



CITY OF KIRKLAND
Human Resources Department
123 Fifth Avenue, Kirkland, WA 98033 425.587.3210
www.kirklandwa.gov

MEMORANDUM

To: Kurt Triplett, City Manager

From: James Lopez, Director of Human Resources & Performance Management
Nicole Bruce, Senior HR Analyst; Christine Wilkinson, HR Analyst;
Cary Webb, HR Analyst

CC: Tracey Dunlap, Director of Finance & Administration

Date: December 2, 2014

Subject: Vera Whole Health as Employee Clinic provider

As you are aware, a major focus of the City's *Healthy Kirkland* Initiative is reducing our current medical trend while still providing employees with high quality health care options. As part of a comprehensive strategy designed to achieve that goal, the City is introducing a near-site employee health center operated by Vera Whole Health. The new health center, together with the implementation of a high deductible health plan, will provide our employees with the knowledge and tools to make informed health care decisions with the promise of ultimately improving health outcomes. The contract with Vera is one of a series of benefits-related contracts that are signed by the City Manager rather than approved by the Council, but given the innovative nature of an employee-based clinic, staff wanted to provide background information to all the Councilmembers. A copy of the contract is included as an attachment to this memo.

Vera is a Seattle based, sister company of Activate Health, which is based in Indianapolis, Indiana. Between the two companies, they operate twenty one clinics, including the City of Anderson, Indiana. Locally, Vera operates four clinics, including a clinic for Children's Hospital, and a clinic for The Bill and Melinda Gates Foundation.

Vera began as a wellness company and its commitment toward providing clients with a proactive, preventative approach to the delivery of health care services is embedded in everything they do. In 2011 Vera modified its mission to further affect population health management, through onsite clinics. All Vera clinics have shown a positive ROI in their first year. www.verawholehealth.com

The City selected Vera through an RFP process issued on February 25, 2014, and although there are several reasons why the City chose Vera at the conclusion of this very competitive process, three key observations stand out. First, as noted above, Vera is a medical provider built around the idea of proactive, preventative care. As part of their business model, Vera organizes and facilitates an *Employee Health Council* to help ensure that employees and family members take an active role in the management of their health care. Vera employs a full time

health coach as part of their standard package of services, and leans heavily on its proprietary “empathetic listening” method of delivering care to build successful relationships with its patients. In short, the company has developed the cultural expertise around wellness that fits directly with the City’s desire to significantly increase employee participation in wellness activities. This, coupled with a state of the art electronic medical records system that seamlessly integrates all medical, health and wellness data and provides that information directly to each employee and family member, completes the picture of a powerful “turn-key” health and wellness operation.

Second, Vera offers the opportunity for our members to attend, at no additional cost, several other Vera facilities. The idea of providing more clinic location availability was a very important factor to several of our employees, and Vera’s reciprocity model holds the promise of significant growth and opportunity for additional care.

Finally, Vera being a local company, has made significant strides developing their business model in our community. Specifically, as noted above, Vera has developed a successful relationship with Children’s Hospital and has recently been selected by the Bill and Melinda Gates Foundation to operate an onsite clinic there. Vera also brings important relationships with key local provider institutions such as Evergreen Hospital, Virginia Mason and Group Health. Vera’s knowledge of our local health care market offers an important advantage as they integrate with our established health care system.

The Vera contract is renewable after three years, with an opt-out provision available during the term of the contract. The contract outlines the City’s costs on a “pass through” basis providing critical transparency to each element of the relationship and the opportunity to carefully monitor expenses, trends and utilization patterns.

The health center will be located in the Totem Lake area, just a short drive from the Evergreen Hospital Emergency Room. Parking at the facility is free, and it will be open to employees and their family members who are enrolled in the City’s health plan. The health center will provide preventative and same day acute care (immunizations, check-ups, limited prescriptions, etc.) along with behavioral and lifestyle health coaching, all at no cost to the employee. The health professionals at our clinic will provide top notch care that includes both coaching and education, so employees will be able to schedule appointments for a variety of preventative and acute services, as well as wellness and nutritional consultations.

By providing acute health and wellness care at cost, and the potential to help bend the City’s medical trend through improved employee health, the clinic is a key piece of the City’s health care strategy.

The benefits team is working on implementing the employee health clinic operated by Vera Whole Health effective in March of 2015.

Attachment

Near-site Clinic
Agreement

December 3, 2014

Confidential



TERMS SUMMARY

Key Terms:

- | | | |
|-----------|---|--------------------------------|
| a. | Initial Number of Lives Served: | 875 |
| b. | Minimum Number of Lives during term:
<i>(Until union negotiations allow for over 1,000 at which point minimum will be increased to 1,000)</i> | 875 |
| c. | Effective Date: | December 3, 2014 |
| d. | Anticipated Partial Services Commencement Date: | January 1, 2015 |
| e. | Anticipated Kirkland Clinic Operational Date and Commencement of full services | March 1, 2015 |
| f. | Administrative Fee Per Participant Per Month (PPPM):
<i>(approximately \$178,500/yr at 875 lives)</i> | \$17.00 |
| g. | Initial Term: | to December 31, 2017 |
| h. | Estimated Start-Up Expenses: | \$330,800 |
| i. | Initial staffing model and hours:
<i>(approximately \$430,688/yr)</i> | ¾ staff & 30 hrs/wk |
| k. | Initial “other” expenses (Rx, lab, technology, facilities, etc): | Approx: \$142,000/yr |

Terms above are subject to the more detailed provisions contained in the Clinic Agreement.

CLINIC AGREEMENT

This Clinic Agreement (the “Agreement”) is entered into this 1st day of December, 2014 (“Effective Date”) by and between The City of Kirkland (“Employer”), Vera Whole Health, Inc. (“Vera”), and Vera Whole Health WA, P.C. (“Vera P.C.”). Employer, Vera, and Vera P.C. may each individually be referred to as a “party,” and collectively as the “parties.”

A. Vera provides management and administrative services to local companies in support of certain health and wellness programs that are offered to employees of such companies at healthcare clinics physically located on or near such company’s business premises.

B. Vera P.C. is a Professional Services Corporation that is associated with Vera and consists of physicians and other healthcare professionals who provide the clinical medical and wellness services to the Employer’s employees at the Clinic (as defined below).

C. Employer desires to engage Vera and Vera P.C., and Vera and Vera P.C. desire to provide to Employer, the management and administrative services and the clinical health care and related wellness services and programs at the Clinic, under the terms and conditions as further described herein.

The parties agree:

1. Definitions.

1.1 “**Clinic(s)**” means the physical location of the healthcare clinic(s) where the Participants receive the Clinical Services.

1.2 “**Clinical Services**” means the professional medical and healthcare services and related wellness programs provided by Vera P.C. to the Participants as stated in Schedule 1.

1.3 “**Fees**” means all fees payable by Employer in connection with the Services provided to Participants as stated in Schedule 2 of this Agreement.

1.4 “**Participant(s)**” are the employees and related family members and dependents of the Employer who Employer has designated as qualified to obtain the Services.

1.5 “**Provider(s)**” means each individual healthcare professional licensed by the state of Washington and employed or engaged by Vera P.C. to provide healthcare services to the Participants as further described herein.

1.6 “**Personal Information**” means information for each eligible participant that allows them to be uniquely identified in Vera’s Electronic Medical records. This information may include

but is not limited to full legal name, gender, social security number, identification of employer relationship (ie employee, spouse, etc), and name of primary subscriber.

1.7 “**Service(s)**” as used herein is a term that refers collectively to the combined suite of Clinical Services and Support Services (as described in Schedule 1) each of which are provided separately by Vera and Vera P.C. pursuant to this Agreement, but in practice are utilized in a combined manner by the Participants as part of the overall employee health benefits provided by their Employer. Consequently, further subsequent use of the term Services in this Agreement is solely for convenience and nothing by way of use of the collective term Services shall in any manner expressly or impliedly be interpreted to mean that the Clinical Services and Support Services provided by each respective corporation are merged or combined in any functional, legal, financial or operational manner.

1.8 “**Support Service(s)**” means the management and administrative services, including those stated in Schedule 1 that are provided by Vera in connection with the Services offered to Participants pursuant to the terms of this Agreement.

2. Engagement And Responsibilities Of The Parties.

2.1 Engagement For Services. Employer hereby retains Vera, and Vera P.C., to provide the Services.

2.2 Clinical Control and Authority. Vera P.C. shall retain the control and authority to direct the medical, professional and ethical aspects of the Clinic. Nothing in this Agreement shall be construed to alter or in any way affect the legal, ethical and professional relationship between the Providers and the Participants. Neither Employer nor Vera shall have any right to, responsibility for or participation in any decisions relating to the performance of or supervision or control over any physician or provider or the provision of Clinical Services or any professional or medical services provided or to be provided by Vera P.C., specifically including but not limited to, no participation in any decisions relating to patient evaluation, diagnosis, care, treatment options, appropriate procedures or tests, or referrals.

