

1 **AGREEMENT**

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3 THIS AGREEMENT is made and entered into this ____ day of _____, 2011, by
4 and between the San Joaquin Valley Insurance Authority, a Joint Powers Authority within the
5 State of California, (hereinafter "SJVIA"), and Delta Health Systems, a California Corporation,
6 whose address is 3244 Brookside Rd 2nd Floor, Stockton, CA 95219 hereinafter referred to as
7 "CONTRACTOR".

8 DEFINITIONS:

- 9 1. Participant shall mean a person deemed eligible by Customer whom participates in the
10 services listed in Attachment A.
11 2. Plan shall mean the Customer's self-funded Medical Plan.
12 3. Plan Sponsor shall have the meaning ascribed to the term "plan sponsor" as be defined
13 as the San Joaquin Valley Insurance Authority or any of its member entities.
14 4. Provider shall mean any person or entity who proposes to provide, or does provide,
15 health care services covered under the Plan to a Member.
16 5. Health Educator shall mean a Mastered-degree health professional employed by
17 CONTRACTOR.
18 6. Nurse Health Coach shall mean a Registered Nurse licensed in the state of residence.

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20 WITNESSETH:

- 21 1. OBLIGATIONS OF THE CONTRACTOR
22 A. The CONTRACTOR will provide medical management services as listed in
23 Exhibit "A."
24 B. The CONTRACTOR's compensation is detailed in Exhibit B.
25 2. OBLIGATIONS OF THE SJVIA
26 A. The participating member entity of the SJVIA shall pay the compensation
27 detailed in Exhibit B within 30 days from date of invoice.
28 B. The participating member entity of the SJVIA shall in good faith respond

1 and assist CONTRACTOR in the delivery of the program as requested by the CONTRACTOR.

2 3. TERM

3 This Agreement shall become effective on the ____ day of _____, 2011 and
4 shall terminate on the 31ST day of December, 2014.

5 4. TERMINATION

6 A. Non-Allocation of Funds - The terms of this Agreement, and the services to
7 be provided thereunder, are contingent on the approval of funds by the appropriating government
8 agency. Should sufficient funds not be allocated, the services provided may be modified, or this
9 Agreement terminated, at any time by giving the CONTRACTOR thirty (30) days advance written
10 notice.

11 B. Breach of Contract - The SJVIA may immediately suspend or terminate this
12 Agreement in whole or in part, where in the determination of the SJVIA there is:

- 13 1) An illegal or improper use of funds;
- 14 2) A failure to comply with any term of this Agreement;
- 15 3) A substantially incorrect or incomplete report submitted to the SJVIA;
- 16 4) Improperly performed service.

17 In no event shall any payment by the SJVIA constitute a waiver by the SJVIA of any
18 breach of this Agreement or any default which may then exist on the part of the CONTRACTOR.
19 Neither shall such payment impair or prejudice any remedy available to the SJVIA with respect to
20 the breach or default. The SJVIA shall have the right to demand of the CONTRACTOR the
21 repayment to the SJVIA of any funds disbursed to the CONTRACTOR under this Agreement,
22 which in the judgment of the SJVIA were not expended in accordance with the terms of this
23 Agreement. The CONTRACTOR shall promptly refund any such funds upon demand.

24 C. Without Cause - Under circumstances other than those set forth above,
25 this Agreement may be terminated by SJVIA upon the giving of sixty (60) days advance written
26 notice of an intention to terminate to CONTRACTOR.

27 5. COMPENSATION/INVOICING: SJVIA agrees to pay CONTRACTOR and
28 CONTRACTOR agrees to receive compensation as detailed in Exhibit B. Payment under Exhibit

1 B shall be due no earlier than thirty (30) business days after SJVIA's receipt of an accurate and
2 complete invoice from CONTRACTOR. SJVIA shall have no obligation to pay any invoice from
3 CONTRACTOR which SJVIA reasonably disputes until such dispute is resolved to SJVIA's
4 satisfaction.

