

VILLAGE OF DOWNERS GROVE
COUNCIL ACTION SUMMARY

INITIATED: Director of Human Relations **DATE:** August 21, 2001
(Name)

RECOMMENDATION FROM: _____ **FILE REF:** _____
(Board or Department)

NATURE OF ACTION:

STEPS NEEDED TO IMPLEMENT ACTION:

- Ordinance
- Resolution
- Motion
- Other

Motion to Adopt "A RESOLUTION AUTHORIZING EXECUTION OF AN AGREEMENT BETWEEN THE VILLAGE OF DOWNERS GROVE AND HPN WORLDWIDE, INC.", as presented.

SUMMARY OF ITEM:

Adoption of the attached resolution will authorize an agreement with HPN Worldwide, Inc. to provide health risk management products and services for Village employees.

RECORD OF ACTION TAKEN:

RESOLUTION NO. _____

**A RESOLUTION AUTHORIZING EXECUTION OF AN AGREEMENT
BETWEEN THE VILLAGE OF DOWNERS GROVE AND HPN WORLDWIDE, INC.**

BE IT RESOLVED by the Village Council of the Village of Downers Grove, DuPage County, Illinois, as follows:

1. That the form and substance of a certain Agreement (the "Agreement"), between the Village of Downers Grove (the "Village") and HPN Worldwide, Inc. ("HPN"), for health risk management products and services, as set forth in the form of the Agreement submitted to this meeting with the recommendation of the Village Manager, is hereby approved.

2. That the Village Manager and Village Clerk are hereby respectively authorized and directed for and on behalf of the Village to execute, attest, seal and deliver the Agreement, substantially in the form approved in the foregoing paragraph of this Resolution, together with such changes as the Manager shall deem necessary.

3. That the proper officials, agents and employees of the Village are hereby authorized and directed to take such further action as they may deem necessary or appropriate to perform all obligations and commitments of the Village in accordance with the provisions of the Agreement.

4. That all resolutions or parts of resolutions in conflict with the provisions of this Resolution are hereby repealed.

5. That this Resolution shall be in full force and effect from and after its passage as provided by law.

Mayor

Passed:

Attest: _____

Village Clerk

S E R V I C E
A G R E E M E N T

THIS AGREEMENT entered into this 1st day of September, 2001 by and between HPN WORLDWIDE, INC. with its principal place of business at 180 West Park Avenue, Suite 300, Elmhurst, Illinois 60126 ("HPN"), and VILLAGE OF DOWNERS GROVE ("DOWNERS GROVE") with its principal place of business at 801 Burlington, Downers Grove, IL and 60515.

W I T N E S S E T H

WHEREAS, DOWNERS GROVE is an municipal employer with a self-funded health plan; and

WHEREAS, HPN is a leading provider of health risk management products and services to improve health, productivity and other measures of success through the improvement of i) health, safety and medical risk reduction, ii) prevention of diseases, accidents, injuries and other problems, iii) status and quality of health, safety and work-family life, iv) consumer health empowerment, v) early detection, vi) disease management including reduced severity of diseases, disabilities and conditions, vii) appropriate utilization of benefits, health care and other resources, viii) health care quality, treatment compliance and medical outcomes, ix) absenteeism, lost work time and performance management, and x) health-related cost and loss control management; and

WHEREAS, HPN offers a wide range of product and service options to employers, governments (e.g. municipal, county, state, federal), health plans, hospitals, health systems, PPOs, municipalities and other client groups for use with employees, health plan members, patients, family members and/or other individuals; and

WHEREAS, HPN is committed to the continuous improvement of the quality and effectiveness of such products and services as further

described in Addendum A; and

WHEREAS, such products and services will include certain copyrighted, trademarked, or otherwise proprietary information and materials, the use of which is restricted, licensed, or otherwise limited, whether by the terms of this Agreement or by State or Federal law; and

WHEREAS, on the terms hereinafter set forth, DOWNERS GROVE desires to purchase such products and services for its employees, retirees and/or other covered members of its health plan and HPN desires to provide such products and services.

NOW, THEREFORE, the parties hereto agree as follows:

1. DEFINITIONS:

The following terms shall have the following respective meanings:

A. **"HPN Products"** shall mean the Proprietary Information and Materials which are provided, owned, copyrighted, trademarked, and/or service marked by HPN, including any such materials provided by HPN which are owned, copyrighted, trademarked, or service marked by an entity other than HPN.

B. **"Integrated Health Risk Management Benefits" ("IHRMB" or "IHRM-Benefits")** shall mean the development, administration, and delivery of an integrated array or system of two or more products and services developed specifically for employees, retirees and/or other health plan members (e.g. dependent family members).

C. **"Proprietary Information and Material"** (PIM) shall mean trade secrets defined in the Illinois Trade Secrets Act, including i) reports, information, content (text and images), software, including without limitation to, operating systems, application programs, electronic documents, database systems and information, web sites, analysis systems, all related specifications, documentation, applications, techniques, ideas, formulas, and any enhancements, formatting or

modifications, and/or ii) educational, communications, administrative and/or promotional videotapes, audiotapes, transparencies, slides, other audiovisual media and/or printed literature thereto used, developed or acquired.

D. **"SUPPORT"** shall mean products and services delivered by or through HPN including consulting, research, writing, evaluation, project management, outsourcing, information, training and education, early detection screenings, health risk assessments, immunizations, marketing and communications, software, electronic documents, online internet-based services, phone support services, incentive, equipment and other related support benefits, systems, packages, programs, services and resources including, but not limited to HPN Products, Proprietary Information and Materials, IHRM-Benefits and other bundled and unbundled products and services, further described in Section 2.

E. **DOWNERS GROVE Products**, pricing, terms and conditions shall be defined by separate agreement.

2. **PRODUCTS AND SERVICES:**

HPN will provide, upon request on a project and/or worksite-specific basis, the following SUPPORT to DOWNERS GROVE and DOWNERS GROVE employees, retirees and other other health plan members, as more specifically described in Addendums B and C:

A. **Unbundled Products and Services**. Unbundled IHRMB-related SUPPORT which can include, but is not limited to, the following products and services:

i) Consulting, research, strategic planning, development, coordination, customization, project management, procurement and administrative support services;

ii) Evaluation and metrics support resources and services such as benchmark planning surveys, health risk assessments, process evaluations, and impact/outcome surveys, analytical

software and studies;

iii) Training programs, services and resources including educational and reference information, literature, videotapes and other resources delivered via the worksheet, mailed to the homes, internet and/or phone;

iv) Online, internet-based health and medical decision support services and web sites;

v) Phone support services including, but not limited to nurse line, employee assistance programs, health risk counseling, health coaching and technical support;

vi) Early detection services and resources including health screenings, health risk assessments, early detection equipment and corresponding counseling and other follow-up support;

vii) Health risk assessment software, equipment and supplies;

viii) Worksheet immunization services;

ix) Communications services and resources including, but not limited to newsletters, reinforcing articles, email communications, posters, booklets, brochures and other web site, resource and benefit-specific communications;

x) Health risk management related incentives for eligible health plan members, employees, dependent family members and/or work sites; and

xi) A network of preferred provider partners utilized in the delivery of such products and services.