2.3 Administrative Control And Authority. Vera shall retain the control and authority to manage all operational aspects of the Clinic that do not involve professional medical services, including without limitation the following:

(a) Personnel. Vera shall have exclusive authority for selection of all personnel working in or for the Clinic, subject to the following:

(i) with regard to selection of primary care physicians only, prior to employment of any physician, Vera shall provide the Employer with the identity and work history of such prospective physician. Employer shall promptly review all materials supplied by Vera, and

if Employer requests an in person meeting, the parties shall cooperate to schedule such meeting as soon as reasonably possible.

(ii) Employer shall have five (5) business days from either: (a) the date of receipt of the physician information (if no meeting is requested), or (b) the date of the meeting to reject the selection of such physician, or the physician shall be deemed accepted by Employer.

(iii) In the event that Employer rejects Vera's selection, the parties shall work diligently to identify alternative physicians and the above selection process shall be repeated; provided that, Employer may only reject a maximum of three (3) prospective physician choices made by Vera. After rejection of the third selection, Employer shall accept Vera's subsequent selection of a physician.

(b) Removal of Providers. If Employer provides Vera with a written request to remove a Provider, specifying a reasonable basis for removal, Vera and Employer shall cooperate regarding the removal within a time frame mutually agreed upon by the Parties ("Removal By Employer"); provided however, except in the case of Provider misconduct in which case such Provider shall be removed immediately, all other removals shall proceed in a manner that does not adversely affect patient care or Service at the Clinic. In the event of a Removal By Employer, the Employer shall reimburse Vera for all costs of hiring and training a replacement, as well as any increased costs of engaging an interim Provider. **Prior to the removal of the Provider, VERA shall provide a written estimate of these costs to the Employer and shall not proceed without written consent of the Employer.** In the event a Provider leaves voluntarily, or is removed for misconduct, then Vera shall pay all costs of hiring and training a replacement, as well as any increased costs of engaging an interim Provider. In the event a Provider is removed by Vera and Employer jointly (without misconduct), then Vera and Employer shall each pay one-half of all costs of hiring and training a replacement, as well as any increased costs of engaging an interim Provider.

(c) Other Vera Responsibilities: In addition to the above, Vera shall be responsible for all operational aspects of the Clinic including without limitation: (i) accounting and financial; (ii) inventory and supplies; (iii) collections and payments (including allocation and distribution of Per Participant Per Month ("PPPM") fee income between Vera and Vera P.C. and other matters involving the internal agreements and finances of Vera and Vera P.C.); (iv) maintenance of all Participant files and records; (v) information technology and computer hardware, software, network support at the Clinic, and (vi) clerical and administrative office services at the Clinic.

(d) Employer Responsibilities. Employer shall be responsible for the following:

(i) integrate the provisions of this Agreement and the Clinic arrangement into the Employer's health plan and associated documents provided to Participants;

(ii) make all amendments, disclosures and reports required by state or federal law in connection with Employer's health plan and associated documents.

(iii) prior to the opening of the Clinic, and subsequently no later than the tenth (10th) day of each calendar month during the Term, provide Vera an accurate list of the identities and associated Personal Information of all Participants. Such information will be transferred to Vera using the secure file transfer procedures provided by Vera to Employer.

(iv) prior to the opening of the Clinic, provide Vera with a current, updated summary of the Employer health plan and benefits it provides to Participants, and during Term, provide Vera with any amendments to such plan information at least thirty (30) days prior to the effective date of any such amendments.

(v) As soon as reasonably practicable, but in no event later than thirty (30) days prior to the Clinic opening date, and to the extent permitted by applicable laws, Employer shall provide Vera with at least two (2) years of claims history for such Participant in a format that can be readily uploaded to Vera's electronic medical records system. If Employer does not possess this information at the outset of Participant's eligibility, then Employer shall make diligent effort to obtain such information as soon as reasonably possible and shall cooperate with Vera to obtain the information from any party that retains such information.

(vi) cooperate with Vera to inform Participants of the value of Vera's Services and any incentive plan established by Employer to encourage Participants' use of the Services, and directly participate in and support the implementation, marketing, and education of Participants with respect to the Services offered by Vera. Printing, production and distribution of the promotions will be the sole responsibility of Employer. In addition, Employer shall create a "Whole Health Council" to assist in the efforts described in this section, the composition of which shall be at the sole discretion of the Employer.

3. General Representations And Warranties.

The parties represent and warrant as follows:

3.1 Each party has the right to enter into and perform this Agreement and nothing by way of entering into this Agreement, or performing any of the obligations stated herein, will constitute a default or breach (or an event which, with the passage of time or giving of notice, would constitute a default or breach) of any law or any agreement entered into by such party with any third party.

3.2 Each of the parties shall be responsible for complying with all applicable federal, state and local laws, regulations and restrictions and payment of applicable taxes in the conduct of their obligations under this Agreement. Vera and Vera P.C. must obtain a City of Kirkland business license or otherwise comply with Kirkland Municipal Code Chapter 7.02.

3.3 The person signing this Agreement or any document referenced herein, has full power and authority to enter into this Agreement on behalf of each respective party.

3.4 Each party shall use its reasonable best efforts to fulfill all of its obligations so that the Clinic can be opened for business no later than March 1, 2015, (the “Anticipated Services Commencement Date”).

4. Financial Arrangements.

Employer shall pay Vera the Fees as provided herein. As referenced in the schedules to this agreement.

5. Clinics.

The terms and conditions of Participants’ use of the Clinic’s facilities shall be as stated in Schedule 3.

6. Records.

6.1 Delivery and Retention of Records After Termination; Access.

(a) Vera. Upon expiration or termination of this Agreement, Vera shall return to Employer all copies of records which do not include PHI (as defined below) that Vera has obtained or maintained on behalf of Employer for purposes of carrying out Vera’s obligations under this Agreement. Vera may retain copies of all such documents. Additionally, Vera may retain Participants’ Treatment Records for its own use and business purposes, without restriction, so long as such records are in a de-identified and aggregated form.

(b) Vera PC. Upon expiration or termination of this Agreement, Vera PC shall return or transfer Participant’s treatment records which contain PHI (“Treatment Records”) as directed by the Participant. Vera P.C. shall have the right to retain copies of all Participant Treatment Records for archival and regulatory compliance purposes.

(c) Access. Vera shall be entitled to have timely access from Employer to any archival records necessary or required by an audit or investigation or review of Vera or Vera P.C. by a government agency, but only for the limited purpose of complying with such an audit or investigation and at all times consistent with Section 6.3.

6.2 Records Owned by Vera. Vera shall be entitled to retain for its own business purposes all internal records relating to its provision of Services under this Agreement.

6.3 HIPAA Compliance. Notwithstanding any of the foregoing, all parties to this Agreement agree to comply with the provisions of the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191, as amended, and all applicable regulations promulgated thereunder, as well as applicable state laws and regulations, and have entered into a Business Associate Agreement in the form attached hereto as Schedule 4, for the protection of protected health information as that term is defined therein and in the HIPAA Privacy Rules (“PHI”).

6.4 Access to Books and Records. For a period of four (4) years after services are provided under this Agreement, the parties shall make available upon request of the Secretary of Health and Human Services, the Comptroller General, the State Auditor’s Office or any duly authorized representative thereof, this Agreement and the books, documents and records of the parties that may be necessary to certify the nature and extent of the costs and services related to this Agreement. This Section 6.4 is null and void if it is determined that Section 1861(v)(1)(I) of the Social Security Act, as amended, is not applicable to this Agreement.

7. Insurance.

7.1 Insurance Maintained By Vera. Throughout the term of this Agreement, Vera shall ensure that professional liability insurance is maintained for all licensed healthcare Providers with minimum coverage of at least \$1 million per claim and \$5 million in the aggregate, or \$5 million per claim and \$9 million in the aggregate, the determination of which will be at the sole discretion of Employer provided a minimum of 30 days advance notice is given to Vera of such determination. Vera shall maintain commercial general liability insurance in the amount of \$1 million per claim, and \$2 million in the aggregate. The Employer shall be named as an additional insured under Vera’s commercial general liability insurance policies. Vera shall also maintain appropriate worker’s compensation and employer’s liability insurance coverage in accordance with at least the minimum amounts required by any applicable federal and state laws and regulations. Vera shall notify Employer immediately of any change in Vera’s insurance status or coverage including, but not limited to, any insurance policy required hereunder being impaired, cancelled, or reduced by the insurance carrier or Vera for any reason.