5 6. OWNERSHIP OF DATA: All data delivered by the SJVIA or it's clients to
6 CONTRACTOR, or which is created by either party for the SJVIA in connection with the
7 performance of this Agreement shall be the exclusive property of the SJVIA. Provider shall be the
8 custodian of such data and will immediately make such data available to the SJVIA upon request
9 during normal working hours. CONTRACTOR shall return all personnel/payroll raw data collected
10 or generated in connection with the performance of the Agreement within thirty (30) days of the
11 termination of this Agreement and shall not access said data for any purpose other than in
12 connection with the performance of this Agreement.

13 7. CONFIDENTIALITY: All data, programs and other materials provided to
14 CONTRACTOR by SJVIA clients, Eligible Employees and/or Participants in connection with this
15 Agreement shall be deemed confidential as to the SJVIA and/or such Eligible Employees
16 and/or Participants. Neither the CONTRACTOR, its officers, agents nor employees shall
17 disclose such data to any third party without the express prior written consent of the SJVIA, the
18 affected Eligible Employees and/or Participants.

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1 A. CONTRACTOR shall protect confidential information from inadvertent
2 disclosure to any third party in the same manner that they protect their own confidential
3 information, unless such disclosure is required in response to a validly issued subpoena or other
4 process of law. The provisions of this section shall continue to survive, upon completion of this
5 Agreement.

6 B. The SJVIA agrees to provide CONTRACTOR (or its authorized agents or
7 subcontractors), personnel information including, but not limited to, employee names, addresses,
8 phone numbers, salary, certain pay deductions and other personnel and payroll data base
9 information on all of its eligible employees for the sole and exclusive purpose of performing
10 services as detailed in Exhibit A..

11 C. CONTRACTOR agrees to keep in confidence all information provided by
12 SJVIA and its clients. Provider shall treat such information with at least the same degree of care
13 as CONTRACTOR exercises toward its own employees' personnel and payroll information.

14 8. INDEPENDENT CONTRACTOR: In performance of the work, duties and
15 obligations assumed by CONTRACTOR under this Agreement, it is mutually understood and
16 agreed that CONTRACTOR, including any and all of the CONTRACTOR'S officers, agents, and
17 employees will at all times be acting and performing as an independent contractor, and shall act in
18 an independent capacity and not as an officer, agent, servant, employee, joint venturer, partner, or
19 associate of the SJVIA. Furthermore, SJVIA shall have no right to control or supervise or direct the
20 manner or method by which CONTRACTOR shall perform its work and function. However, SJVIA
21 shall retain the right to administer this Agreement so as to verify that CONTRACTOR is
22 performing its obligations in accordance with the terms and conditions thereof.

23 CONTRACTOR and SJVIA shall comply with all applicable provisions of law
24 and the rules and regulations, if any, of governmental authorities having jurisdiction over matters
25 the subject thereof.

26 Because of its status as an independent contractor, CONTRACTOR shall have
27 absolutely no right to employment rights and benefits available to SJVIA employees.
28 CONTRACTOR shall be solely liable and responsible for providing to, or on behalf of, its

1 employees all legally-required employee benefits. In addition, CONTRACTOR shall be solely
2 responsible and save SJVIA harmless from all matters relating to payment of CONTRACTOR'S
3 employees, including compliance with Social Security withholding and all other regulations
4 governing such matters. It is acknowledged that during the term of this Agreement,
5 CONTRACTOR may be providing services to others unrelated to the SJVIA or to this Agreement.

6 9. MODIFICATION: Any matters of this Agreement may be modified from time
7 to time by the written consent of all the parties without, in any way, affecting the remainder.

8 10. NON-ASSIGNMENT: Contractor currently sub-contracts with LabCorp, Inc
9 and Interactive Health Solutions.for some services provided through this agreement. This is
10 agreed upon by CONTRACTOR and SJVIA and incorporated into this Agreement. SJVIA is an
11 express third party beneficiary of services provided by Labcorp, Inc and Interative Health
12 Solutions. Neither party shall further assign, transfer or sub-contract this Agreement nor their
13 rights or duties under this Agreement without the prior written consent of the other party.