B. **Bundled IHRM Benefits or Systems**. Such products and services (listed in Section 2-A) may be purchased in various combinations to represent an integrated health risk management benefit or system (IHRMB) which is delivered over a specified time frame and invoiced on a capitated basis. Addendum C further describes the initial IHRMB options

and pricing designed specifically for DOWNERS GROVE. Any additional IHRMB options that are developed will be described under separate cover, and are subject to this agreement.

C. **Project, Product and Service Approval.** HPN shall obtain written approval from DOWNERS GROVE before delivering SUPPORT associated with project, product, service and/or expense related charges billed to DOWNERS GROVE.

TERM, CHARGES AND PAYMENT:

A. **Term.** Subject to paragraphs B and E hereof, the initial term of this Agreement shall commence on September 1, 2001 and continue for a period of one (1) year, ending on August 31, 2002. The terms of this Agreement shall be automatically extended for consecutive one (1) year terms on each September 1, thereafter unless either HPN or DOWNERS GROVE provides written notice of termination to the other party at least sixty (60) days prior to the expiration of the then current term.

B. **Early Termination.** DOWNERS GROVE and HPN reserve the right to terminate all or any part of the services or products to be provided under this Agreement. Notification of early termination must occur within sixty (60) days prior to the desired date of termination. Upon such early termination, no refund of amounts applicable to services or materials already provided shall be made, and no refund of year one charges shall be made. HPN will refund any charges for services in subsequent years which have not yet been performed pursuant to product-specific terms and conditions.

C. **Charges, Payment Process and Right to Audit.**

i) **Charges:** Rates and fee formulas for SUPPORT products and services to be provided by HPN hereunder are summarized in \$U.S. currency in Addendum C, with further details provided in additional supporting Addendums and/or documents.

Applicable IHRMB systems, training initiatives and customizations will require receipt of specified deposits prior to implementation (e.g. order of materials, training, mailings, web site customization).

Applicable capitated fees for ongoing SUPPORT (e.g. IHRMB systems, phone support, online support) shall be billed monthly, in advance, beginning 2 months prior to the effective date of the current agreement year.

Charges for applicable online medical decision support capitated membership access fees shall be the greater of (a) the minimum monthly fee, or (b) the per employee per month (PEPM) rate multiplied by the total number of employee members in the HPN online security system at the time of billing.

Applicable charges for other applicable SUPPORT not already included in the capitated fee (e.g. screenings, immunizations, quantities of materials, online and other customizations, travel and other expenses in excess of those accounted for in the capitated fee), balances due to fee formula adjustments, audit-related reconciliations and late cancellations of meetings, programs and health screenings shall be billed as incurred or as due.

All invoices are payable upon receipt and a late charge equal to 1.5% per month (or the highest rate charge permitted by applicable law, whichever is less) shall be assessed on all charges not paid within thirty (30) days of receipt of the invoice. In addition, HPN reserves the right to suspend all SUPPORT to DOWNERS GROVE and DOWNERS GROVE-CLIENTS for balances due not paid within thirty (30) days of receipt of the invoice. The charges during any extended term shall be those charges specified on the updated Addendum C or other appropriate pricing documents prepared by HPN and provided to DOWNERS GROVE at least sixty (60) days prior to the renewal date of each consecutive extended one (1) year term.

ii) Payment Process: Invoices will be sent to and paid by

DOWNERS GROVE, DOWNERS GROVE work sites or by authorized third party payors, as follows:

Capitated Fees: Invoices for SUPPORT provided on a capitated basis shall be paid by DOWNERS GROVE or by authorized third party payors on behalf of DOWNERS GROVE.

Other Fees: Invoices for required deposits, binder checks and other SUPPORT not included in the capitated fees shall be paid by DOWNERS GROVE or by authorized third party payors on behalf of DOWNERS GROVE.

iii) Right to Audit: It is recognized and understood that any capitated fees herein are determined under a formula based in part on the number of individuals to whom DOWNERS GROVE has offered the benefits of the subject program(s) in any year, all as is more specifically described in Addendum C. HPN shall have the right, upon 5-day notice to DOWNERS GROVE, to examine any and all records which may be necessary to perform an audit for the purpose of verifying the number of individuals being offered such program(s). HPN shall give written notice to DOWNERS GROVE of any adjustment in the fees necessitated by the results of the audit, and DOWNERS GROVE shall have thirty (30) days to dispute such adjustment.

D. Discounts. Applicable SUPPORT related discounts (e.g. provider network, partner discounts, economies of scale):

i) Shall be reflected in Addendum C and/or on HPN invoices to DOWNERS GROVE.

ii) Are subject to all HPN invoices to DOWNERS GROVE being paid in full according to terms with such discounts subject to suspension until payment and applicable late payment interest are received in full.

E. Termination. Upon termination of this Agreement for any reason, DOWNERS GROVE shall immediately cease from any further use of the licensed materials, products, software, etc. provided by HPN as part of the SUPPORT. All such licensed software, electronic documents,

printed materials and other PIM which are in DOWNERS GROVE's control or possession shall immediately be destroyed or returned to HPN, and DOWNERS GROVE shall cause to be returned or destroyed all such materials which are in the control or possession of other parties by virtue of the acts of DOWNERS GROVE. Materials (e.g. books, reports, other printed literature) that have been purchased and paid for are not subject to being returned.

4. OWNERSHIP, CONFIDENTIALITY AND SECURITY:

A. HPN Products. DOWNERS GROVE acknowledges and agrees that all HPN Products used, developed, customized and/or delivered under or in connection with this Agreement are trade secrets, proprietary to HPN and title thereto shall remain the sole and exclusive property of HPN. DOWNERS GROVE shall keep all HPN Products confidential and shall not reproduce or duplicate in any manner or form such products without prior written consent from HPN. For purposes of quality control, DOWNERS GROVE shall subject any printed materials containing the name, logo, marks and/or product images of HPN into a review and approval process with HPN prior to printing or otherwise reproduction.