Vera’s maintenance of insurance as required by this agreement shall not be construed to limit the liability of Vera to the coverage provided by such insurance or otherwise limit the Employer’s recourse to any remedy available at law or in equity. Vera’s insurance coverage shall be primary insurance as respects the Employer. Any insurance, self-insurance, or insurance pool coverage maintained by the Employer shall be excess of Vera’s insurance and shall not contribute with it. Insurance is to be placed with insurers with a current A.M. Best rating of not less than A:VII. Vera shall furnish the Employer with original certificates and a copy of the amendatory endorsements, including but not necessarily limited to the additional insured endorsement, evidencing the insurance requirements of Vera have been met before commencement of the Services. Any policy of required insurance shall be written on an occurrence basis if available.

7.2 Insurance Maintained By Employer. Throughout the term of this Agreement, Employer will maintain coverage with minimum coverage of at least \$1 million per claim, and \$2 million in the aggregate. Employer shall also maintain appropriate worker's compensation and employer's liability insurance coverage in accordance with at least the minimum amounts required by any applicable federal and state laws and regulations. Employer shall provide to Vera proof of such coverage upon request. Employer shall notify Vera immediately of any change in Employer's insurance status or coverage including, but not limited to, any insurance policy required hereunder being impaired, cancelled, or reduced by the insurance carrier or Employer for any reason.

8. Indemnification.

8.1 To the fullest extent allowed by law and without limiting or compromising any available insurance coverage of either party, Vera and Employer each agree to indemnify, hold harmless and defend the other against any and all loss, injury, liability, claim, damage, cause of action or expense suffered by the other party resulting directly or indirectly, from: (a) any breach or failure to perform any of its responsibilities or obligations under this Agreement; or (b) any liability, damages, or injuries to other persons or the other party or to the property of other persons or to the other party caused by acts, omissions, negligence, or intentional acts of the indemnifying party, its employees, agents, Participants or representatives; or (c) any inaccuracy in, or breach of, any of the representations, warranties, covenants or agreements made by it in this Agreement, or (d) any claim that the Services or any portion or use thereof constitutes an infringement, violation, trespass, contravention or breach of any patent, copyright, trademark, license or other property or proprietary right of any third party, or constitutes the unauthorized use or misappropriation of any trade secret of any third party and/or is not in compliance with any applicable law, rule, regulation, contract, order of any governmental agency. The indemnification protection provided by this paragraph shall extend not only to the parties themselves but also to their officers, directors, shareholders and employees. Further, the indemnification protection provided by this paragraph shall include, without limitation, reasonable attorneys' fees, interest, court costs and other reasonable costs and expenses incident to proceedings, investigations or the defense of settlements paid arising from any such claims.

8.2 LIMITATION OF LIABILITY. IN NO EVENT WILL ANY OF THE PARTIES BE LIABLE FOR ANY INDIRECT, INCIDENTAL, CONSEQUENTIAL, SPECIAL OR PUNITIVE DAMAGES EVEN IF SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. NOTWITHSTANDING THE FOREGOING, NO LIMITATION OR EXCLUSION OF ANY PARTIES' LIABILITY WILL APPLY WITH RESPECT TO ANY CLAIMS ARISING OUT OF OR RELATING TO THE WILLFUL MISCONDUCT OR GROSS NEGLIGENCE OF A PARTY. FOR THE AVOIDANCE OF DOUBT, ANY FINES OR PENALTIES ASSESSED ON A PARTY UNDER APPLICABLE LAW ARISING OUT OF THE OTHER PARTY'S BREACH OF THIS AGREEMENT ARE DIRECT DAMAGES.

8.3 WARRANTY DISCLAIMER. EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, NEITHER PARTY MAKES ANY OTHER WARRANTY, EXPRESS OR

IMPLIED, INCLUDING WITHOUT LIMITATION ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

9. Term And Termination.

9.1 Term of Agreement. This Agreement shall commence on the Effective Date stated above, and the initial term of this Agreement shall expire on December 31, 2017, unless earlier terminated as provided herein (“Initial Term”).

9.2 Termination by Employer. Employer may terminate this Agreement as follows:

(a) In the event Vera materially defaults in the performance of any duty or obligation imposed upon it by this Agreement and such default continues for a period of thirty (30) days after written notice thereof has been given by Employer to Vera, Employer may terminate this Agreement without further notice.

(b) In the event of the filing of a petition in voluntary bankruptcy or an assignment for the benefit of creditors by Vera, or upon other action taken or suffered, voluntarily or involuntarily, under any federal or state law for the benefit of debtors of Vera, except for the filing of a petition in involuntary bankruptcy against Vera which is dismissed within thirty (30) days thereafter, Employer may terminate this agreement without further notice.

(c) Notwithstanding any of the foregoing, at any time after the first twelve (12) months of the Initial Term, Employer may terminate this Agreement for any reason by providing Vera not less than one hundred eighty (180) days advance written notice of its intention to terminate this Agreement. If Employer elects to terminate the Agreement under this Section 9.2(c) Vera agrees to reasonably cooperate with Employer and to assist in a smooth transition to an alternate service provider.

9.3 Termination by Vera. Vera may terminate this Agreement as follows:

(a) In the event Employer defaults in the performance of any payment obligation pursuant to this Agreement, and such default continues for a period of fifteen (15) days after Vera has provided written notice thereof to Employer, Vera may terminate this Agreement without further notice.

(b) In the event Employer materially defaults in the performance of any duty or obligation imposed upon it by this Agreement other than a payment default, and such default continues for a period of thirty (30) days after Vera has provided Employer with written notice thereof, Vera may terminate this Agreement without further notice.

(c) In the event of the filing of a petition in voluntary bankruptcy or an assignment for the benefit of creditors by Employer, or upon other action taken or suffered,

voluntarily or involuntarily, under any federal or state law for the benefit of debtors of Employer, except for the filing of a petition in involuntary bankruptcy against Employer which is dismissed within thirty (30) days thereafter.

(d) Notwithstanding any of the foregoing, at any time after the first twelve (12) months of the Initial Term, Vera may terminate this Agreement for any reason so long as it provides Employer with not less than one hundred eighty (180) days advance written notice of its intention to terminate this Agreement. If Vera elects to terminate the Agreement under this Section 9.3(d) Vera agrees to reasonably cooperate with Employer and to assist in a smooth transition to an alternate service provider.

9.4 Renewal. After the Initial Term, the Agreement shall be automatically extended for additional one (1) year terms (each a “Renewal Term”) unless: (i) the Agreement is earlier terminated as a result of a breach as otherwise provided in section 9.2 or 9.3 herein; or (ii) the party seeking to terminate the Agreement provides written notice to the other party of its intention not to renew the Agreement at least 180 days prior the end of the Initial Term or the current Renewal Term.

10. General Provisions.

10.1 Assignment. Neither party shall assign its respective rights and obligations hereunder without the written consent of the other, and any such assignment in violation of this section shall be considered void.

10.2 Notices. All notices required or permitted by this Agreement shall be in writing and shall be deemed given if sent, postage prepaid, certified mail, return receipt requested, to the address set forth below:

To Vera and Vera P.C.:

Vera Whole Health, Inc.
605 5th Ave S, #150
Seattle, WA 98104
Attention: Chief Financial Officer

With a copy to:

Cairncross & Hempelmann, P.S.
524 Second Ave. Suite 500
Seattle, WA 98104
Attention: Robert C. Seidel

To Employer:

City of Kirkland
123 5th Ave
Kirkland, WA 98033

Attention: City Manager

With a copy to:

City of Kirkland
123 5th Ave
Kirkland, WA 98033

Attention: City Attorney's Office

or to such other address as either party shall indicate to the other in accordance with the provisions of this Section.

10.3 Binding on Successors. This Agreement shall be binding upon the parties hereto and their successors and assigns.

10.4 Waiver of Provisions. Any waiver of any terms and conditions hereof must be in writing and signed by the parties hereto. The waiver of any of the terms and conditions of this Agreement shall not be construed as a waiver of any other terms and conditions hereof.

10.5 Governing Law. The validity, interpretation and performance of this Agreement shall be governed by and construed in accordance with the laws of the State of Washington without regard for conflicts of law principles. Exclusive venue for any legal action in connection with this Agreement shall be in King County, Washington.

10.6 Severability. The provisions of this Agreement shall be deemed severable, and if any portion shall be held invalid, illegal or unenforceable for any reason, the parties will agree upon a substitute provision to achieve the intent of the invalidated, illegal or unenforceable term and the remainder of this Agreement shall be effective and binding upon the parties hereto.

10.7 Additional Documents. Each of the parties hereto agrees to execute any document or documents that may reasonably be requested from time to time by the other party to implement or complete such party's obligations under this Agreement.

10.8 Remedies Cumulative. No remedy set forth in this Agreement or otherwise conferred upon or reserved to any party shall be considered exclusive of any other remedy available to any party.

