

LETTER OF AGREEMENT FOR LIVE WELL SERVICES

[Date]

SWWC Wellness Institute
Southwest West Central Service Cooperative
Cliff Carmody, Executive Director
1420 East College Drive
Marshall, MN 56258

[Primary Contact at Employer]
[Name of Employer]
[Address]

Dear _____,

This letter is to affirm our mutual understanding and agreement between Southwest West Central Service Cooperative (“SWWC”) Wellness Institute (the “Wellness Institute”) and [Name of Employer] (“Employer”) with respect to the operation of the participation-based Wellness Program offered by the Wellness Institute in 2021-2022.

Background

Wellness programs offered by the Wellness Institute are part of the group health plans made available through SWWC. In order to participate in these programs, employers must enter into an agreement with the Wellness Institute regarding their obligations with respect to the Program.

The current program is designed to improve wellbeing and control health care costs by encouraging participation in activities and create an awareness of current wellbeing status. The Wellness Institute will provide a \$500 incentive for each employee who participates in at least three participation-based activities offered by the employer. No individual is required to perform or complete an activity related to a health factor in order to obtain a reward.

The Wellness Institute agrees as follows:

- Incentives relating to the 2021-2022 plan year will be allocated to employees not later than June 30, 2022. To be eligible for the incentive, employees must complete certain activities no later than April 15, 2022.
- The SWWC Wellness Institute requires that employees verify participation in activities with their employer.
- The employer agrees to send a report including the participation information above to the SWWC Wellness Institute no later than April 29, 2022. The Wellness Institute will use this information to confirm eligibility, and send funds to the Employer for allocation to employees no later than June 3, 2022 based on the total amount of incentives earned.
- The wellness program is a program for the group health plan year beginning on July 1, 2021. The program automatically expires on June 30, 2022. The Wellness Institute may request survey information to determine its effectiveness, but neither the Wellness Institute nor the employer

agrees to provide same program in 2022-2023. Wellness programs may change from year to year, as determined by the Wellness Institute in its discretion.

- The wellness program is made available as part of the group health plan made available through the SWWC Health Insurance Pool. Employees must be enrolled in employer-sponsored group health coverage made available through SWWC in order to participate in or receive benefits associated with the wellness program. If an employee does not enroll in coverage made available through SWWC, the employee is not eligible to earn an incentive even if the employee has participated in wellness activities.

The Employer agrees as follows:

- Employer will communicate the wellness program to employees.
- To maximize tax efficiencies, we recommend that employers apply wellness program incentives through premium reduction or as a contribution to a VEBA, HSA or HRA. If an employee does not pay premium or have a VEBA/HSA/HRA, the incentive may be applied as taxable compensation. Incentives that are not allocated for any reason shall be retained by or returned to the Wellness Institute.
- Employer will permit occasional, limited audits of their wellness program pursuant to agreed-upon-procedures. The purpose of the audits will be to ensure that the incentives due to employees are properly applied.
- Employees must verify participation with their employer no later than April 15, 2022.
- The Employer will work with SWWC Wellness Institute to design and offer onsite participation-based activities for employees to participate in.
- The Employer will provide the SWWC Wellness Institute with a report indicating the employees eligible for the incentive no later than April 29, 2022.

Both the Employer and the Wellness Institute agree as follows:

- SWWC does not access, or use, any individual health assessment results or other health information from any wellness program to determine any individual's or employer's group's rates.
- SWWC does not receive nor does it share any individual health assessment results or other health information from any wellness program with employers; an individual's name, address and program selection, if applicable, may be shared with an employer for purposes of incentive determinations only.
- Incentives and/or other costs associated with the program, will be paid from SWWC Health Insurance Pool assets. SWWC authorizes payments because incentive-based wellness programs are designed to reduce health care costs for the pool, which benefits all members. SWWC cannot use pool assets to pay for incentives or provide other benefits to former pool members or their employees. Accordingly, incentives and/or other costs are only available to employees who are enrolled in group health plans made available through the SWWC Health Insurance Pool at the time that incentives and/or other costs are paid. If a group or class of employees moves to other coverage, no incentives and/or other costs will be paid from SWWC.

- The SWWC Insurance Pool annually reviews whether an administrative fee will be assessed to groups or not. For the 2021-2022 program year, there is no administrative fee to participate in the program.
- Nothing herein shall contravene the Joint Power Agreement for Group Employee Benefits and other Financial and Risk Management Services.
- Wellness activities do not have to include employer-provided financial incentives or prizes; if they do, however, the Employer will not condition the receipt of an incentive or prize on satisfaction of an activity-based standard unless it provides a reasonable alternative standard to employees who may not be able to achieve the standard due to a medical condition.

Agreed and Accepted,

[Employer]

SWWC Wellness Institute

Dated: _____

Dated: _____