B. Confidentiality and Data. HPN and DOWNERS GROVE recognize that each organization will have access to confidential and/or proprietary information about each organization's operations and/or eligible employees, retirees and/or other family members receiving SUPPORT, of which such information needs to be protected from improper use, therefore:

i) HPN, DOWNERS GROVE and their respective agents shall comply with all applicable federal and state laws (e.g. Health Information Privacy and Protection Act [HIPPA]) regarding the collection, storage and use of personal medical information.

ii) HPN and its respective agents (a) shall only use eligibility information (e.g. name, address) disclosed by DOWNERS GROVE and/or individuals to HPN, for purposes of delivering SUPPORT, (b) shall not

provide or sell such information to any other outside party, and (c) shall protect such data in its collection, storage and use.

iii) HPN shall keep confidential and not disclose to anyone other than DOWNERS GROVE officers, employees and agents, without the prior written consent of DOWNERS GROVE and applicable individual(s), (a) the identity of any employees or other individual for whom claims data or other medical information are submitted to HPN, or (b) information which is individually attributable to DOWNERS GROVE as its source.

iv) HPN agrees to require all of its employees, agents and other representatives who have access to any eligibility, claims data, databases and other information disclosed to HPN by DOWNERS GROVE to adhere to these confidentiality obligations.

v) Subject to the foregoing confidentiality obligations, (a) DOWNERS GROVE acknowledges and agrees that during the term of this Agreement and thereafter, HPN is authorized to retain, use for reporting and research purposes all information disclosed by or on behalf of DOWNERS GROVE to HPN, and (b) HPN acknowledges and agrees that during the term of this Agreement and thereafter, DOWNERS GROVE is authorized to retain, use for reporting and research purposes all information disclosed by or on behalf of HPN to DOWNERS GROVE.

vi) DOWNERS GROVE (a) shall keep confidential any HPN-specific pricing, operations and/or proposal information, (b) shall not provide or sell any such information to any outside party without prior written permission from HPN, and (c) shall require its employees, agents and other representatives who have access to such information disclosed to DOWNERS GROVE by HPN to adhere to these confidentiality obligations.

C. **Proprietary Rights**. Except as otherwise provided herein, all copyrights, trademarks, trade names, or other proprietary or intellectual property rights of any nature or kind whether electronic, print, or otherwise, and whether owned by HPN or any other entity, shall be honored by DOWNERS GROVE.

5. FIDUCIARY DELEGATION AND STANDARD OF CONDUCT:

Regarding any DOWNERS GROVE locations in the U.S which are sub-contracted by DOWNERS GROVE to HPN for servicing, to the extent that any of the services to be rendered by HPN to DOWNERS GROVE for such locations shall make HPN a fiduciary with respect to DOWNERS GROVE under the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), this Agreement shall constitute a delegation of such discretionary authority and control from the committee for DOWNERS GROVE, as a named fiduciary, to HPN as a fiduciary. Furthermore, HPN represents and warrants that it will fulfill any such fiduciary duty it may have with respect to the DOWNERS GROVE in a manner so as to comply with the requirements of ERISA.

6. LICENSE AGREEMENT:

A. Grant of License. Except as otherwise provided herein, HPN hereby grants to DOWNERS GROVE (Licensee) a non-exclusive license to purchase and use the Proprietary Information and Material, including HPN Products, software, and other materials (collectively "PIM") subject to the following terms:

i) Licensee may copy PIM (provided by HPN) for backup or archival purposes provided such backup contains all proprietary notices except as otherwise provided in this Agreement;

ii) Licensee shall not reproduce by any means such PIM for distribution by any means to other parties whether for resale, for charge or at no charge except as otherwise provided in this Agreement, in other words, all such PIM shall be purchased through HPN with no unauthorized use or reproduction of copyrighted, trademarked, service marked and/or patented products and services;

ii) Licensee shall not permit others to use the PIM except as otherwise provided in this Agreement and applicable product-

specific purchase terms, conditions and/or licensing agreements;

iii) Licensee shall not modify, copy, reverse engineer, disassemble, or decompile any PIM software or create derivative works based upon the PIM except as otherwise provided in this Agreement;

iv) Licensee shall not transfer, sell, assign, or otherwise attempt to convey rights to or authorize the use of the PIM to others except as otherwise provided by this Agreement.

v) Licensee shall not remove, delete, or otherwise obliterate any copyright, trademark, service mark or other proprietary notices or labels on the PIM.

vi) Licensee shall honor any other product-specific terms and conditions as specified in writing at the time of purchase and as posted on the internet regarding usage of applicable internet products and services.

B. **Retention of Ownership.** All rights, title, ownership, and intellectual property rights shall remain in HPN or the owner of the PIM and related customized and other derivative versions of such PIM.

C. **Termination.** Any license granted herein shall terminate automatically, without notice, upon termination of this Agreement for any reason or upon any failure by DOWNERS GROVE to comply with the terms of this license. Upon such termination, all PIM shall be destroyed or returned to HPN.

D. **Other License Arrangements.** If pursuant to Addendums B and C, DOWNERS GROVE has been granted the right to put their company logo on or otherwise modify the PIM, any such modifications or reproductions shall require the prior written approval of HPN. Further, all materials, whether in print, electronic, or other form shall continue to be considered PIM and shall continue to be subject to all of the terms and conditions of this Agreement. In all such events, the copyright, trademark, or other proprietary notices of HPN or any other party, shall

be clearly displayed in compliance with HPN communications specifications.

7. INDEMNIFICATION; LIMITED LIABILITY:

A. Limitation of Liability. Under no circumstances and under no legal theory whether in tort contract or otherwise shall HPN be liable to DOWNERS GROVE or any other person for any indirect, special, incidental or consequential damage of any character including without limitation damages for loss of goodwill, work stoppage, computer failure or malfunction or any and all other commercial damages or losses even if HPN shall have been informed of the possibility of such damages or for any claim by any other party. Further, in no event shall HPN's liability under any provision of this Agreement exceed the fee paid to HPN for the SUPPORT, materials, software, and other documentation.