14 11. HOLD HARMLESS: CONTRACTOR agrees to indemnify, save, hold
15 harmless, and at SJVIA'S request, defend the SJVIA, its officers, agents, and employees from any
16 and all costs and expenses, damages, liabilities, claims, and losses occurring or resulting to
17 SJVIA in connection with the performance, or failure to perform, by CONTRACTOR, its officers,
18 agents, or employees under this Agreement, and from any and all costs and expenses, damages,
19 liabilities, claims, and losses occurring or resulting to any person, firm, or corporation who may be
20 injured or damaged by the performance, or failure to perform, of CONTRACTOR, its officers,
21 agents, or employees under this Agreement.

22 12. INSURANCE
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1 A. Without limiting the SJVIA's right to obtain indemnification from
2 CONTRACTOR or any third parties, CONTRACTOR, at its sole expense, shall maintain in full
3 force and effect, the following insurance policies or a program of self-insurance, including but not
4 limited to, an insurance pooling arrangement or Joint Powers Agreement (JPA) throughout the
5 term of the Agreement:

6 B. Commercial General Liability

7 Commercial General Liability Insurance with limits of not less than One
8 Million Dollars (\$1,000,000) per occurrence and an annual aggregate of Two Million Dollars
9 (\$2,000,000). This policy shall be issued on a per occurrence basis.

10 C. Automobile Liability

11 Comprehensive Automobile Liability Insurance with limits for bodily injury of
12 not less than Two Hundred Fifty Thousand Dollars (\$250,000.00) per person, Five Hundred
13 Thousand Dollars (\$500,000.00) per accident and for property damages of not less than Fifty
14 Thousand Dollars (\$50,000.00), or such coverage with a combined single limit of Five Hundred
15 Thousand Dollars (\$500,000.00). Coverage should include owned and non-owned vehicles used
16 in connection with this Agreement.

17 D. Professional Liability

18 If CONTRACTOR employs licensed professional staff, (e.g., Ph.D., R.N.,
19 L.C.S.W., M.F.C.C.) in providing services, Professional Liability Insurance with limits of not less
20 than One Million Dollars (\$1,000,000.00) per occurrence, Three Million Dollars (\$3,000,000.00)
21 annual aggregate.

22 E. Worker's Compensation

23 A policy of Worker's Compensation insurance as may be required by the
24 California Labor Code.

25 CONTRACTOR shall obtain endorsements to the Commercial General Liability
26 insurance naming the San Joaquin Valley Insurance Authority, its officers, agents, and
27 employees, individually and collectively, as additional insured, but only insofar as the operations
28 under this Agreement are concerned. Such coverage for additional insured shall apply as primary

1 insurance and any other insurance, or self-insurance, maintained by SJVIA, its officers, agents
2 and employees shall be excess only and not contributing with insurance provided under
3 CONTRACTOR's policies herein. This insurance shall not be cancelled or changed without a
4 minimum of thirty (30) days advance written notice given to SJVIA.

5 Within Thirty (30) days from the date CONTRACTOR signs and executes this
6 Agreement, CONTRACTOR shall provide certificates of insurance and endorsement as stated
7 above for all of the foregoing policies, as required herein, to the SJVIA, (Paul Nerland, SJVIA
8 Manager, 2220 Tulare Street, 14th Floor, Fresno, CA 93721), stating that such insurance coverage
9 have been obtained and are in full force; that the San Joaquin Valley Insurance Authority, officers,
10 agents and employees will not be responsible for any premiums on the policies; that such
11 Commercial General Liability insurance names the San Joaquin Valley Insurance Authority, its
12 officers, agents and employees, individually and collectively, as additional insured, but only insofar
13 as the operations under this Agreement are concerned; that such coverage for additional insured
14 shall apply as primary insurance and any other insurance, or self-insurance, maintained by SJVIA,
15 its officers, agents and employees, shall be excess only and not contributing with insurance
16 provided under CONTRACTOR's policies herein; and that this insurance shall not be cancelled or
17 changed without a minimum of thirty (30) days advance, written notice given to SJVIA.

