer's request, to the Individual, in the time and manner reasonably designated by Customer, in order for Customer to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with HIPAA. The obligations set forth in this section shall survive the expiration or any termination of this Agreement and shall continue, as to a given instance of a disclosure, until the earlier of (i) the passing of the time required for such information to be maintained pursuant to HIPAA or (ii) the delivery to Customer of all such information in a form and medium

reasonably satisfactory to Customer and the return or destruction of all PHI as provided in this Agreement.

11. **Additional Restrictions.** If Customer notifies BA that Customer has agreed to be bound by additional restrictions on the uses or disclosures of PHI pursuant to HIPAA, BA shall be bound by such additional restrictions and shall not use or disclose PHI in violation of such additional restrictions.

12. **Audit.** If BA receives a request, made on behalf of the Secretary of the Department of Health and Human Services, that BA make its internal practices, books, and records relating to the use or disclosure of PHI available to the Secretary of the Department of Health and Human Services for the purposes of determining Customer's or BA's compliance with HIPAA, BA promptly shall notify Customer of such request and, unless enjoined from doing so by order of a court of competent jurisdiction in response to a challenge raised by Customer or BA (which challenge BA shall not be obligated to raise), BA shall comply with such request to the extent required of it by applicable law. Promptly upon the written request of Customer from time to time, BA shall make its internal practices, books, and records relating to the use or disclosure of PHI available to Customer or Customer's designee for the purposes of determining BA's compliance with HIPAA and its obligations under this Agreement.

13. **Remuneration.** BA shall not receive remuneration, directly or indirectly, in exchange for PHI; provided, however, that this prohibition shall not affect payment to BA by Customer for performance of the Services.

14. **Standard Transactions.** To the extent applicable, BA will comply with each requirement for Standard Transactions established in HIPAA when conducting all or any part of a Standard Transaction electronically for, on behalf of, or with Customer.

15. **Compliance with Law.** BA shall comply with all applicable federal and state laws regarding individually identifiable information contained in or associated with PHI, including without limitation any state data breach laws regarding the protection of such information. Nothing in this Agreement shall be construed to require BA to use or disclose PHI without a written authorization from an Individual who is the subject thereof, or written authorization from any other person, where such authorization would be required under federal or state law for such use or disclosure.

16. **Transmission and Storage Outside United States.** Except as otherwise expressly provided in the Services Agreement, BA shall not to allow any PHI to be transmitted to, received by, or stored at any location outside of the United States of America and shall not permit any person outside of the United States of America to access or view PHI.

17. **Obligations of Customer.** Customer shall (i) notify BA of any limitation in Customer's Notice of Privacy Practices to the extent that such limitation may affect BA's use or disclosure of PHI, (ii) notify BA of any changes in, or revocation of, permission by an Individual to use or disclose PHI, to the extent that such change may affect BA's use or disclosure of PHI, and (iii) notify BA of any restriction on the use or disclosure of PHI to which Customer has agreed in accordance with HIPAA, to the extent that such restriction may affect BA's use or disclosure of PHI.

18. **Term and Termination.** This Agreement shall become effective on the Effective Date and shall continue in effect until the

earlier to occur of (i) termination of all Services Agreements or (ii) termination pursuant to this section. Either party may terminate this Agreement effective immediately if it determines that the other party has breached a material provision of this Agreement and failed to cure such breach within 30 days of being notified by the other party of the breach. If the non-breaching party reasonably determines that cure is not possible, such party may terminate this Agreement effective immediately upon written notice to other party.

**19. Effect of Termination.** Upon termination of this Agreement, BA shall deliver to Customer the disclosure accounting information as provided in this Agreement and (i) if feasible, return to Customer or destroy all PHI that BA maintains in any form and retain no copies of such PHI, or (ii) if return or destruction is not feasible, notify Customer and extend the protections of this Agreement to the PHI and limit its further use or disclosure to those purposes that make the return or destruction of the PHI infeasible. The requirements of this section shall survive termination or expiration of this Agreement and shall be in force as long as any PHI remains in the custody or control of BA.

**20. Destruction of Media (Including Paper).** When required under this Agreement and when any PHI is no longer needed by BA to perform the Services and its obligations pursuant to this Agreement and no longer required to be maintained pursuant to HIPAA, the media on which the PHI is stored or recorded shall be destroyed as follows: (i) paper, film, or other hard copy media shall be shredded or destroyed such that the PHI cannot be read or otherwise cannot be reconstructed; and (b) electronic media shall be cleared, purged, or destroyed consistent with NIST Special Publication 800-88, Guidelines for Media Sanitization, such that the PHI cannot be retrieved.