B. Indemnification. DOWNERS GROVE shall indemnify, defend and hold harmless HPN, and its directors, officers, employees, agents and subsidiaries, from and against any losses, claims, damages, judgment, liabilities and expenses (including reasonable counsel fees and expenses) arising from or relating to i) DOWNERS GROVE's failure to perform or observe any of its covenants or obligations hereunder; ii) any of the representations or warranties of DOWNERS GROVE proving to be untrue or incorrect in any material respect; iii) DOWNERS GROVE's violation of any law, statute, ordinance, order, rule or regulation; iv) any injury to any person or property caused by DOWNERS GROVE or its employees or agents or resulting from any services rendered by DOWNERS GROVE under this Agreement; or v) for any breach of its fiduciary duty under ERISA to HPN or DOWNERS GROVE's beneficiaries. This indemnification shall survive the termination or expiration of the Agreement.

C. DOWNERS GROVE Indemnification. HPN shall indemnify, defend and hold harmless DOWNERS GROVE, and its directors, officers, employees,

agents and subsidiaries, from and against any losses, claims, damages, judgment, liabilities and expenses (including reasonable counsel fees and expenses) arising from or relating to i) HPN's failure to perform or observe any of its covenants or obligations hereunder; ii) any of the representations or warranties of HPN proving to be untrue or incorrect in any material respect; iii) HPN's violation of any law, statute, ordinance, order, rule or regulation; iv) any injury to any person or property caused by HPN or its employees or agents or resulting from any services rendered by HPN under this Agreement; or v) for any breach of its fiduciary duty under ERISA to DOWNERS GROVE or HPN's beneficiaries. This indemnification shall survive the termination or expiration of the Agreement.

D. **Taxes**. DOWNERS GROVE is exempt from all State and Federal taxes.

E. **Insurance**. HPN agrees to maintain a minimum aggregate of \$1,000,000 in liability, medical, auto, and errors and omissions insurance coverage regarding HPN business operations, employees and related SUPPORT delivery.

8. **MISCELLANEOUS**:

A. **Captions Not Determinative: Integration**. Titles and paragraph headings herein are for convenient reference and are not a part of this Agreement. This Agreement constitutes the entire agreement between the parties relating thereto, and may be modified or supplemented only by a written document signed by an authorized representative of each party.

B. **No Implied Waivers**. No waiver or any breach of any provision of this Agreement shall constitute a waiver of any prior, concurrent or subsequent breach of the same or any other provisions hereof and no waiver shall be effective unless made in writing and signed by an authorized representative. In the event that any provision of this Agreement shall be determined illegal or otherwise unenforceable, such

provision shall be severed and the entire Agreement shall not fail on account thereof and the balance of the Agreement shall continue in full force and effect.

C. **Notices.** All notices, orders, requests, approvals and changes in connection with this Agreement shall be given or made upon the respective party in writing and shall be deemed given or made as of the day it is deposited in the mails, registered or certified, addressed to the respective party as follows:

If for HPN WorldWide:

Bob Gorsky, President
HPN WORLDWIDE
180 West Park Ave • Suite 300
Elmhurst, IL 60126

If for the VILLAGE OF DOWNERS GROVE:

Greg Zimmerman, Director of Human Resources
Village of Downers Grove
801 Burlington
Downers Grove, IL 60515

Either party may change such contact and address by providing written notice to the other in the manner set forth above.

D. **Governing Law.** This Agreement is accepted in the State of Illinois and shall be governed by the laws of the State of Illinois.

E. **Assignment.** This Agreement and the rights and duties hereunder shall not be assignable by the parties hereto except upon written consent of the other which shall not be unreasonably withheld, with the exception that this Agreement: i) can be assigned by HPN to a wholly-owned subsidiary of HPN; and ii) can be assigned by DOWNERS GROVE to a wholly-owned subsidiary of DOWNERS GROVE that does not compete directly with HPN outside the geographic region defined within Addendum B. In the event of assignment, all parties will continue to be bound by the terms of this agreement and any corresponding financial obligations.

IN WITNESS WHEREOF, the parties hereto have signed this Agreement the date and year first written above by the duly authorized representative.

VILLAGE OF DOWNERS GROVE

By: _____ signature

_____ printed

Title: _____

Date: _____

HPN WORLDWIDE, INC.

By: _____ signature

_____ printed

Title: _____

Date: _____

Summary of Addendums

Addendum

- A. Commitment to Quality and Continuous Improvement
- B. Support Subject to the Licensing Provisions
- C. Product/Service-Specific Pricing Schedules

Addendum A
Commitment to Quality and Continuous Improvement

HPN WorldWide's health risk management support benefits, systems, services, programs and resources were first introduced in 1983, and have since become known by Advantage Builder®, Meet-the-Challenge™ and other brand names.

Over the past 17 years, innovations and improvements have been generated every year, ranging from program and content development, to strengthened evaluation metrics and administrative efficiencies. Each year HPN support improves in quality, effectiveness, efficiencies and/or increases in program, resource and service offerings that include the provision of 24-hour customized health and medical decision support via the internet and by phone.

Since 1983, HPN has been building a world class preferred provider partner network of publishers, worksheet screening and immunization providers, trainers, research organizations and other providers of information, services and other resources, to deliver best in class support to HPN clients anywhere in the world.

To date, HPN has invested over \$3,000,000 in the ongoing research, development and improvement of HPN's integrated health risk management support systems, services, resources and supporting infrastructure. This investment is in addition to the over \$10,000,000 HPN's preferred provider partners have invested in their respective services and resources. These combined investments serve and benefit over 1,000 HPN customers including employers, health plans, health systems, hospitals, municipalities, schools and other groups —and the millions of employees, health plan members, patients and families represented by these groups.

The combined research and development investments have yielded better solutions and better results for HPN customers. Support resources (e.g. online medical decision support, early detection screenings, training programs, nurse lines, EAPs) are used at higher rates, AND results and returns on investment are greater than industry norms (e.g. 8:1 to 15:1 versus 3:1).

HPN WorldWide is committed to the ongoing continuous improvement of its health risk management systems, services and resources. Our commitment, innovations and ongoing investments to improve will continue in each successive year.