10.9 No Obligation to Third Parties. The terms of this Agreement are intended to be solely for the benefit of Vera and Employer and their successors and assigns, and none of the obligations and duties of Vera or Employer under this Agreement shall in any way or in any manner be deemed to create any obligation of Vera or Employer to, or any rights in, any person or entity not a party to this Agreement.

10.10 Entire Agreement; Incorporation by Reference. This Agreement sets forth the entire understanding between the parties and there are no other agreements or arrangements, either written or oral, between the parties and their Affiliates. The Agreement cannot be amended except by a writing signed by all parties. All Exhibits and Schedules attached to this Agreement shall be incorporated into and made part of this Agreement without specific identification or individual reference thereto.

10.11 Non-Solicitation. Employer shall not solicit, hire or otherwise engage any person employed by Vera, Vera P.C., or any entity owned by either entity, during the Term, or any Renewal Term, and within twelve (12) months after the termination of this Agreement, to perform services for Employer or any other person.

10.12 Confidentiality. Employer, Vera and Vera P.C. each acknowledge that as a result of their participation in this Agreement, Employer, Vera, Vera P.C., and their respective agents, shall have access to and may receive certain confidential and/or proprietary information of one of the other parties (and will thereby become a “Receiving Party”), which is not readily ascertainable from other sources including, but not limited to, pricing or business strategies, or any other type of proprietary data or trade secrets relating to Employer, Vera or Vera P.C. (“Confidential Information”). Employer, Vera and Vera P.C. agree that none of the parties shall, at any time, without such other parties’ prior written consent, disclose, or authorize or permit anyone under such parties’ direction to disclose, to anyone not properly entitled to such disclosure, any Confidential Information relating to Employer, Vera, and Vera P.C., and Vera, Vera P.C. and Employer further agree that upon termination or expiration of this Agreement, with or without cause, Employer, Vera and Vera P.C. will not, without the prior written consent of the party who provided such Confidential Information (a “Disclosing Party”), use or disclose the Confidential Information of any of the other parties for its own business purposes, or for the business purposes of any other individual or entity. A Receiving Party shall have no obligation to maintain the confidentiality of any Confidential Information which: (i) the Receiving Party can demonstrate that it was known by Receiving Party prior to the disclosure thereof by the Disclosing Party; (ii) properly came into the possession of the Receiving Party from a third party which is not under any obligation to maintain the confidentiality of such information; (iii) is or becomes become part of the public domain through no act or fault on the part of the Receiving Party, including disclosure required of the Employer under the Public Records Act; or (iv) the Receiving Party can demonstrate that it was independently developed by or for the Receiving Party without the use of Confidential Information.

10.13 Force Majeure. None of the parties shall be liable to any of the other parties, or any third party, for failure to perform their obligations and responsibilities required herein in the event of strikes, lock-outs, acts of God, unavailability of supplies, or other events over which a party has no control for so long as such events continue and for a reasonable period of time thereafter, nor shall they be liable to any of the other parties for failure to perform any such obligations and responsibilities required herein in the event of strikes, lock-outs, natural disasters or acts of God, unavailability of supplies or other events over which such party has no control for so long as such events continue and for a reasonable period of time thereafter.

10.14 Independent Contractors. The parties hereto acknowledge that Vera, Vera P.C. and Employer are "independent contractors" and nothing in this Agreement is intended nor shall be construed to create a partnership, joint venture relationship, or to allow Employer to exercise control or direction over delivery of the Services which are the subject matter of this Agreement. Employer shall not be responsible for withholding or otherwise deducting federal income tax or social security or for contributing to the state industrial insurance of unemployment compensation programs or otherwise assuming the duties of an employer with respect to Vera or Vera P.C. or any employee of either.

10.15 Equitable Remedies. Each party acknowledges that a breach of certain of its obligations under this Agreement other than any payment obligations hereunder, may result in irreparable and continuing damage to the other party for which monetary damages may not be sufficient, and agrees that the other party will be entitled to seek, in addition to its other rights and remedies hereunder or at law, injunctive or all other equitable relief, and such further relief as may be proper from a court of competent jurisdiction.

10.16 Intellectual Property Ownership. All right, title and interest in and to all intellectual property that is provided to Employer in connection with the Service, including without limitation any patents, copyrights, trademarks, trade secrets, or other similar intellectual property is owned exclusively by Vera. Except as otherwise expressly provided in this Agreement, Vera's delivery of the Service to Employer shall not convey any rights in the Service, express or implied, nor ownership in the Service nor any intellectual property rights thereto. Any rights not expressly granted herein are reserved by Vera. Vera service marks, logos and product and service names are marks of Vera (the "Vera Marks"). Employer agrees not to display or use the Vera Marks in any manner without Vera's prior written permission, which will not be unreasonably withheld.

10.17 Survival. Any provision of this Agreement or any Schedule which, by its nature, would survive termination or expiration of this Agreement, will survive any such termination or expiration, including without limitation Sections 3, 6, 7, 8 and 10.

11. Nondiscrimination.

Vera and Vera P.C. shall, in employment made possible or resulting from this Agreement, ensure that there shall be no unlawful discrimination against any employee or applicant for employment in violation of RCW 49.60.180, as currently written or hereafter amended, or other applicable law prohibiting discrimination, unless based upon a bona fide occupational qualification as provided in RCW 49.60.180 or as otherwise permitted by other applicable law. Further, no person shall be denied or subjected to discrimination in receipt of the benefit of any services or activities made possible by or resulting from this Agreement in violation of RCW 49.60.215 or other applicable law prohibiting discrimination.

DATED as of the date first mentioned above.

Vera Whole Health, Inc.:

City of Kirkland:

By: _____
Its: _____

By: _____
Its: _____

Vera Whole Health WA, P.C:

By: Vera Whole Health, Inc., its Agent

By: _____
Its: _____

SCHEDULE 1 SERVICES

- A. Vera Support Services:** Vera shall provide management services necessary and appropriate to operate the Clinic and to provide the non-medical Services, including without limitation:
- (1) Establish, prepare, maintain and routinely review protocols in the areas of direct clinical responsibilities, in accordance with those standards of practice and guidelines published by national boards, the Accreditation Council for Graduate Medical Education (ACGME) and/or other relevant healthcare agencies, which are appropriate in Vera's sole discretion.
 - (2) Provide for staffing and scheduling for the Vera Clinic.
 - (3) Provide for all Participant appointment scheduling for the Vera Clinic.
 - (4) Promotion of cost containment and cost reductions in all areas of responsibility.
 - (5) Ensure compliance with Medicare, Medicaid, state, federal, and other appropriate and relevant rules and regulations.
 - (6) Administratively verify that all Vera P.C. Providers are properly licensed and credentialed.
 - (7) Obtain and maintain equipment necessary for the operation of the Vera Clinic and the provision of Services, which Vera may procure from time-to-time with Employer's approval. Vera shall own said assets and agrees that upon termination of this agreement if the assets are usable the City shall be reimbursed the depreciated value of those assets;
 - (8) Obtain and provide all supplies necessary for the operation of the Vera Clinic and the provision of Services, which Vera may procure from time-to-time with Employer's approval. Vera shall own said assets and agrees that upon termination of this agreement if the assets are usable the City shall be reimbursed the depreciated value of those assets;
 - (9) Provide a secure Participant online webpage to view Participants medical records;
 - (10) Verify that Vera P.C.'s maintenance of medical records is in accordance with Vera standards and applicable laws of Washington and the United States.
 - (11) Coordinate and pay for essential building services such as janitorial, laundry, refuse removal, hazardous medical waste removal and other support services as are reasonably necessary for the provision of the Services, and the functioning of the Vera Clinic, and Vera P.C.;

(12) Manage all administrative activities of Vera P.C. including human resources, billing, collections, payroll, and personnel management.

(13) Verify that all Vera P.C. Providers maintain medical licenses in good standing in the State of Washington.

(i) Clinic Utilization Reporting to Employer: Vera shall provide periodic utilization reporting to Employer. The reporting shall include: unique encounter and appointment type utilization reports weekly for the first month of the Clinic launch date and then monthly thereafter; quarterly analysis of utilization data to identify gaps in care, patterns of disease, and trends in Participant adherence to the plans of care; and an annual aggregate utilization report.

(ii) Services Implementation Assistance. Vera will provide marketing support to Employer to drive clinic participation. Marketing support will include:

(a) One incentive/benefit promotion to employees per quarter for a total of four promotions in the first twelve months.

(b) The promotions assume that Employer will incent their employees to use the Vera Whole Health clinic. The effectiveness of the promotions depends on the strength of the incentive. The Employer has the sole discretion to determine the incentive to be offered for each promotion.