18 In the event CONTRACTOR fails to keep in effect at all times insurance
19 coverage as herein provided, the SJVIA may, in addition to other remedies it may have, suspend
20 or terminate this Agreement upon the occurrence of such event.

21 All policies shall be with admitted insurers licensed to do business in the State
22 of California. Insurance purchased shall be purchased from companies possessing a current A.M.
23 Best, Inc. rating of A FSC VII or better.

24 13. AUDITS AND INSPECTIONS: The CONTRACTOR shall at any time during
25 business hours, and as often as the SJVIA may deem necessary, make available to the SJVIA for
26 examination all of its records and data with respect to the matters covered by this Agreement. The
27 CONTRACTOR shall, upon request by the SJVIA, permit the SJVIA to audit and inspect all of
28 such records and data necessary to ensure CONTRACTOR'S compliance with the terms of this

1 Agreement.

2 If this Agreement exceeds ten thousand dollars (\$10,000.00), CONTRACTOR
3 shall be subject to the examination and audit of the Auditor General for a period of three (3) years
4 after final payment under contract (Government Code Section 8546.7).

5 14. NOTICES: The persons and their addresses having authority to give and
6 receive notices under this Agreement include the following:

7 SJVIA
8 Paul Nerland, SJVIA Manager
9 2220 Tulare Street, 14th Floor
10 Fresno, CA 93721

CONTRACTOR
Tom Partlow, President
Delta Health Systems
3244 Brookside Rd 2nd Floor
Stockton, CA 95219

11 Any and all notices between the SJVIA and the CONTRACTOR provided for or
12 permitted under this Agreement or by law shall be in writing and shall be deemed duly served
13 when personally delivered to one of the parties, or in lieu of such personal services, when
14 deposited in the United States Mail, postage prepaid, addressed to such party.

15 15. GOVERNING LAW: Venue for any action arising out of or related to this
16 Agreement shall only be in Fresno County, California.

17 The rights and obligations of the parties and all interpretation and performance
18 of this Agreement shall be governed in all respects by the laws of the State of California.

19 16. ENTIRE AGREEMENT: This Agreement constitutes the entire agreement
20 between the CONTRACTOR and SJVIA with respect to the subject matter hereof and supersedes
21 all previous Agreement negotiations, proposals, commitments, writings, advertisements,
22 publications, and understanding of any nature whatsoever unless expressly included in this
23 Agreement.

EXHIBIT "A"

CONTRACTOR will provide the following Medical Management Services for the SJVIA:

1. Standard Reports:

CONTRACTOR shall provide Customer with the following Standard Management Reports as applicable (either standard electronic access or one paper copy, as mutually agreed) (NOTE: fee for changes requested by Customer in writing to standard reports, correspondence, documents or other materials is \$175.00 per hour):

- Individual CONTRACTOR Health Connect Report
- Company Aggregate CONTRACTOR Health Connect Report
- Compliance Reports (timing to be mutually agreed upon between CONTRACTOR and Customer.
- Utilization & Activity Reports (Quarterly)

2. Plan Member Health Evaluations

The onsite health evaluations are built around a battery of 34 diagnostic tests via venipuncture to detect a wide range of health problems including cardiovascular disease risks (high cholesterol, high blood pressure, and diabetes), liver and kidney disease, anemia, and certain types of cancer. CONTRACTOR also analyzes self-reported health information to assess risks for heart attacks, strokes, mental health problems, and sleep disorders. Last, CONTRACTOR provides special testing to participants based on age, health risks and gender at no additional charge:

- males 50 and over get a PSA (prostate cancer) test, and
- females 40 and over receive a thyroid disease test.

The result is a complete evaluation of the employee's current and potential future health state that in most cases, will be delivered directly to the worksite. However, the evaluations can also be accessed through a network of over 1100 designated testing facilities located throughout the US. Regardless of how the evaluations are deployed, implementation is simple and requires little work on the part of our clients – CONTRACTOR handles all program administration and delivery including program advertising and appointment co-ordination. CONTRACTOR also has the

1 ability to assist with incentive design, implementation and administration to increase utilization in
2 the program and reward positive behavior.