Addendum B

Support Subject to the Licensing Provisions

I. Use of the Registered Trademarks of HPN WorldWide

- | | |
|------------------------------------------------|----------------|
| A. Advantage Builder® | AB Series |
| B. Meet-the-Challenge® | MTC Series |
| C. Stacking-the-Deck™ | STD Series |
| D. Making Ends Meet and Dreams Come True™ | MEM Series |
| E. My Healthy Success and MyHealthySuccess.com | MHS Series |
| F. Customer brands modeled* after the above. | Branded Series |
| G. HPN and HPN WorldWide names and logos | |

II. Use and Customization of HPN Copyrighted Resources As Purchased -Generic, AB, MTC, STD, MEM, MHS and Other Branded Series as Available

- A. Communications, Marketing and Sales Materials
 - Product/Service/Package-Specific Marketing and Sales Materials
 - Powerpoint Presentations & Visuals
 - Printed Literature
 - Language/copy used in variations on above materials
- B. Administrative Resources
 - Administrative/System Resource Guides
- C. Training Kits/Modules
 - Videos
 - Scripts
 - Posters
 - Visuals
- D. Collateral Resources within Product Families -as applicable and made available:
 - Bookmarks
 - Wallet Cards
 - Other Educational and/or Communications Supplements
- E. Survey Metrics Resources (Printed Versions Only)
 - Evaluation Planning Documents
 - Benchmark Surveys
 - Process Evaluation Surveys
 - Impact/Outcome Surveys
- F. Software/Files/Templates on Disk, eMail and/or via Internet
 - Letters
 - Pricing/Budget Spreadsheets
 - Proposals
 - Forecasting Modules
 - Posters
 - Other -as made available and compatible
- G. Web Site
 - On line medical decision support services
- H. Phone Support Services
 - Nurse Lines
 - EAP Lines

* Parallel resources (print, video, software, electronic, multimedia) developed by HPN, Customer and/or the HPN/Customer client but with a different brand name owned by HPN, Customer or the client that incorporates copy or design elements, in part or whole, from resources listed in Section II previously developed by HPN in association with the AB, MTC, MEM, MHS and/or STD series.

Addendum C

**Product/Service-Specific
Pricing Schedules
Begin Here**

This addendum specifies the applicable assumptions, deliverables, time-frames, pricing and pricing-related terms pertaining to the Integrated Health Risk Management service/benefit (IHRMB) known as: Village HealthQuest.

The first page specifies deliverables included in the capitated rate, and deliverables that are billed on an as-incurred basis (e.g. screenings, immunizations).

If additional quantities of products and/or services provided within the scope of the IHRMB are requested, the current pricing will be confirmed at the time of order.

If other services and/or products are requested supplemental to the IHRMB, the current pricing will be confirmed at the time of order.

Group: Village of Downers Grove, IL - Year 2002 Strategy

Eligible Population, Location(s) & Other Main Logistical Assumptions

Eligible Employees (Families) = 530
 Training Locations = 4
 Locations Req. Suppl. Travel = 0
 Training Days per Program = 2.0
 Spouses Eligible for Screenings = 274
 Spouse Screening Pptn. Rate = 50%
 Screening Locations = 4
 Locations Req. Suppl. Travel = 0
 Screening Days per Location = 1.0
 Avg Travel Trips per Event = 0
 Avg Travel Days per Event = 0
 Newsletters/Family/Year = 6
 Strategy/Billing Months = 12
 Tax Rate (IL purchases only) = 0%

Applicable Discounts

Economies of Scale (Volume Discounts)
 PLUS

Additional Partner* Discounts, as follows:

- 10% off selected materials
- 10% off hourly rates
- 36% off on-line MDS access
- \$18,841 = Total Volume & Partner Discounts

Requested Services/Deliverables & Estimated Participation/Reach

An integrated health risk management and loss control benefit system that consists of the following services and resources:

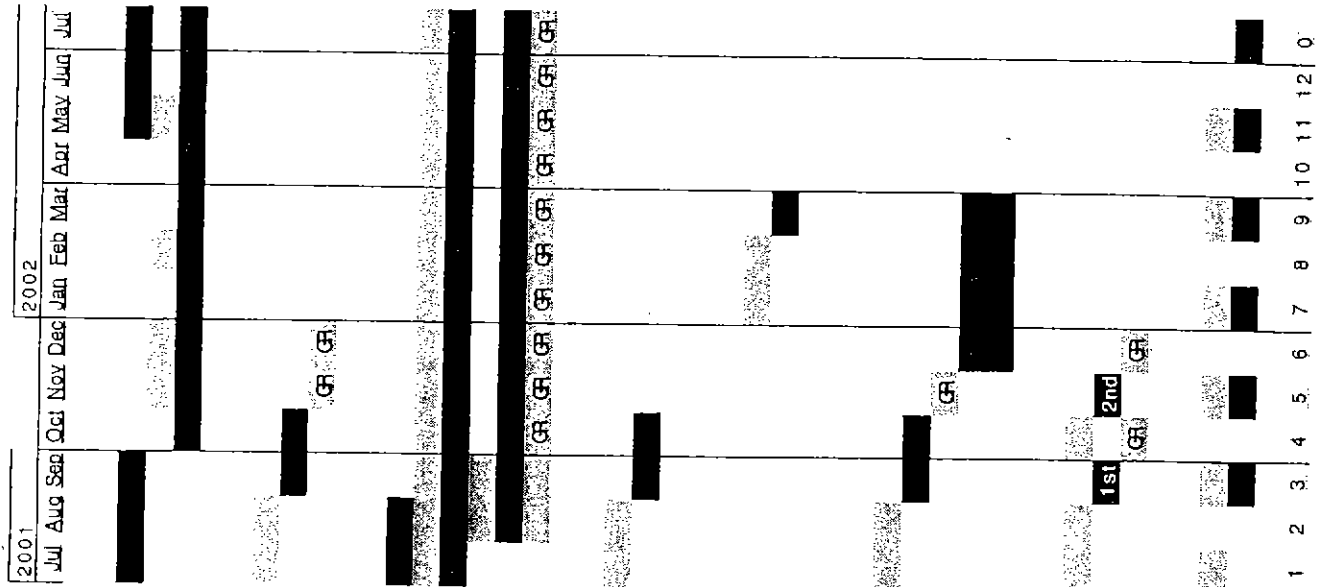
Employee Deliverables	Included In System	Reached	Total Per Group		Per Employee/Family	
			# Reached	Total	Per Year	Per Month
A. Strategic Communications:						
B. 1. General Roll-Out/Kick-Off	Yes	100%	530	\$3,170	\$5.98	\$0.50
C. 2. Reinforcing Newsletters/Articles	Yes	100%	530	\$7,849	\$14.81	\$1.23
D. 3. Supplemental Support-Specific Comm.	Yes	100%	530	\$672	\$1.27	\$0.11
E. Evaluation & Feedback Tools:						
1. Benchmark Survey, RR = 45%	Yes	100%	530	\$6,895	\$13.01	\$1.08
2. Training Evals	No	0%	0	\$0	\$0	\$0
3. Impacts/Outcomes Survey	No	0%	0	\$0	\$0	\$0
F. On-Site Clinical Services						
1. Early Det. Screenings & Risk Assessments	Yes	75%	535	\$30,595	\$57.24	\$4.77
2. Worksite Immunizations (Influenza)	Yes	75%	535	\$6,949	\$13.00	\$1.08
G. 24-Hour Support						
1. Online Medical Decision Support Web Site	Yes	100%	530	\$7,905	\$14.92	\$1.24
2. EAP Services	No **	0%	0	\$0	\$0	\$0
3. Nurse Line	No	0%	0	\$0	\$0	\$0
H. Core Competency Training Initiatives:						
1. Medical Self-Care	Yes	100%	530	\$8,057	\$15.20	\$1.27
2. Early Detection	Yes	100%	530	\$6,401	\$12.08	\$1.01
3. CyberMedicine	No	0%	0	\$0	\$0	\$0
I. Miscellaneous Performance Incentives						
P. Focused Interventions	No	0%	0	\$0	\$0	\$0
Q. Miscellaneous Targeted Training Programs						
R. Strategic planning, ad hoc research consulting, coord. and other project mgmt. support regarding above (A-Q).	No	0%	0	\$0	\$0	\$0
S. Employee-wide data, reports & recommendations regarding risks and other measures for determining population-specific targeted support over next 2-3 years.	No	0%	0	\$0	\$0	\$0
T. Vendor mgmt, consolidated billing and other adm. services.	No	0%	0	\$0	\$0	\$0
Total Investment Budget			530	\$8,100	\$15.28	\$1.27