(c) The first promotion of the year will be an employee “Passport” that will introduce/welcome the employee to the Vera Clinic, and encourage employees to use the Clinic in a defined way in order to receive their incentive/benefit.

(d) Employer will have up to 2 rounds to review and provide Vera with input on the Passport creative before the Passport creative is finalized.

(e) Vera will work in collaboration with Employer to determine the creative approach for the next three promotions. The main offer of each promotion will continue to be the incentive/benefit that the employee will receive if they use the clinic in a defined way.

- Upon agreeing to the creative approach for each of the next three promotions, Vera will write and design the promotions.
- Employer will have up to 2 rounds of review and/or approve each promotion before each promotion is finalized.

(f) Upon approval of the promotion creative, Vera will provide the design files for Employer's use.

(g) Vera will provide advice to Employer to determine the best means of promotion distribution.

(h) Vera will write, design, host and own a webpage. The webpage serves as a Vera Whole Health's "storefront," and is meant to provide clinic information to every employee who uses the clinic. Employer may provide feedback on the information presented on the webpage.

B. Vera P.C. Clinical Services. Vera P.C. shall provide certain Services at Clinic locations. These include without limitation:

(1) Primary care, preventive care, health risk assessments to adult Participants, and non-emergency convenient care to pediatric Participants, who are the dependents of Participants.

(2) Electronic medical records;

(3) Pharmaceutical assessment and management;

(4) Health coaching;

(5) Tailored health action plans;

(6) Participant education;

(7) Disease management and care coordination;

(8) Quarterly analysis of claims data to identify gaps in care, patterns of disease and trends in Participant adherence to plans of care.

(9) Ensure compliance with Medicare, Medicaid, state, federal, and other appropriate and relevant rules and regulations.

(10) On-Site Laboratory Tests.

C. Additional Services provided by Vera P.C. or Vera and covered by the Admin PPPM Fee or pass through paid by Employer:

Office Visits

Phone Appointments
Email Contact
Wellness Consultation with Doctor
Wellness Coaching from Certified Coach
Secure Goal Setting and Tracking Software Plus Individual Action Plans
Well child and vaccinations for Children ages 2 and up
Specialist Care Coordination <ul style="list-style-type: none"> • Coordinate referral • Correspond with specialist about treatment • Manage after-care
Lab: Included in Monthly Fee <ul style="list-style-type: none"> • Glucose • Lipids
Lab: Billed at Cost to Send Out (examples) <ul style="list-style-type: none"> • HIV Screening test • INR (blood coagulation measurement) • Mononucleosis Test • Pregnancy Test • Stool Blood Test (FOBT) • Strep Throat Test • Urinalysis
Office Procedures & Supplies (examples) <ul style="list-style-type: none"> • Blood draws • EKGs • Sutures • Spirometry • Skin biopsy (pathology billed at cost) • Wound care • IUD insertion (IUD billed at cost) • Joint injections • Ankle Brace (Air Cast) • Ankle Brace (lace up) • Forearm Splint • Crutches • Finger Splint • Thumb Spica Splint • Cast Boot/Surgical Shoe • Walker Boot (short and long) • Wrist Brace • Skin tag & wart removal • Peak Flow Meter • Knee Sleeve (elastic w/knee hole)

On-site dispensary (Avg. 50 Generic Drugs) (billed at cost)–
Consists of the following :

- Full one dose drugs (ie antibiotics, etc)
- A limited list of the most common and not complex maintenance drugs (i.e. high blood pressure, diabetes, etc.). The full list will be created based on the list of actual drugs being used by the Participant population and mutually agreed to by the Parties.
- Ave of 50 generic drug “starter packs”, which are the first full dose of many typical maintenance drugs and is used to trial different medications for effectiveness and limited side-effects.

Vaccines (Billed at Cost)

Wellness Council to Address Culture of Wellness (included but not limited to educational brown bags and other forms of Participant engagement activities)

Note: Prenatal care is not offered and will be referred out.

SCHEDULE 2 FEES

1. Monthly Fees. Employer shall pay Vera as follows:

1.1 Fees for Services.

(a) Initial Fees / Minimums. In consideration of the Services provided as described in Schedule 1, Employer shall pay Vera a monthly administrative fee based on the actual number of Participants who are authorized by Employer to utilize the Services during the calendar month. The payment rate shall be **Seventeen dollars and zero cents (\$17.00)** per Participant per month (“PPPM”) (the “Admin PPPM Fee”); provided however, in no case shall the monthly amount of this Admin PPPM Fee due and payable to Vera for Services be less than Fourteen Thousand Eight Hundred Seventy Five dollars (\$14,875), which shall be based on a minimum number of Participants of eight hundred and seventy-five (875), Employer expects this minimum to increase to one thousand participants pending union negotiations, at which time the monthly amount of this Admin PPPM Fee due and payable to Vera for Services will be no less than Seventeen Thousand dollars (\$17,000).). Employer shall also make available to each enrolled employee/family, with the exclusion of interest arbitration eligible bargaining units, an annual incentive bonus in exchange for such Participant’s engaging in 2 visits for annual health and wellness with Vera.

(b) Annual Cost Savings Share. Employer shall pay to Vera up to an additional One Hundred Thousand Dollars (\$100,000.00) for each 12 month calendar period or prorated portion thereof (“Contract Year”) after commencement of the Kirkland Clinic operations, and including the calendar year of commencement, calculated as follows:

(i) Employer’s projected per employee per month (PEPM) claims costs for the Participants on the First Choice High Deductible Health Plan is set forth on Schedule A (“Projected Healthcare Costs”).

(ii) If actual claims for the Participants on the First Choice High Deductible Health Plan for a Contract Year are less than the amount equal to the Projected Healthcare Costs multiplied by the average number of employee participants on the First Choice High Deductible Health Plan for the Contract Year, then Employer shall pay to Vera twenty-five percent (25%) of the amount below the projected claims for the Participants on the First Choice High Deductible Health Plan, up to a maximum payment each Contract Year of One Hundred Thousand Dollars (\$100,000.00) (“Shared Savings Payment”). Employer shall pay the Shared Savings Payment to Vera on or before the date 60 days after the end of each calendar year. The Shared Savings Payment shall be delivered to Vera with a detailed spreadsheet showing the calculations on which the Shared Savings Payment has been calculated.

(iii) If actual claims for the Participants on the First Choice High Deductible Health Plan exceed the Projected Healthcare Costs multiplied by the average number of employee participants on the First Choice High Deductible Health Plan, no amounts shall be payable under this Section 1.1(c).

Schedule A

Plan Year	Projected PEPM
2015	\$977.35
2016	\$977.35
2017	\$1006.67

1.2 Other Charges. In addition to the Admin PPM Fee, Employer shall incur other charges as follows:

(a) Personnel, Supplies, Technology, Waste Disposal, Nurse Line, and Facilities Charges. Employer shall pay its “Pro Rata Share” of all costs to operate the Clinic, including without limitation (i) personnel salaries and taxes, benefits, malpractice insurance, training and development (ii) supplies; (iii) technology; (iv) waste disposal; (v) nurse line; and (ii) facilities rent, including common area maintenance, and taxes. In any case, the facilities rent shall be limited to a maximum pass through cost of up to 1,800 square feet. Rental costs for space above 1,800 square feet shall be the sole responsibility of Vera. For purposes of this Agreement, “Pro Rata Share” means the number of Participants divided by the number of Participants plus the number of participants from other employers who use the Kirkland Clinic as their primary clinic. Employer may elect to have limited staff and clinic available hours of as low as one half the standard (.5 FTE Doc, ARNP and Coach and 1 FTE Medical Assistant and 20 hours a week) up to the full standard (1 FTE Doc, ARNP and Coach and 2 FTE Medical Assistants and 40 hours a week) at Anticipated Services Commencement Date. Employer must notify Vera as to the level of Clinic staffing and availability desired at Anticipated Services Commencement Date at least ninety (90) days prior to such date. Vera may, in its sole discretion, adjust the Clinic staffing levels and availability to appropriately serve the Clinic capacity as additional participants, either pursuant to this Agreement or pursuant to Vera agreements with other companies not related to Employer, are added. Additionally, upon notice as described below, Employer shall, in its discretion, have the option of increasing Clinic staffing and available hours. Any such increase shall result in an increase in the amount of Employer’s Pro Rata Share of personnel and facilities costs. Employer shall provide Vera with a minimum of ninety (90) days written notice should it decide to increase staffing and hours.

(b) Clinic Dispensed Pharmacy And Off-Site Laboratory Charges. Vera shall pay the clinic dispensed pharmacy and off-site laboratory charges on Employer’s behalf and subsequently be reimbursed for the charges by Employer. If Vera makes the payment, Vera shall include an

itemized list of all such charges on the invoice for the month following the date that the pharmacy charge was incurred, and the charges shall be due and payable by Employer under the same terms as stated in Section 5 below.