**21. Indemnification.** BA shall indemnify, defend, and hold harmless Customer and its affiliates, and the directors, officers, representatives, agents, employees, and contractors of each of the foregoing, against any losses, liabilities, damages, awards, settlements, claims, suits, proceedings, costs and expenses (including without limitation reasonable legal fees and disbursements and costs of investigation, litigation, expert witness fees, settlement, judgment, interest, and penalties) resulting from or relating to (i) a Breach of PHI, (ii) breach by BA of any provision of this Agreement, or (iii) the negligence or other legal fault of BA, its directors, officers, representatives, agents, employees, or contractors. BA's obligations specified in this section will be conditioned on Customer's notifying BA reasonably promptly in writing of the claim or threat thereof (whether or not litigation or other proceeding has been filed or served) and on BA's having sole control over the defense of the claim; provided that notification at any time by Customer to BA of the claim shall be considered prompt enough to meet the foregoing condition if any delay in providing BA with notice of the claim is not materially prejudicial to BA. BA shall keep Customer informed of its efforts and shall not settle the claim without Customer's prior written consent (such consent not to be unreasonably withheld).

**22. Identity Theft Regulations.** To the extent, if any, that BA provides services in connection with one or more Covered Accounts (as defined in the identity theft regulations of the Federal Trade Commission, 16 C.F.R. §681.2 et seq., the "**Red Flags Rule**"), BA shall (i) maintain and follow policies to detect and prevent identity theft in accordance with the Red Flags Rule, (ii) without undue delay notify Customer of any pattern, practice, or specific activity that

indicates the possible existence of identity theft (a "**Red Flag**") involving any person associated with such a Covered Account or otherwise associated with Customer, (iii) without undue delay take appropriate steps to prevent or mitigate identity theft when a Red Flag is detected, and (iv) cooperate and assist Customer as reasonably requested in Customer's investigation of any Red Flag.

## **23. Miscellaneous.**

**23.1 Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State that govern the Services Agreement, without regard to conflict of law principles that would result in the application of any law other than the law of such State, and venue for any dispute under this Agreement shall be the same as the venue for a dispute under the Services Agreement.

**23.2 Amendments.** This Agreement may not be modified, nor shall any provision hereof be waived or amended, except in a writing duly signed by authorized representatives of the parties; provided, however, that upon the enactment of any law or regulation affecting the use or disclosure of PHI, or on the publication of any decision of a court of competent jurisdiction relating to any such law, or the publication of any interpretive policy or opinion of any governmental agency charged with the enforcement of any such law or regulation, Customer may, by written notice to BA, propose to amend this Agreement in such a manner as Customer reasonably determines necessary to comply therewith, and such proposed amendment shall become operative unless BA rejects such amendment by written notice to Customer within thirty days thereafter, in which case, unless the parties agree on an amendment within thirty days after BA's notice, either party may terminate this Agreement by written notice to the other.

**23.3 Notices.** Notices and reports given under this Agreement shall be in writing and sent to Customer at **Attn: Privacy Officer, CareHere Management, PLLC, 5141 Virginia Way, Suite 350, Brentwood, TN 37027** and to BA at the address shown on the signature page hereof. Such notices shall be deemed delivered (i) when personally delivered, (ii) on the second business day after deposit, properly addressed and postage pre-paid, when sent by certified or registered U.S. mail to the address provided herein, or (iii) on the next business day when sent with next-business-day instruction by recognized overnight document delivery service to the address provided herein.

**23.4 Nature of Relationship.** BA shall perform all services hereunder as an independent contractor to Customer, and nothing contained herein shall be deemed to create any agency or other relationship between the parties or any of their affiliates. Neither party shall have the right, power, or authority under this Agreement to create any duty or obligation on behalf of the other party.

**23.5 Waiver.** A waiver with respect to one event shall not be construed as continuing, or as a bar to or waiver of, any right or remedy as to subsequent events.

**23.6 No Third Party Beneficiaries.** Nothing express or implied in this Agreement is intended to confer, nor shall anything herein confer, upon any person other than the parties and the respective successors or assigns of the parties, any rights, remedies, obligations, or liabilities whatsoever.

# Attachment 6

23.7 Injunctive Relief. BA acknowledges that the breach or threatened breach by it of any provision of this Agreement may cause Customer irreparable harm and that Customer may not have an adequate remedy for such breach at law, and BA therefore agrees that upon any breach or threatened breach of this Agreement, Customer will be entitled to seek, and BA shall not object to, injunctive relief to prevent BA from commencing or continuing any action that constitutes or would constitute such breach, or to compel BA to take action required under this Agreement or otherwise specifically perform hereunder, without bond, without the need of proof of actual damages, and without prejudice to any other rights or remedies to which Customer may be entitled as a result of a breach of this Agreement.