Management Deliverables

See Results and Returns Summary for Returns-On-Investment

Year	Avg/Mos
44	3.7
All Services & Deliverables	
530	\$86,591
535	-\$30,595
535	-\$6,949
	\$49,048
	\$92.54
	\$7.71

* Partner Discount (e.g. MBGH membership, purchase of integrated system (6 or more services from A-N), member of purchasing cooperative, Kramer Loney clients).
 ** EAP is provided separately and not included in this budget.
 *** Prices are: 1) adjusted for all applicable discounts; and 2) subject to the primary assumptions, corresponding rates and other notes indicated on related summary pages.



530 Employees/Families Reached

A. Overall Planning, Development, Preparation & Project Mgmt

Annual Plan-Related Consulting, Customization, Meetings, Coordination Data interpretation & next steps planning (re: new group report data) Evaluation Strategy & Support —see page 2

B. Benchmark Planning Survey

Planning, Preparation, Coordination & Aggregate Group Report Delivery —implemented at Training #1 Group Report (GR) —about 1 month after compl. surveys are received

C. Online Medical Decision Support Web Site

Standard Customization re: logo, name, EAP & provider directories Option: add'l customization/updates any time during the year Beta Site Activated for Leaders + Monthly Reporting Activated (GR) Initial and Ongoing Promotion—e.g. via emails Service Activated for Entire Workforce Reports —Ongoing Feedback & Monthly Utilization Group Reports (GR)

D. Training #1: Strategy Kick-Off, Self-Care Training & Survey

Planning, Coordination & Promotion Delivery + Implement B + Reinforce C, F, G, H & EAP Applicable Reports —none if training evaluation not included

E. Training #2: Early Detection Training

Planning, Coordination & Promotion Delivery Reinforce C, F, G, H & EAP Applicable Reports —none if training evaluation not included

F. Early Detection Screening & Health Power Profile HRA

Planning, Coordination & Promotion Delivery —screening plus personal reports within 2-3 weeks Aggregate Group Report —about 1 month after last personal report mailed Note: NFPA Required Exams/Tests @ Edwards Hosp/Fitness for Firefighters/Paramedics —each person brings results from onsite screening/HPP with to exam

G. Worksite Immunizations - Flu Shots

Planning, Coordination & Promotion Delivery —serum availability will determine 1st/2nd choice delivery date Applicable Reports

H. Hope Health Newsletters & Reinforcing Articles

Customization & Coordination - 2 months before each issue on 25th of month Delivery: 6 = issues/year

I. Billing Schedule

Monthly billing begins 2 months before D (kick-off).