(c) Services Billed To Participant's Insurance. Notwithstanding the foregoing, the parties acknowledges that state law requires that certain pathological interpretation services (such as pap smear and skin biopsy) must be billed to a Participant's insurance plan or paid directly by the Participant and cannot be directly paid by Vera.

(d) Charge for Partial Services Prior to Commencement of Kirkland Clinic Operations. At Employer's option, upon notice to Vera, Vera shall commence providing partial services for Participants at other Vera clinics prior to the commencement of Kirkland Clinic Operations. "Partial Services" is defined as conducting the biometric screen and providing opportunity, assistance, or encouragement for the completion of the annual health risk assessment. For each month after Employer exercises such option and until the commencement of Kirkland Clinic Operations, Employer shall pay to Vera (i) the Admin PPPM for each Participant; and (ii) an additional fee per Participant per visit fee of Twenty Dollars and Zero Cents (\$20.00); for a total of Thirty Seven Dollars and Zero Cents (\$37.00) per Participant per visit. The \$20.00 monthly fee shall replace any charges to Employer for costs of operating the Clinic pursuant to Section 1.2(a) above. During such period, Vera shall provide Services to Participants at standard Vera levels of service and wait time expectations at our existing clinic locations as follows: Union Station at 605 5th Ave S, #150, Seattle, WA 98104, Springbrook at 4540 Sandpoint Way NE, #100, Seattle, Washington 98105, and Ballard at Tallman Medical Office Building, 5350 Tallman Ave NW, Fifth Floor, Seattle, WA 98107.

2. Start Up Expenses. Constructing, setting up and equipping a Clinic involves expenditures for, among other things, administration, equipment and supplies, each of which, shall be paid by Vera. One-Half (1/2) of such costs shall be reimbursed by Employer, however the space conversion costs will be limited to the cost of converting up to a maximum of usable and/or primarily patient facing space of 1,800 square feet. In addition, Employer shall pay the Vera Startup Fees outlined in Exhibit A. The reimbursable start-up costs, which will commence as of the date of this Agreement are estimated as stated in Exhibit A to this Schedule 2, which is attached and incorporated by reference herein, and include without limitation: recruitment of medical providers expenses; installation of an electronic medical record system; training of physicians and nurses; training of the health coaches; customization of the behavior change program; obtaining licenses and legal approvals; and development of legal documentation, Provider relocation costs if applicable, and other expenses reasonably necessary for the start-up and operation of the Clinic. Reimbursable Start-up costs paid directly by Vera will be invoiced by Vera during the month immediately following the month in which the costs or charges were incurred and shall include a five percent (5%) administrative fee to cover Vera's incremental administrative costs. Employer shall pay each invoice under the same terms as stated in Section 5 below. The Vera Startup Fees shall be paid 30% (\$30,000) at contract signing or within 10 days thereafter. The remaining Vera Startup Fees will be billed monthly at \$23,334 a month for the three months following contract

signing. The parties agree that, with the exception of the Vera Startup Fees, the costs stated in Exhibit A are estimates only. Employer's obligation to reimburse Vera shall be based on actual costs incurred. The foregoing notwithstanding, the parties expressly acknowledge and agree that if Vera reasonably concludes that the actual aggregate costs identified in the estimate will exceed the actual costs by ten percent (10%) or more, Vera shall notify Employer prior to making any further expenditures.

For the final two months prior to termination of this agreement or the initial term whichever occurs first the Vera Startup Fees will be credited against the monthly Admin Fee billings at \$50,000 each.

3. Repair, Replacement And Maintenance. During the Term and any Renewal Term, Employer shall reimburse Vera for the reasonable cost of repair, replacement and maintenance of all equipment and devices used to provide the Services. The amount of the reimbursement will be calculated based on the Employer's Pro Rata Share on the date of the required repair, replacement and maintenance.

4. Payment Terms; Penalty. Payment terms for all amounts due herein shall be net 30 days from the date of the invoice. Any unpaid past due balance shall accrue interest at the rate of twelve (12%) per annum, but not to exceed the maximum amount permitted by law, and any late payments shall be subject to a penalty of five percent (5%) of the overdue amount, plus all reasonable costs incurred by Vera in the collection of any such amounts.

5. Billing.

Bills should be sent to the following address:

City of Kirkland
123 5th Ave
Kirkland, WA 98033

Attn: Department of Finance & Administration

EXHIBIT A TO SCHEDULE 2

ESTIMATED START UP EXPENSES

City of Kirkland		
START UP EXPENSES AND ASSETS		
	Full cost to Startup	COK prorata share
START-UP EXPENSES	100%	50%
Hiring of physician - search fees, marketing, moving expenses	40,600	20,300
Staff salary and training during training period	23,700	11,850
Project management costs	40,000	20,000
Build customized interfaces for Electronic Medical Record	6,000	3,000
Total start-up expenses	\$ 110,300	\$ 55,150
ASSETS	100%	50%
Pharmacy start up equipment and stocking cost	3,000	1,500
Medical equipment	17,000	8,500
Medical disposable supplies	4,000	2,000
Office supplies	3,000	1,500
Technology	4,000	2,000
Office furniture	27,000	13,500
Office space conversion estimate **	293,300	146,650
Total Assets	\$ 351,300	\$ 175,650
VERA START-UP FEES		
Whole health council facilitation		35,000
Cultural fit and recruiting efforts		40,000
Real estate search, design evaluation, and needs eval		20,000
Communication and PR support		5,000
Total Vera Startup Fees		\$ 100,000
TOTAL START-UP INVESTMENT	\$461,600	\$330,800

** Employers share of space conversion costs will be limited to the cost to convert a maximum of 1,800 usable and/or primarily patient facing square feet. Any costs to convert space beyond 1,800 square feet will be the sole responsibility of Vera.

SCHEDULE 3
CLINIC TERMS AND CONDITION

Clinic Located Offsite Of Employer's Business Premises.

A. The entire Clinic and all related patient rooms, lavatory, on-site laboratory equipment and any related administrative offices and will be located at a site that is not located on Employer's business premises, however, the Clinic will still be designed and operated as a facility for the use of Employer's Participants. Except as provided in Schedule 2, leasing, tenant improvements, equipment, furniture, and all related leasing and operating costs associated with the Facility shall be the responsibility of Vera.

B. The initial Clinic will be located at a mutually agreeable location.

Anticipated Services Commencement Date: March 1, 2015

C. Vera and Employer acknowledge and agree that they shall cooperate in good faith to identify and promote the Clinic which will be designed and operated as a facility for the shared use of participants of multiple employer groups.

1. Only Participants and Employer's authorized employees, contractors, officers, guests, or agents (collectively "Invitees") will be authorized to enter the Clinic or any business premises in which the Clinic is located or from which it may be accessed. The Invitees may only be granted access when such Invitee is (a) involved in a legitimate business purpose associated with a Clinic, and (b) where applicable when in possession of such evidence of security clearance as Employer or Vera may require. Employer or Vera, may limit the number of approved Invitees who have access to the Clinic and may decline to provide security clearance to any such Participant or Invitee as deemed reasonably necessary by Employer or Vera.

2. Vera shall have the right to revoke, at any time, the access privileges of any Participant or Invitee if Vera reasonably suspects or determines that the individual's conduct or presence is improper, or unacceptable or may jeopardize the operation, safety, or security of the Clinic or the business premises, or any person present on the business premises.

3. Employer shall be responsible for any improper, threatening, or illegal actions of Participants or any of their Invitees while in the Clinic or business premises, and shall be fully liable to Vera or any impacted third party for any injury or damages to any property or individual caused by a Participant or Invitee while in the Clinic or business premises for any reason unless such actions were instigated by Vera, Vera P.C. or their employees.

4. In addition to the above location, Participants have the right to receive Services at other Vera Clinic locations as designated by Vera from time to time. Current Vera clinic locations

available to all Participants are Union Station at 605 5th Ave S, #150, Seattle, WA 98104, and Springbrook at 4540 Sandpoint Way NE, #100, Seattle, Washington 98105.

5. If during the Term of this Agreement, the Clinic, or the Building, are damaged or destroyed, in whole or in part, by fire, natural disaster, or any other means (“Occurrence”) then Employer shall continue making payments to Vera as provided in the Clinic Agreement, and Vera shall provide the Services at any other Clinic location operated by Vera in the local metropolitan area, as determined by Vera in its reasonable discretion.

D. Vera’s hours of operation during which the Clinic will be open to provide Services shall be determined by mutual agreement of Employer and Vera. The Clinic shall be closed for federal holidays; two (2) days per year for staff training; and, on four (4) occasions per year, one-half (½) day for clinical training. Subject to the terms and conditions in the Clinic Agreement, the parties shall cooperate so that Vera may schedule use of the Clinic to provide services to other patients either during or outside of the hours in which the Clinic is open to provide Services.