23.8 Interpretation. In the event of an inconsistency between the provisions of this Agreement and mandatory provisions of HIPAA, as amended, or its interpretation by any court or regulatory

agency with authority over either party hereto, HIPAA (interpreted by such court or agency, if applicable) shall control. Where provisions of this Agreement are different from those mandated under HIPAA, but are nonetheless permitted by such rules as interpreted by relevant courts or agencies, the provisions of this Agreement shall control.

23.9 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original and all of which shall constitute one and the same instrument. Such counterparts may be delivered in faxed or scanned electronic form, and each shall be deemed an original.

*(The remainder of this page intentionally left blank.)*

# Attachment 6

IN WITNESS WHEREOF, BA and Customer have caused this Agreement to be executed and delivered by their duly authorized representatives as of the Effective Date.

**BA (City of Royal Oak, MI):**

**CUSTOMER (CareHere Management):**

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_ Jim Ellison \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_ Mayor \_\_\_\_\_

Title: \_\_\_\_\_

**BA (City of Royal Oak, MI):**

By: \_\_\_\_\_

Name: \_\_\_\_\_ Melanie Halas \_\_\_\_\_

Title: \_\_\_\_\_ City Clerk \_\_\_\_\_

**BA Name:** City of Royal Oak, MI

**BA Address:** 211 Williams Street  
Royal Oak, MI 48067

**Effective Date:** \_\_\_\_\_



## EXHIBIT D

### BUSINESS ASSOCIATE AGREEMENT – CAREHERE MANAGEMENT IS BA

THIS BUSINESS ASSOCIATE AGREEMENT (the “**Agreement**”) is made and entered into between **CareHere Management, PLLC** (“**BA**”), and the party identified on the signature page of this Agreement (“**Customer**”).

Customer is a Covered Entity that possesses information about individuals that is protected under the Health Insurance Portability and Accountability Act of 1996, the Health Information Technology for Economic and Clinical Health Act (commonly referred to as the “HITECH Act”), and the regulations promulgated under the foregoing from time to time by the United States Department of Health and Human Services (collectively, as amended from time to time, “**HIPAA**”).

Customer has engaged BA to provide certain services (the “**Services**”) pursuant to one or more agreements between the parties (each, a “**Services Agreement**”). In the course of performing the Services, Customer may deliver or to BA, allow BA access to, or have BA obtain or create on Customer’s behalf information that may be deemed protected health information subject to the provisions of HIPAA.

In order to comply with the applicable provisions of HIPAA, the parties agree as follows:

#### 1. **Definitions.**

1.1 Capitalized terms used but not otherwise defined in this Agreement shall have the meanings ascribed in HIPAA (whether or not such terms are capitalized therein).

1.2 “**Effective Date**” means the date indicated on the signature page of this Agreement or, if earlier, the first date upon which BA receives or creates PHI.

1.3 “**PHI**” means Protected Health Information received by BA from or on behalf of Customer or created by BA for or on behalf of Customer.

2. **Permitted Uses.** BA may use PHI only as permitted or required by this Agreement for the following purposes:

- (vi) as necessary to perform the Services;
- (vii) to carry out its legal responsibilities;
- (viii) for the proper business management and administration of BA;
- (ix) to provide Data Aggregation services relating to the Health Care Operations of Customer to the extent, if any, expressly provided in the Services Agreement; and
- (x) as Required By Law.

3. **Permitted Disclosures.** BA may disclose PHI only as permitted or required by this Agreement for the following purposes:

- (iv) as necessary to perform the Services;
- (v) for the proper business management and administration of BA or to carry out its legal responsibilities, if Required By Law or if BA has obtained reasonable assurances that the recipient will (A) hold such PHI in confidence, (B) use or further disclose it only for the purpose for which it was received or as Required By Law, and (C) notify BA of any instance of which the recipient becomes aware in which the confidentiality of such PHI has been breached;
- (vi) as otherwise Required By Law;

provided, however, that any disclosure to an agent or subcontractor of BA shall be pursuant to a written agreement between BA and such

agent or subcontractor containing substantially the same restrictions and conditions on the use and disclosure of PHI as are set forth in this Agreement.

4. **Prohibited Uses and Disclosures.** Subject to Customer’s compliance with its obligations set forth in Section 17 as applicable, BA shall not use or further disclose PHI in a manner that would violate HIPAA if done by the Customer. BA shall not sell PHI or use or disclose PHI for purposes of marketing or fundraising. Unless Customer gives its prior, express written consent, BA shall not de-identify any PHI except as necessary to perform the Services, and unless expressly provided otherwise in a written agreement between the parties, (i) as between BA and Customer all de-identified PHI shall be and remain exclusively the property of Customer, (ii) BA assigns to Customer all of BA’s right, title, and interest therein, if any, and (iii) BA shall not use any such de-identified PHI for any purpose other than to provide the Services and shall not disclose the same to any third party except with the prior written consent of Customer or as otherwise required by applicable law or upon the order of a court of competent jurisdiction.