Employee-Specific Support

Reached % Total Reached Reached

Volume Discounts Adjusted Unit Cost Rate

Other Discounts Adjusted Unit Cost Rate

Discount Totals Discount Total Adjusted Total Cost

Strategic Communications	Base Unit Cost	Eligible Employees	Reached %	Total Reached	Frequency Per Year	Total Annual Quantity	Volume Discounts Adjusted Unit Cost	Rate	Other Discounts Adjusted Unit Cost	Rate	Discount Totals Discount Total	Adjusted Total Cost
Strategy Roll-Out/Kick-Off Flyer/Brochure	\$5.00	530	100%	530	1	530	\$3.50	-30%	\$3.15	-10%	-\$1.85	\$1,870
Online Medical Decision Support Flyer	\$1.00	530	100%	530	1	530	\$0.60	-40%	\$0.54	-10%	-\$0.46	\$286
Reminder Stickers - URL, EAP & Other 800#s	\$0.50	530	100%	530	2	1,060	\$0.30	-40%	\$0.27	-10%	-\$0.23	\$286
Reinforcing Newsletters Mailed to Homes	\$1.50	530	100%	530	6	3,180	\$1.06	-29%	\$0.95	-10%	-\$0.55	\$3,034
Assessments/Evaluation	\$15.00	530	100%	530	1	530	\$13.01	-13%	\$13.01		-\$1.99	\$6,895
Training Eval - Immediate/Process Feedback	\$1.50	530	0%	0	3	0	\$1.50	0%	\$1.50		\$0.00	\$0
Impacts/Outcomes Survey	\$20.00	530	0%	0	0	0	\$20.00	0%	\$20.00		\$0.00	\$0
Screening w/Health Power Profile @ Worksite	\$63.60	530	75%	398	1	398	\$63.60	-10%	\$57.24	-10%	-\$6.36	\$22,753
Screening w/Health Power Profile @ Worksite	\$63.60	274	50%	137	1	137	\$63.60	-10%	\$57.24	-10%	-\$6.36	\$7,842
Min. Charge (25 PPTs/Day x Screening Days) = \$1,590			x	4		0						\$0
Screening w/HPP @ Remote/Small Locations		530	0%	0		0			\$0.00		\$0.00	\$0
On-Site Equipment Budget **		530	0%	0	1	0			\$0.00		\$0.00	\$0
24-Hour Web Support	\$10.00	530	100%	530	1	530	\$7.00	-30%	\$4.50	-36%	-\$5.50	\$2,385
Advanced Prevention Support Component												\$0
24-Hour Phone Support	\$0.00	530	0%	0	12	0	\$0.00		\$0.00		\$0.00	\$0
Nurse Line: Standard Service/Family	\$0.00	530	0%	0	12	0	\$0.00		\$0.00		\$0.00	\$0
Nurse Line Add-On: Util. Review (IP+MH+OP/11)	\$0.00	530	0%	0	12	0	\$0.00		\$0.00		\$0.00	\$0
Core Training Programs												\$0
Self-Care		530	100%	530	1	530					-\$3,231	\$8,057
Early Detection		530	100%	530	1	530					-\$2,452	\$6,401
Cyber-Medicine		530	0%	0	1	0						\$0
Other - TBD based on claim, BPS & other data												\$0
Immunizations												\$0
Flu Shots	\$15.00	530	75%	398	1	398	\$13.00	-13%	\$13.00		-\$2.00	\$5,168
Flu Shots	\$15.00	274	50%	137	1	137	\$13.00	-13%	\$13.00		-\$2.00	\$1,781
TBD - Other (e.g. pneumonia, tetanus)		530	0%	0	1	0			\$0.00		\$0.00	\$0
Incentive Budgets												\$0
For those completing Benchmark Survey	\$0.00	530	0%	0	1	0	\$0.00		\$0.00		\$0.00	\$0
Success Stories - Published	\$0.00	530	0.00%	0	1	0	\$0.00		\$0.00		\$0.00	\$0
Program Pain/Eval Response - Random	\$0.00	530	0%	0	1	0	\$0.00		\$0.00		\$0.00	\$0
Incentive Adm & Mailings	\$0.00			0	1	0	\$0.00		\$0.00		\$0.00	\$0
Focused Intervention												\$0
Lifestyle Risks —e.g. smoking, weight ...	\$0.00	530	0%	0	1	0	\$0.00		\$0.00		\$0.00	\$0
Diseases/Conditions —e.g. diabetes, asthma ...	\$0.00	530	0%	0	12	0	\$0.00		\$0.00		\$0.00	\$0
Cluster - Smaller Groups Budget *** (e.g. \$15)	\$0.00	530	0%	0	1	0	\$0.00		\$0.00		\$0.00	\$0

Notes:

- * Includes all costs except applicable travel (see next page). Final cost is greater of actual participation rate or minimum charge.
- ** e.g. leave automated blood pressure machines at selected locations.
- *** Flexible budget can be used for 20+ other training programs regarding materials, trainers & evaluation. Topic priorities determined by site local safety/health committees &/or management using benchmark survey & other data reports.

Total/Group/Year Average/Employee/Year Per Employee Per Month (PEPM)
 -\$17,326 \$66,556 \$125.59 \$10.46

Employee Training

Self-Care

Participant Materials	Base Unit Cost	Quantity	Unit	Volume Discounts		Other Discounts *		Discount Totals		Appl. **	Adjusted Total Cost
				Rate	Adjusted Unit Cost	Rate	Unit Cost	Discount Per Unit	Total		
Core Materials											
Healthwise Handbook	\$9.95	530	Books	-37%	\$6.26	-10%	\$5.63	-\$4.32	-\$2,287.48		\$2,986
Instructional Reminder Bookmark	\$0.95	530	Bookmarks	-21%	\$0.75	-10%	\$0.68	-\$0.28	-\$145.75	\$500	\$858
Ask-the-Doctor Checklist w/2 Wallet Cards	\$1.50	530	Cards	-33%	\$1.00	-10%	\$0.90	-\$0.60	-\$318.00	\$500	\$977
	\$12.40						\$7.21				

Communications
 Reinforcing Sticker —re: EAP 800#s, URLs
 Online Medical Decision Support Flyer
 Strategy Kick-Off/Roll-Out Flyer/Booklet

Can be distributed at this program. Priced elsewhere in proposal.
 Can be distributed at this program. Priced elsewhere in proposal.
 Can be distributed at this program. Priced elsewhere in proposal.

Evaluation
 Evaluation Form —for immediate feedback
 Benchmark Planning Survey

Can be distributed at this program. Priced elsewhere in proposal.
 Can be distributed at this program. Priced elsewhere in proposal.

Implementation, Training & Worksite Resources
 Group Training
 On-Site Training via HPN Trainers

\$1,200 2.0 Days 0% \$1,200 -10% \$1,080 -\$120 -\$240.00 \$2,150

Direct Mail
 Video Training Kits ***

\$25.00 Kits -40% \$15.00 -\$11.50 \$0.00 \$0

Worksite/Trainer Resources
 Video Training Guides/Modules —for trainers
 Training Videos —for lending/libraries
 Instructor-Training/Train-the-Trainer

\$195.00 4 Modules -23% \$150.00 -\$60.00 -\$240.00 \$540
 \$20.00 Videos -40% \$12.00 -\$9.20 \$0.00 \$0
 \$2,400 Days(s) 0% \$2,400 -\$240 \$0.00 \$0

Travel & Other Applicable Pass-Throughs
 Material-Related
 Taxes (TL purchases)
 Shipping —Bulk
 Postage —Direct Mail
 Storage

Rate Multiplier
 0% \$5,361 Material Cost Sub-Total \$0.00
 10% \$5,361 Material Cost Sub-Total \$536.08
 \$2.25 0 Kits to Homes \$0.00

Travel
 Per Trip Expenses —e.g. airfare, rentals, pkg
 Per Diem Expenses —e.g. lodging, meals

Avg./Loc. Appl. Loss. Total Cost/Unit
 0 0 0 Trips(s) \$125
 0 0 0 Day(s) \$125

Notes:
 * Large group/cooperative purchasing discounts (e.g. MBGH).
 ** Customizations:

Travel Requested & Comments
 No travel expenses for Chicago programs \$0.00
 No travel expenses for Chicago programs \$0.00

Book Bookmarks Cards Sticker Evaluation
 \$3,800 \$500 \$500 \$75 \$500
 \$1,800 \$250 \$250 \$40 \$250
 1,000 2,000 2,000 200 2,000

Total/Group/Year - \$3,231
 Average/Employee/Year \$8,057
 Per Employee Per Month (PEPM) \$15.20
 \$1.27

*** Kit includes box, video, cover letter, assembly, insertion of contents, sealing & labeling. These items & costs are in addition to participant materials.