**SCHEDULE 4
PRICING ESTIMATE SCHEDULE**

**Vera Whole Health
Pricing Model for the City of Kirkland
Assumed lives: 550 Employees or 1,529 Members**

	Just COK members (1,529)	2,250 members	Full to capacity (3,000 members)
Admin fee	\$17.00	\$17.00	\$17.00
<i>Includes the following services/expenses:</i>			
Vera Health Gateway (Health Risk Assessment & Coaching and Wellness Tool)			
Biometric screening			
Outreach, & Education			
Lunch & Learns, Health Fairs, "Meet the Doc" Info Meetings			
Promotion: Creative Direction, Design, and Execution of Pre-Launch, Launch, and quarterly engagement campaigns. Patient Website. Additional support on request to hit engagement targets.			
Electronic Medical Record			
Whole Health Council Facilitation			
Data Analytics & Reporting			
Telemedicine (messaging and video conferencing with Provider)			
Workers Comp Treatment (\$0.00 billing)			
Occupational Health Pre-employment physicals, DOT/CDL Testing, Vision, Spirometry, and Drug Testing, Immunizations, Additional Services on Request (ex. Fire Fighter and Police Physical Exams)			
Other mutually agreed upon services			
Contribution Margin and SG&A Contribution			

ESTIMATED ANNUAL PASS THROUGH EXPENSES:

	COK Clinic Members to total Clinic Members		
	100%	68%	50%
Costs to be prorated based on % of clinic COK members to the clinic full member base:			
Facilities (Rent, NNN, Expenses)	\$59,400	\$40,366	\$29,700
Full Staff model Salaries (fully loaded)	\$574,250	\$390,235	\$287,125
Other costs (supplies, technology, etc.)	\$70,640	\$48,004	\$35,320
Costs based on actual COK member usage:			
Lab (drawn onsite but sent out for diagnostics)	\$25,000	\$25,000	\$25,000
Rx dispensed at the clinic / Immunizations	\$25,000	\$25,000	\$25,000

**SCHEDULE 4
PRICING ESTIMATE SCHEDULE CONT.**

**OPTION TO RAMP UP STAFFING SLOWLY: (note 4)
With initial 875 members**

	<i>(note 3)</i>	<i>(note 2)</i>	<i>(note 1)</i>
	Half time staffing 20 hrs /wk	Three quarters staffing 30 hrs/wk	Full staffing 45 hrs/wk
Salaries (fully loaded) - 100% of cost	\$287,125	\$430,688	\$574,250
other costs (supplies, technology, etc.)	\$53,489	\$55,739	\$70,640
Facilities (Rent, NNN, Expenses)	\$59,400	\$59,400	\$59,400
Lab and Rx at 875 members	\$29,166	\$29,166	\$29,166
Estimated Admin PPPM Fee at 875 members	<u>\$178,500</u>	<u>\$178,500</u>	<u>\$178,500</u>
TOTAL ESTIMATED ANNUAL COST	\$607,680	\$753,493	\$911,956

Note 1: Full Staff Model: 45 Clinic Hours a Week; 1 Doctor, 1 Advanced Registered Nurse Practitioner, 2 Medical Assistants, 1 Health Coach

Note 2: Three Quarter Time Model: 30 Clinic Hours a Week; .75 Doctor, .75 Advanced Registered Nurse Practitioner, 1.5 Medical Assistant, .75 Health Coach

Note 3: Half Time Model: 20 Clinic Hours a Week; .5 Doctor, .5 Advanced Registered Nurse Practitioner, 1 Medical Assistant, .5 Health Coach

Note 4: It is Vera's intention to work with the City of Kirkland to fill this clinic to 3,000 total lives with additional employers. If COK chooses to start at either the half or 3/4 time option this demonstrates the estimated expense at each level.

**SCHEDULE 5
BUSINESS ASSOCIATE AGREEMENT**

By agreement of the parties, City of Kirkland (the "Covered Entity") and Vera Whole Health, Inc. and Vera Whole Health WA, P.C. (collectively, "Business Associate"), whose signatures have been affixed below, agree to the terms and conditions contained in this Business Associate Agreement ("Agreement"). This Agreement is effective as of the 1st day of December, 2014.

RECITALS

WHEREAS, the Business Associate has agreed to provide Covered Entity certain services which require Business Associate and Covered Entity to have access to, create, maintain, or transmit Protected Health Information between each other in order to provide the agreed upon services ("Agreement");

WHEREAS, Covered Entity is subject to the Administrative Simplification requirements of the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), and regulations promulgated thereunder, including the Standards for Privacy and for Security of Individually Identifiable Health Information codified at 45 Code of Federal Regulations Parts 160, 162 and 164 ("Privacy Regulations" and "Security Regulations");

WHEREAS, the Privacy Regulations and Security Regulations require Covered Entity to enter into a contract with Business Associate in order to mandate certain protections for the privacy and security of Protected Health Information, and those Privacy Regulations and Security Regulations prohibit the disclosure to or use of Protected Health Information by Business Associate if such a contract is not in place;

NOW, THEREFORE, in consideration of the foregoing, and for other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the parties agree as follows:

I. DEFINITIONS

1.1 Terms used but not otherwise defined in this Agreement shall have the same meaning as set forth in 45 CFR Parts 160, 162 and 164.

II. OBLIGATIONS OF BUSINESS ASSOCIATE

2.1 Permitted Uses and Disclosures of PHI. Business Associate may Use and Disclose protected health information ("PHI") to perform functions, activities, or services for, or on behalf of, Covered Entity as specified in this Agreement provided that such Use or Disclosure would not violate the Privacy Regulations or Security Regulations if done by the Covered Entity.

Business Associate agrees not to Use or further Disclose PHI other than as permitted or required by this Agreement, or as required by law.

2.2 Adequate Safeguards for PHI. Business Associate warrants that it shall implement and maintain appropriate safeguards to prevent the Use or Disclosure of PHI in any manner other than as permitted by this Agreement.

2.3 Adequate Safeguards for EPHI. Business Associate warrants that it shall implement and maintain administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of any electronic protected health information (“EPHI”) that it creates, receives, maintains, or transmits on behalf of the Covered Entity.

2.4 Reporting Non-Permitted Use or Disclosure. Business Associate shall within five business days in writing notify Covered Entity’s Privacy Official of each Use or Disclosure of PHI, of which Business Associate becomes aware (other than Security Incidents, covered under the terms set forth below), that is made by Business Associate, its employees, representatives, agents or subcontractors that is not specifically permitted by this Agreement or by law. In addition, Business Associate shall report to the Covered Entity any Security Incident of which it becomes aware as follows: a) reports of successful unauthorized access shall be made within five business days; and b) reports of attempted unauthorized access shall be made in a reasonable time and manner considering the nature of the information to be reported and subject to mutual agreement of the parties.

2.5 Availability of Internal Practices, Books and Records to Government Agencies. Business Associate agrees to make its internal practices, books and records relating to the Use and Disclosure of PHI available to the Secretary of the federal Department of Health and Human Services for purposes of determining Covered Entity’s compliance with the Privacy Regulations and Security Regulations. Business Associate shall immediately notify Covered Entity of any requests made by the Secretary and provide Covered Entity with copies of any documents produced in response to such request, if allowed by law to do so.

2.6 Access to and Amendment of PHI and Accounting of Disclosures. Business Associate agrees to make available PHI (a) as required by 45 CFR Section 164.524; (b) for amendment and incorporate any amendments to PHI as required by 45 CFR Section 164.526; and (c) to provide an accounting of disclosures as required by 45 CFR Section 164.528, and to the extent applicable Section 13405(c) of Title XII, Subtitle D of the Health Information Technology for Economic and Clinical Health (“HITECH”) Act, codified at 42 U.S.C. §17932.

2.7 Privacy-Related Services Regarding Requests by Individuals. Upon receipt, Covered Entity shall, no later than five (5) business days following receipt of a request, provide notice to and forward any and all individual requests received pursuant to 45 CFR Sections 164.522, 164.524, 164.526 or 164.528 (collectively referred to as the “Requests”) to Business Associate at its last known address.

Upon Business Associate's receipt of the Requests, either from the Covered Entity or directly from the Individual, the Claims Administrator shall: (a) evaluate each Request consistent with the HIPAA Rules and the Business Associate's policies, procedures and practices; (b) for Requests that may affect the policies, procedures or practices of the Covered Entity, coordinate with the Covered Entity about evaluation of the Requests and mutually agree on the result; (c) for Requests that may involve the Covered Entity's other business associates, request information from the business associate identified by the Covered Entity necessary for fulfilling the Requests; (d) communicate the result of the evaluation directly to the Individual within the legal timeframes established for each type of Request; (e) notify the Covered Entity of the outcome of each Request identified by the Covered Entity at the time of notice to the Claims Administrator; and (f) implement each Request that is granted.