5. **Safeguards.** BA shall establish and maintain appropriate safeguards intended to prevent use or disclosure of PHI other than as provided in this Agreement. Without limiting the foregoing, BA shall establish and maintain, in compliance with HIPAA and any applicable guidance issued pursuant thereto, administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of any PHI that is Electronic Protected Health Information or any other Electronic Protected Health Information maintained or transmitted by BA for or on behalf of Customer, and BA shall establish and maintain policies and procedures, and comply with the documentation requirements, set forth in HIPAA.

#### 6. **Reports to Customer; Breach Notification.**

6.1 Without unreasonable delay and in no case later than 48 hours after discovering a Breach (whether or not such Breach is of PHI that is Unsecured Protected Health Information), BA shall report such Breach to Customer in writing, setting forth the date of discovery thereof, the identities of affected individuals (or, if such identities are unknown at that time, the classes of such individuals), a general description of the nature of the incident, and such other

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information as is required pursuant to HIPAA or reasonably requested by Customer. For purposes hereof, a Breach shall be deemed discovered as provided under HIPAA.

6.2 BA shall report to Customer in writing any use or disclosure of PHI that is not permitted by this Agreement, other than a Breach, within five days of BA's discovery thereof.

6.3 BA shall report to Customer in writing any Security Incident involving PHI that is Electronic Protected Health Information within five days of BA's discovery thereof. The parties acknowledge and agree that this section constitutes notice by BA to Customer of the ongoing occurrence of incidents that may constitute Security Incidents but that are trivial and do not result in unauthorized access, use, or disclosure of PHI that is Electronic Protected Health Information, including without limitation pings and other broadcast attacks on BA's firewall, port scans, unsuccessful log-on attempts, and denials of service, for which no additional notice to Customer shall be required.

7. **Reimbursement; Mitigation.** BA shall reimburse Customer for all reasonable and necessary out-of-pocket costs incurred by Customer (including without limitation costs associated with providing required notices) as a result of a Breach of PHI or of any other use or disclosure of PHI in violation of the terms and conditions of this Agreement, and shall take all actions reasonably necessary, and BA shall cooperate with Customer as reasonably requested, to mitigate, to the extent practicable, any harmful effect of such occurrence.

8. **Minimum Necessary.** BA shall request, use, and disclose only the minimum amount of PHI necessary to perform the Services.

9. **Access and Amendment.** With respect to an Individual as to whom BA maintains PHI, BA shall notify Customer promptly upon receipt of a request from such an Individual for access to or a copy of such Individual's PHI or to amend such Individual's PHI. To the extent permitted under HIPAA, and except as otherwise required upon the order of a court of competent jurisdiction, (i) BA shall direct such Individual to make such request of Customer and (ii) BA shall not consent to such access, deliver such copy, or comply with such request except as directed by Customer. With respect to PHI maintained by BA in a Designated Record Set, to the extent required by HIPAA of a Covered Entity, BA shall (i) make available PHI to Individuals or Customer, as requested by Customer and in accordance with HIPAA and (ii) upon receipt of notice from Customer, promptly amend any portion of the PHI so that Customer may meet its amendment obligations under HIPAA.

10. **Accounting for Disclosures.** BA shall document all disclosures of PHI by BA and information related to such disclosures as would be required for Customer to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with HIPAA. BA shall maintain such information for the applicable period set forth in HIPAA. BA shall deliver such information to Customer or, upon Customer's request, to the Individual, in the time and manner reasonably designated by Customer, in order for Customer to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with HIPAA. The obligations set forth in this section shall survive the expiration or any termination of this Agreement and shall continue, as to a given instance of a disclosure, until the earlier of (i) the passing of the time required for

such information to be maintained pursuant to HIPAA or (ii) the delivery to Customer of all such information in a form and medium reasonably satisfactory to Customer and the return or destruction of all PHI as provided in this Agreement.

11. **Additional Restrictions.** If Customer notifies BA that Customer has agreed to be bound by additional restrictions on the uses or disclosures of PHI pursuant to HIPAA, BA shall be bound by such additional restrictions and shall not use or disclose PHI in violation of such additional restrictions.

12. **Audit.** If BA receives a request, made on behalf of the Secretary of the Department of Health and Human Services, that BA make its internal practices, books, and records relating to the use or disclosure of PHI available to the Secretary of the Department of Health and Human Services for the purposes of determining Customer's or BA's compliance with HIPAA, BA promptly shall notify Customer of such request and, unless enjoined from doing so by order of a court of competent jurisdiction in response to a challenge raised by Customer or BA (which challenge BA shall not be obligated to raise), BA shall comply with such request to the extent required of it by applicable law. Promptly upon the written request of Customer from time to time, BA shall make its internal practices, books, and records relating to the use or disclosure of PHI available to Customer or Customer's designee for the purposes of determining BA's compliance with HIPAA and its obligations under this Agreement.