3 a. Interactive Health Index (IHI)

4 Each participant receives a personal health score (IHI) based on six measurable, controllable
5 health factors. This IHI gives the individual a simple, easy to understand metric to describe their
6 current health state and a clear goal to aim for in order to get and stay healthy. On a corporate
7 level, CONTRACTOR will provide an analysis of the Customer's aggregate IHI to assess
8 controllable health risks on a group level and to compare the client's population versus norms.
9 IHI provides the Customer with a HIPAA compliant opportunity to design benefits and incentives
10 based on the plan member's ability to meet the specific health goals. The process makes
11 individuals accountable for healthcare costs by rewarding healthy plan members who stay healthy
12 and at-risk plan members who are taking the right steps toward health improvement.

13 b. Personal Health Report

14 After their health evaluation, program participants receive a concise, easy to understand health
15 report that outlines health evaluation results, reviews potential health problems (health risks), and
16 describes personalized strategies for the individual to address health problems and stay healthy
17 long term.

18 The Personal Health Report is mailed to the participant's home within 2 weeks of their evaluation
19 and includes:

- 20 ▪ an overview letter from our medical staff outlining test results,
- 21 ▪ copies of all lab test results,
- 22 ▪ an IHI result sheet,
- 23 ▪ risk assessments for heart disease, mental health conditions, and sleep disorders,
- 24 ▪ a Health Calendar that timelines important preventive health care steps,
- 25 ▪ a trend report that tracks key lifestyle related risk factors from year to year.

26 Note: In addition to the mailed Personal health Report, participants can access all of their test
27 results, risk and results explanations within 3 days after their testing through our online wellness

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1 portal and following written instructions that we provided the participant at the time of their
2 evaluation.

3 Website Access

4 CONTRACTOR will maintain and provide access to a private health management website that
5 employees and their family members can use to:

- 6 ▪ access health evaluation results within three days of their testing,
- 7 ▪ research health topics and current health news,
- 8 ▪ complete on-line Health Risk Assessments,
- 9 ▪ create a virtual Personal Medical File that stores health evaluation results – including
10 year to year comparisons, and
- 11 ▪ consult with medical staff to get private answers to questions on virtually any health
12 topic.

13 3. News to Use

14 With the participant's consent, CONTRACTOR will electronically provide health information that is
15 relevant to them based on their age, gender, health history, or evaluation results.

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- 1 a. Outcome Reporting
- 2 b. CONTRACTOR will produce aggregate reporting to assist the Customer evaluate
- 3 the health needs of the workforce, the need for specific health improvement
- 4 programs, and the measurable return our program offers to the employer and plan
- 5 members.
- 6 c. Health Newsletter - CONTRACTOR will provide the Plan Sponsor with an electronic
- 7 general health newsletter on a monthly basis.
- 8 d. Personal Health Coaching
- 9 e. CONTRACTOR will provide access to a suite of individual health improvement
- 10 courses - delivered telephonically, online or onsite by Masters Degreed Health
- 11 Educators - to health evaluation participants who are highly motivated to improve
- 12 their risk status. The courses include 6 to 8 weekly counseling sessions on any of
- 13 the following topics:
- 14 ▪ smoking cessation,
 - 15 ▪ weight loss,
 - 16 ▪ managing cholesterol,
 - 17 ▪ managing high blood pressure,
 - 18 ▪ fitness
 - 19 ▪ nutrition
 - 20 ▪ pre- & post-natal care, and
 - 21 ▪ stress management.
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EXHIBIT "B"

CONTRACTOR will be compensated for Medical Management Services for the SJVIA as detailed below:

- Total Annual Participants: 1 to 2,000: \$195 Per Participant Per Year
- Total Annual Participants: 2,001 to 5,000: \$185 Per Participant Per Year
- Total Annual Participants: 5,001 and above: \$175 Per Participant Per Year
- Total Annual Participants: 15,000 and above: \$170 Per Participant Per Year