2.8 Use of Subcontractors and Agents. Business Associate shall require each of its agents and subcontractors that receive PHI from Business Associate to execute a written agreement obligating the agent or subcontractor to comply with the same or substantially similar restrictions and conditions that apply to the Business Associate as set forth in HIPAA, the Privacy Regulations and Security Regulations, and this Agreement.

2.9 Agreement to Mitigate. Business Associate agrees to mitigate, to the extent practicable as determined by the Business Associate, any harmful effect that is known to Business Associate of a Use or Disclosure of PHI by Business Associate in violation of the requirements of this Agreement, and to promptly communicate to Covered Entity any actions taken pursuant to this paragraph.

2.10 Business Associate Practices, Policies and Procedures. Business Associate's privacy and security policies and practices shall meet current standards set by RCW 70.02.050 and the HIPAA Privacy and Security Standards (as may be amended from time to time) governing the protection of PHI including, without limitation, user authentication, data encryption, monitoring and recording of access rights to system(s), and internal privacy standards, all designed to provide assurances that the requirements of this Agreement are met.

2.11 Reporting Breach of Unsecured PHI. Business Associate shall report promptly to Covered Entity a breach of Unsecured Protected Health Information without unreasonable delay, but not later than five (5) days, following Business Associate's discovery of such breach, where such report will include the identification of each individual whose Unsecured PHI has been or is reasonably believed to have been breached and other information as requested by Covered Entity. For purposes of the foregoing obligation, "breach" shall mean the acquisition, access, use, or disclosure of PHI in a manner not permitted under the HIPAA Privacy Regulations which compromises the security or privacy of such information, i.e., poses a significant risk of financial, reputational, or other harm to the individual, and as further defined in 45 CFR Section 164.402.

III. OBLIGATIONS OF COVERED ENTITY

3.1 Covered Entity shall, upon request, provide Business Associate with its current notice of privacy practices ("Privacy Notice") adopted in accordance with the Privacy Regulations. Covered Entity shall be responsible for maintaining and disseminating its Privacy Notice as required by the 45 CFR 164.520. The Covered Entity shall be responsible for modifying the Privacy Notice in the event that the Covered Entity or the Business Associate materially changes its privacy policies, procedures or practices that affect the Privacy Notice. The party necessitating the change to the Privacy Notice shall bear any reasonable costs associated with revising and distributing the Privacy Notice. The Covered Entity and the Business Associate will not institute such material change before the effective date of the Covered Entity's revised Privacy Notice.

3.2 Covered Entity shall not agree to any Requests regarding revocations, amendments or restrictions in the use or disclosure of PHI if such changes affect Business Associate's permitted or required uses and disclosure of PHI hereunder until Covered Entity discusses the Request with Business Associate as outlined in Section 2.7.

3.3 Covered Entity and Business Associate will make reasonable efforts to request from Business Associate only the minimum amount of PHI necessary for its needed purpose. In addition, the Covered Entity and Business Associate will make reasonable efforts to only disclose to Business Associate the minimum amount of PHI necessary for Business Associate to perform the services agreed to between the parties and other functions and activities referenced in this Agreement. Finally, Business Associate will make reasonable efforts to use, disclose, or request only the minimum amount of PHI necessary from any third party to perform the services agreed upon between the parties and other functions and activities referenced in this Agreement.

IV. ADDITIONAL PERMITTED USES

4.1 Except as otherwise limited in this Agreement or the Services Agreement, Business Associate may use Protected Health Information for the following additional purposes:

(a) Use of Information for Management, Administration and Legal Responsibilities. Business Associate may Use PHI for the proper management and administration of the Business Associate or to carry out the legal responsibilities of the Business Associate as required by law.

(b) Disclosure of Information for Management, Administration and Legal Responsibilities. Business Associate may Disclose PHI for the proper management and administration of the Business Associate or to carry out the legal responsibilities of the Business Associate, as required by law, provided that the disclosures are handled in accordance with Section 2.1 above.

V. TERM AND TERMINATION

5.1 Term and Termination. The term of this Agreement shall be perpetual unless terminated as a part of a termination of the services that necessitated this Agreement. Either party shall have the right to terminate this Agreement if the other party is in material breach or violation of its obligations regarding PHI under this Agreement or law. In the event that the breach cannot be cured and both parties determine that termination is not feasible, the non-breaching party may report such breach to the Secretary. Business Associate's obligations under Sections 2.3, 2.4, 2.5, 2.6, 2.7, 2.8, 2.9, 2.10, 2.11, 5.2, and 6.3 of this Agreement shall survive the termination or expiration of this Agreement.

5.2 Disposition of PHI Upon Termination or Expiration. Upon termination or expiration of this Agreement and/or the termination of services, Business Associate will, return or destroy, all PHI in the possession or control of Business Associate or its agents and subcontractors. However, if Business Associate and Covered Entity determine that neither return nor destruction of PHI is feasible, Business Associate may retain PHI provided that Business Associate (a) continues to comply with the provisions of this Agreement for as long as it retains PHI, and (b) limits further Uses and Disclosures of PHI to those purposes that make the return or destruction of PHI infeasible.

VI. GENERAL TERMS

6.1 No Third Party Beneficiaries. There are no third party beneficiaries to this Agreement.

6.2 Relationship to Agreement Provisions. In the event that a provision of this Agreement is contrary to any agreement the parties enter into regarding the services performed by Business Associate, the provisions of this Agreement shall control. Otherwise, this Agreement shall be construed under, and in accordance with, the terms of an agreement that may be entered into from time to time.

6.3 Indemnification. Business Associate will indemnify, hold harmless and defend Covered Entity from and against any and all claims, losses, liabilities, reasonable costs, and other expenses incurred as a result or arising directly or indirectly out of or in connection with (a) material breach or non-fulfillment of any undertaking on the part of Business Associate under this Agreement; (b) any claims, demands, awards, judgments, actions and proceedings made by any person or organization, arising out of Business Associate's obligations under this Agreement; and (c) an unauthorized disclosure of unsecured PHI caused by Business Associate or its subcontractors.

Covered Entity will indemnify, hold harmless and defend Business Associate from and against any and all claims, losses, liabilities, reasonable costs, and other expenses incurred as a result or arising directly or indirectly out of or in connection with (a) material breach on the part of Covered Entity under this Agreement; (b) any claims, demands, awards, judgments, actions and proceedings made by any person or organization, arising out of Covered Entity's obligations under

this Agreement; and (c) an unauthorized disclosure of unsecured PHI caused by Covered Entity or its subcontractors.

6.4 Insurance. Business Associate shall obtain and maintain during the term of this Agreement benefit plan administrator's errors and omissions or professional liability insurance applying to all professional activities performed under this Agreement which shall include network privacy liability coverage. Such insurance shall name the Covered Entity as an additional named insured. A copy of such policy or a certificate evidencing the policy shall be provided to the Covered Entity upon written request.

6.5 No Property Interest. Except as may be specifically provided in this Agreement, Business Associate agrees that it acquires no title or rights to the PHI, including any de-identified information, as a result of providing services to Covered Entity. All rights, interest, and title in and to Covered Entity's data, including all PHI, shall remain vested in Covered Entity at all times. Business Associate holds all rights, interest and title in and to provider pricing relating information, including billed amount, allowed amounts and other fee schedule-related information.

6.6 Legal Compliance. The parties hereto shall comply with applicable laws and regulations governing their relationship, including, without limitation, the Privacy Regulations, Security Regulations, and any other federal or state laws or regulations governing the privacy, confidentiality or security of personal health information applicable to health plans. If a provision of this Agreement is held invalid under any applicable law, such invalidity will not affect any other provision of this Agreement that can be given effect without the invalid provision. Further, all terms and conditions of this Agreement will be deemed enforceable to the fullest extent permissible under applicable law, and, when necessary, the court is requested to reform any and all terms or conditions to give them such effect. Business Associate shall comply with applicable state and federal statutes and regulations as of the date by which business associates are required to comply with applicable statutes and regulations. Any ambiguity in this Agreement shall be resolved to permit Covered Entity to comply with the Privacy Regulations, the Security Regulations, the HITECH Act, and other federal or state laws or regulations governing the privacy, confidentiality or security of patient health information applicable to health plans.

DATED as of the date first mentioned above.

Vera Whole Health, Inc.

_____:

By: _____
Its: _____

By: _____
Its: _____

Vera Whole Health WA, P.C.:

By: Vera Whole Health, Inc., its Agent

By: _____
Its: _____