13. **Remuneration.** BA shall not receive remuneration, directly or indirectly, in exchange for PHI; provided, however, that this prohibition shall not affect payment to BA by Customer for performance of the Services.

14. **Standard Transactions.** To the extent applicable, BA will comply with each requirement for Standard Transactions established in HIPAA when conducting all or any part of a Standard Transaction electronically for, on behalf of, or with Customer.

15. **Compliance with Law.** BA shall comply with all applicable federal and state laws regarding individually identifiable information contained in or associated with PHI, including without limitation any state data breach laws regarding the protection of such information. Nothing in this Agreement shall be construed to require BA to use or disclose PHI without a written authorization from an Individual who is the subject thereof, or written authorization from any other person, where such authorization would be required under federal or state law for such use or disclosure.

16. **Transmission and Storage Outside United States.** Except as otherwise expressly provided in the Services Agreement, BA shall not to allow any PHI to be transmitted to, received by, or stored at any location outside of the United States of America and shall not permit any person outside of the United States of America to access or view PHI.

17. **Obligations of Customer.** Customer shall (i) notify BA of any limitation in Customer's Notice of Privacy Practices to the extent that such limitation may affect BA's use or disclosure of PHI, (ii) notify BA of any changes in, or revocation of, permission by an Individual to use or disclose PHI, to the extent that such change may affect BA's use or disclosure of PHI, and (iii) notify BA of any restriction on the use or disclosure of PHI to which Customer has agreed in accordance with HIPAA, to the extent that such restriction may affect BA's use or disclosure of PHI.

**18. Term and Termination.** This Agreement shall become effective on the Effective Date and shall continue in effect until the earlier to occur of (i) termination of all Services Agreements or (ii) termination pursuant to this section. Either party may terminate this Agreement effective immediately if it determines that the other party has breached a material provision of this Agreement and failed to cure such breach within 30 days of being notified by the other party of the breach. If the non-breaching party reasonably determines that cure is not possible, such party may terminate this Agreement effective immediately upon written notice to other party.

**19. Effect of Termination.** Upon termination of this Agreement, BA shall deliver to Customer the disclosure accounting information as provided in this Agreement and (i) if feasible, return to Customer or destroy all PHI that BA maintains in any form and retain no copies of such PHI, or (ii) if return or destruction is not feasible, notify Customer and extend the protections of this Agreement to the PHI and limit its further use or disclosure to those purposes that make the return or destruction of the PHI infeasible. The requirements of this section shall survive termination or expiration of this Agreement and shall be in force as long as any PHI remains in the custody or control of BA.

**20. Destruction of Media (Including Paper).** When required under this Agreement and when any PHI is no longer needed by BA to perform the Services and its obligations pursuant to this Agreement and no longer required to be maintained pursuant to HIPAA, the media on which the PHI is stored or recorded shall be destroyed as follows: (i) paper, film, or other hard copy media shall be shredded or destroyed such that the PHI cannot be read or otherwise cannot be reconstructed; and (b) electronic media shall be cleared, purged, or destroyed consistent with NIST Special Publication 800-88, Guidelines for Media Sanitization, such that the PHI cannot be retrieved.

**21. Indemnification.** BA shall indemnify, defend, and hold harmless Customer and its affiliates, and the directors, officers, representatives, agents, employees, and contractors of each of the foregoing, against any losses, liabilities, damages, awards, settlements, claims, suits, proceedings, costs and expenses (including without limitation reasonable legal fees and disbursements and costs of investigation, litigation, expert witness fees, settlement, judgment, interest, and penalties) resulting from or relating to (i) a Breach of PHI, (ii) breach by BA of any provision of this Agreement, or (iii) the negligence or other legal fault of BA, its directors, officers, representatives, agents, employees, or contractors. BA's obligations specified in this section will be conditioned on Customer's notifying BA reasonably promptly in writing of the claim or threat thereof (whether or not litigation or other proceeding has been filed or served) and on BA's having sole control over the defense of the claim; provided that notification at any time by Customer to BA of the claim shall be considered prompt enough to meet the foregoing condition if any delay in providing BA with notice of the claim is not materially prejudicial to BA. BA shall keep Customer informed of its efforts and shall not settle the claim without Customer's prior written consent (such consent not to be unreasonably withheld).

**22. Identity Theft Regulations.** To the extent, if any, that BA provides services in connection with one or more Covered Accounts (as defined in the identity theft regulations of the Federal Trade Commission, 16 C.F.R. §681.2 et seq., the "**Red Flags Rule**"), BA

shall (i) maintain and follow policies to detect and prevent identity theft in accordance with the Red Flags Rule, (ii) without undue delay notify Customer of any pattern, practice, or specific activity that indicates the possible existence of identity theft (a "**Red Flag**") involving any person associated with such a Covered Account or otherwise associated with Customer, (iii) without undue delay take appropriate steps to prevent or mitigate identity theft when a Red Flag is detected, and (iv) cooperate and assist Customer as reasonably requested in Customer's investigation of any Red Flag.

## **23. Miscellaneous.**

**23.1 Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State that govern the Services Agreement, without regard to conflict of law principles that would result in the application of any law other than the law of such State, and venue for any dispute under this Agreement shall be the same as the venue for a dispute under the Services Agreement.

**23.2 Amendments.** This Agreement may not be modified, nor shall any provision hereof be waived or amended, except in a writing duly signed by authorized representatives of the parties; provided, however, that upon the enactment of any law or regulation affecting the use or disclosure of PHI, or on the publication of any decision of a court of competent jurisdiction relating to any such law, or the publication of any interpretive policy or opinion of any governmental agency charged with the enforcement of any such law or regulation, Customer may, by written notice to BA, propose to amend this Agreement in such a manner as Customer reasonably determines necessary to comply therewith, and such proposed amendment shall become operative unless BA rejects such amendment by written notice to Customer within thirty days thereafter, in which case, unless the parties agree on an amendment within thirty days after BA's notice, either party may terminate this Agreement by written notice to the other.

**23.3 Notices.** Notices and reports given under this Agreement shall be in writing and sent to Customer at **Attn: Privacy Officer, CareHere Management, PLLC, 5141 Virginia Way, Suite 350, Brentwood, TN 37027** and to BA at the address shown on the signature page hereof. Such notices shall be deemed delivered (i) when personally delivered, (ii) on the second business day after deposit, properly addressed and postage pre-paid, when sent by certified or registered U.S. mail to the address provided herein, or (iii) on the next business day when sent with next-business-day instruction by recognized overnight document delivery service to the address provided herein.

**23.4 Nature of Relationship.** BA shall perform all services hereunder as an independent contractor to Customer, and nothing contained herein shall be deemed to create any agency or other relationship between the parties or any of their affiliates. Neither party shall have the right, power, or authority under this Agreement to create any duty or obligation on behalf of the other party.

**23.5 Waiver.** A waiver with respect to one event shall not be construed as continuing, or as a bar to or waiver of, any right or remedy as to subsequent events.

**23.6 No Third Party Beneficiaries.** Nothing express or implied in this Agreement is intended to confer, nor shall anything

# Attachment 6

herein confer, upon any person other than the parties and the respective successors or assigns of the parties, any rights, remedies, obligations, or liabilities whatsoever.

23.7 Injunctive Relief. BA acknowledges that the breach or threatened breach by it of any provision of this Agreement may cause Customer irreparable harm and that Customer may not have an adequate remedy for such breach at law, and BA therefore agrees that upon any breach or threatened breach of this Agreement, Customer will be entitled to seek, and BA shall not object to, injunctive relief to prevent BA from commencing or continuing any action that constitutes or would constitute such breach, or to compel BA to take action required under this Agreement or otherwise specifically perform hereunder, without bond, without the need of proof of actual damages, and without prejudice to any other rights or remedies to which Customer may be entitled as a result of a breach of this Agreement.

23.8 Interpretation. In the event of an inconsistency between the provisions of this Agreement and mandatory provisions

of HIPAA, as amended, or its interpretation by any court or regulatory agency with authority over either party hereto, HIPAA (interpreted by such court or agency, if applicable) shall control. Where provisions of this Agreement are different from those mandated under HIPAA, but are nonetheless permitted by such rules as interpreted by relevant courts or agencies, the provisions of this Agreement shall control.

23.9 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original and all of which shall constitute one and the same instrument. Such counterparts may be delivered in faxed or scanned electronic form, and each shall be deemed an original.

*(The remainder of this page intentionally left blank.)*

# Attachment 6

IN WITNESS WHEREOF, BA and Customer have caused this Agreement to be executed and delivered by their duly authorized representatives as of the Effective Date.

**BA (City of Royal Oak, MI):**

**CUSTOMER (CareHere Management):**

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_ Jim Ellison \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_ Mayor \_\_\_\_\_

Title: \_\_\_\_\_

**BA (City of Royal Oak, MI):**

By: \_\_\_\_\_

Name: \_\_\_ Melanie Halas \_\_\_\_\_

Title: \_\_\_\_\_ City Clerk \_\_\_\_\_

**BA Name:** City of Royal Oak, MI

**BA Address:** 211 Williams Street  
Royal Oak, MI 48067

**Effective Date:** \_\_\_\_\_

## EXHIBIT E Designated HIPAA Privacy Officer

Employer may designate one or more persons as the Employer's HIPAA Privacy Officer(s). Employer has designated the person(s) listed below as the Employer's HIPAA Privacy Officer(s). Accordingly, all reports, either requested by Employer or required by the Agreement, that are sent by CareHere to Employer that contain protected health information (PHI) shall only be sent to the designated HIPAA Privacy Officers listed below.

This Exhibit may be modified at any time by mutual agreement of CareHere and Employer. The designated HIPAA Privacy Officers may be changed, added or removed from the below list. In the event that the designated HIPAA Privacy Officers listed below are no longer considered such by Employer, Employer shall immediately notify CareHere and both CareHere and Employer shall modify the below list to reflect such change. Further, Employer shall review this list on an annual basis and recertify that the list is complete and accurate.

Employer confirms that email addresses, telephone numbers, and fax numbers provided below are protected with reasonable administrative, technical, and physical safeguards to ensure the confidentiality, integrity, and availability of any PHI and to prevent its unauthorized or inappropriate access, use, or disclosure.

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Email: \_\_\_\_\_

Email: \_\_\_\_\_

Telephone: \_\_\_\_\_

Telephone: \_\_\_\_\_

Secured Fax: \_\_\_\_\_

Secured Fax: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

# Attachment 6

IN WITNESS WHEREOF, Employer and CareHere agree and attest that the persons listed above are the Employer's designated HIPAA Privacy Officers.

## **CareHere Management, PLLC**

Date of Signature:

Signature:

Print Name: Ben Baker  
Title: Chief Operating Officer  
Address: 5141 Virginia Way  
Suite 350  
Brentwood, TN 37027

## **City of Royal Oak, MI**

Date of Signature:

Signature:

Print Name: Jim Ellison  
Title: Mayor  
Address: 211 Williams Street  
Royal Oak, MI 48067

## **City of Royal Oak, MI**

Date of Signature:

Signature:

Print Name: Melanie Halas  
Title: City Clerk  
Address: 211 Williams Street  
Royal Oak, MI 48067

## **EXHIBIT F**

### **Sponsoring Employers**

The following lists the sponsoring employers as of the date of signing of this Agreement. In the event one or more of the below listed sponsoring employers does not contract with CareHere for the provision of Medical Services within one month of the opening of the clinic, such employer will be automatically removed from this list without the need for an amendment to this Exhibit F.

City of Ferndale, MI

City of Madison Heights, MI

City of Royal Oak, MI



## EXHIBIT G Year One Performance Guarantee

The monthly Per Employee Per Month (PEPM) fee of \$26.50, as defined in Section 2.02 of this Agreement, contains a CareHere Management Fee of \$5. For the first twelve months following the opening of the clinic (Year One), CareHere places fifty percent (50%) of the Management Fee, equal to two dollars and fifty cents (\$2.50) PEPM, at risk for the performance guarantee herein. At the end of Year One, CareHere shall review the performance guarantee and determine how much, if any, reimbursement is due to Employer.

Outlined in the table below, and contingent on the below terms and conditions, are the criteria that can be determined for the performance guarantee categories for Year One (the first 12 months) following the opening of the clinic. Any penalty for failing to achieve an Indicator Measurement described below will be applied by multiplying the Weight times the amount at risk described above in this Exhibit G. This Performance Guarantee expires at the end of Year One. Should both parties wish to establish Performance Guarantees beyond Year One, new criteria and measurements must be approved by both parties and established in writing.



### Performance Guarantee

50% of CareHere Management Fees at Risk

Total Management Fee:     \$5 PEPM  
Total Fees At Risk:         \$2.50 PEPM

<u>Weight</u>		<u>Category</u>	<u>Indicator</u>	<u>Measurement</u>	<u>At Risk Amount PEPM</u>
<b>Total Operations 20%</b>	<b>10%</b>	<b>Operations</b>	<b>Patient Satisfaction</b>	<b>At least 70% of Employees surveyed would rank CareHere as their first stop for any illness</b>	<b>\$0.25 PEPM</b>
	<b>10%</b>	<b>Operations</b>	<b>Patient Utilization</b>	<b>Annual Utilization Average of Appointments exceeds 60%*</b>	<b>\$0.25 PEPM</b>
<b>Total Administration &amp; Financial 20%</b>	<b>10%</b>	<b>Administration</b>	<b>Reporting</b>	<b>Completeness and On-Time Delivery per Agreement</b>	<b>\$0.25 PEPM</b>
	<b>10%</b>	<b>Administration</b>	<b>Budget Adherence</b>	<b>No more than 20% above total budget projection submitted **</b>	<b>\$0.25 PEPM</b>
<b>Clinical Outcomes of Members that Visit Clinic 60%</b>	<b>30%</b>	<b>Clinical</b>	<b>HRA Engagement</b>	<b>At least 70% of All Eligible Employees who access the clinic complete an HRA</b>	<b>\$0.75 PEPM</b>
	<b>30%</b>	<b>Clinical</b>	<b>Wellness Engagement</b>	<b>At least 70% of Employees, who (a) complete a CareHere HRA, (b) meet with a CareHere Provider to review results, and (c) are identified as at Risk***, engage in Wellness Programs, if necessary.</b>	<b>\$0.75 PEPM</b>
<b>Totals</b>	<b>100%</b>				<b>\$2.50 PEPM</b>

# Attachment 6

\* This item is contingent upon Employer agreeing to promote the CareHere clinic at department and employee meetings, inviting a CareHere representative to speak briefly at meetings to promote the clinic and wellness programs, and allowing CareHere to regularly reach out to employees via mailers to homes, emails, payroll stuffers, posters at the worksite, and other promotional means. Calculations will be based on the assumptions and projections made in the initial proposal to Employer.

\*\* In the event Employer and CareHere mutually agree to modify projected expenses including, but not limited to, clinic hours, services, provider mix (e.g. increase M.D. hours, reduce N.P. hours, addition of new services, increases in number of employees covered, etc.), or any other aspect of clinic operations, both parties agree to adjust the budget accordingly for performance guarantee adherence purposes. For example: If it is determined that the clinic should increase total budgeted clinic hours by 10 additional hours to best meet the demand of patients, annual budget adherence calculations will be adjusted to include this mutually agreed upon expansion of hours. CareHere will not be penalized for additional costs resulting from expenditure increases mutually agreed upon by Employer and CareHere.

\*\*\* Risk Definitions:

- Diabetes HbA1c  $\geq 7$
- High Blood Pressure Systolic (top) pressure  $\geq 140$
- High Cholesterol Total Cholesterol  $\geq 220$  AND Total Cholesterol/HDL ratio  $> 4.0$

In order to allow for sufficient time to engage following risk identification, patients identified 90 or fewer days prior to the conclusion of Year One may be excluded in Wellness Engagement Performance Guarantee calculations.

In the event the medical community produces convincing evidence that one or more of these Risk Definitions should be adjusted either up or down, Employer and CareHere shall work together to draft a mutually acceptable written agreement modifying these Risk Definitions. In the event a mutually acceptable written agreement is not met, such measure shall be eliminated from the Risk Definitions.

For the Performance Guarantee to be in effect, Employer agrees to the following terms and conditions:

1. All levels of Employer management (including managers and supervisors) publically EMBRACE and SUPPORT clinic and wellness.
2. Employer publically EMBRACES and SUPPORTS the CareHere Medical Staff when discussing the Wellness Clinic with employees.
3. Employer mandates that all eligible employees attend at least one (1) introductory education session facilitated by a CareHere representative detailing the program no later than 90 days of the clinic opening date.
4. Employer provides access to the on-site clinic at no cost to the employee, spouse or dependents.

## Attachment 6

5. Employer ensures that the employee is not required to “clock-out” while using the on-site clinic for Occupational Medicine purposes only, if applicable.
6. In advance of the clinic opening date, Employer will establish and implement a financial reward program to incentivize employees to access the Wellness clinic, receive HRA’s, and participate in Wellness Clinic programs.
7. Employer and CareHere agree in writing regarding the calculations to be used to measure the financial impact of the onsite clinic program.
8. Employer agrees to provide CareHere detailed medical and prescription drug claims information and demographic data for the period of at least three years prior to the opening of the clinic and on an ongoing quarterly basis after the opening of the clinic. The claims information and demographic data will be provided in an electronic format. All calculations, measurements, and accountability for Performance Guarantee and Return on Investment (ROI) evaluation is strictly contingent upon CareHere receiving actual claims data above, including the period under review from Employer. If actual claims data is not received in a timely manner, to be defined by CareHere, then CareHere is exempt from all performance guarantees. Any analysis regarding Performance Guarantee satisfaction will be prepared no sooner than 60 days following the receipt of the requested data.
9. For purposes of calculations and analysis of Performance Guarantee satisfaction, Employer agrees to remove from the paid claims totals any outlier claim in excess of \$50,000 per claimant per year.
10. All calculations and measurements must be re-cast in the event assumptions made by CareHere in the initial proposal process are found to be based on mistaken, incomplete or inaccurate data supplied by Employer or representatives of Employer.

*(The remainder of this page intentionally left blank.)*