Primary Assumptions, Variables & Notes

Assumptions
 530 = # Employees (surveys printed/distributed)
 60% = Response Rate (surveys returned)

Survey Design
 A. Benchmark Survey with standardized question sets
 B. Customization options and cost ranges listed
 C. Typical customizations: logo, some questions
 D. 8-page survey, 2-color
 E. Paper = 80 lb, 11x17 folded & stitched

Distribution/Implementation
 1. Lowest cost: surveys collected via training programs &/or drop box and bulk shipped for data capture
 2. Pre-addressed return envelopes:
 • Can be provided with or without business reply mail feature
 • If needed for privacy re: drop-box strategy, 9x12 envelope recommended

3. For larger organizations, mailing to smaller random sample of employees can reduce total project costs.

^ License Fee License fee for one-time use of HPN-owned proprietary standardized question set for group this size (see below):
 \$1,000 5499 Employees
 \$1,500 500-999
 \$2,000 1,000-1,999
 \$2,500 2,000-2,999
 \$3,000 3,000-4,999
 Call >5,000 Employees

Other Notes:
 • Totals subject to change (up or down) based on actual response rate (vs. predicted/assumptions used).
 ** Subject to change based on final survey design and total number of data entry fields and characters.
 *** With key report findings, interface with current benefit(s) strategies, and implications/recommendations for future.
 **** Subject to change reflecting current USP rates at time of strategy mailing and response.

Program Distribution & Collection Option

Design	Description	Range	Quantity	Rate	Total
Design	Customization (questions) ** Proofs	2-5 hrs	3	\$150	\$450
Survey	Question Usage/License Fee ^ Printing - Survey ** Shipping (bulk to 1 location)		1	\$500	\$500
Response	Data capture/entry **	Resp. Rate 60%	318	\$2.75	\$875
Incentive	Strategy —if appl., budgeted separately If Raffle: Ticket Affixment/Survey	?		\$0.25	TBD
Analysis Presentations & Reports	Standard Analysis & Report Binder Custom Power Point Presentation *** Additional Analyses/Reports	6-12 hrs (rate/hr)	1 8	\$1,000 \$150 \$150	\$1,000 \$1,200 \$0
Total =					\$6,894.55

Direct Mail Options —Distribution &/or Reply/Response

Additional costs if mailed directly to home

&/or returned by standard or business reply mail:

Materials	Description	Quantity	Rate	Total
Envelopes	9x12 Envelope (for mailing to homes) Pre-addressed 9x12 return envelope; or Pre-addressed BRM 6x9 return envelope	0	\$0.45	\$0
Other Items	Cover Letter Other Inserts —if applicable	0	\$0.30 \$0.45	\$0 \$0
Fulfillment	Shipping (bulk to 1 location) Assembly of inserts & seal envelopes Label & Affixment (mailing to homes) Envelope to homes (1st Class) Bulk-Rate Account Set-Up (Bus. Reply) BRM to HPN	0	10% \$0.20 \$0.20 \$0.56 \$200.00	\$0 \$0 \$0 \$0
Postage ****	BRM Postage —returning surveys Envelopes, cover letter, other inserts	0	\$0.85 \$150.00	\$0 \$0
Customization	—if applicable	0		
Total =				\$0.00

Grand Totals =
 Per Person \$13.01
 Total \$6,894.55

Company-wide/Site Support

Management Deliverables

General Consulting /Adm Costs	Comments	Quantity	Frequency /Year	Total Quantity	Unit Cost	Suppl. Partner Discount		Total Costs
						Disc. Rate	Total Disc.	
Initial Strategy Consulting, Design, Budgets & Research Support	PhD, MD, MPH level (#hours)	16	1	16	\$250	-10%	-\$400	\$3,600
Group Report Data Review, Interp & Next Steps Planning	PHD, MD, MPH level (#hours)	8	1	8	\$250	-10%	-\$200	\$1,800
Key Stakeholder Meeting Support, Presentations, Proposal Dev.	Rates vary by staff level (\$150-250/h)	8	1	8	\$150	-10%	-\$120	\$1,080
Evaluation Support —e.g. studies, analyses, reports, presentations	Rates vary by staff level (\$150-250/h)	0	1	0	\$150	-10%	\$0	\$0
Supplemental Ad Hoc Work —as requested	Rates vary by staff level (\$150-250/h)	1	12	12	\$150	-10%	-\$180	\$1,620
Supplemental Data-Mining, Studies & Reports —as requested	For each on-site coordinator	0	0	0	\$0			\$0
Coordinator Training, Admin, Guide & Other Resources	1 = # hours/site/month (estimate)	0	0	0	\$0			\$0
All Other Admin, Coordination & Project Mgmt	None anticipated.	0	0	0	\$0			\$0
Travel Expenses	Already priced into training budgets (if appl.)	0	0	0	\$0			\$0
Consulting Meetings (Corp.)		0	0	0	\$0			\$0
Training Programs —if applicable		0	0	0	\$0			\$0
Early Detection Screenings —if applicable		0	0	0	\$0			\$0
Customizations		0	1	0	\$250			\$0
Communications		1	1	1	\$1,500			\$1,500
Roll-Out/Kick-Off	Employee Comm Booklet/Package	1	1	1	\$600		\$0	\$3,600
Newletters	Mashead w/1.3 pages • Press Charge/Issue	1	6	6	\$150	-10%	-\$135	\$1,215
Suppl. Support-Specific	Writing/Editing: Hours per Custom Reinf. Article	1	1	1	\$100		\$0	\$100
	Slickers & Other Appl. Print Comm.	0	1	0	\$0			\$0
	Appl. Video —many options	0	1	0	\$0			\$0
Online Medical Decision Support Site Enhancements		1	1	1	\$1,200		\$0	\$1,200
	Standard Initial Customizations	8	1	8	\$150	-10%	-\$120	\$1,080
	Extra-Ordinary Customizations	4	6	24	\$150	-10%	-\$360	\$3,240
	Advanced Reporting Feature				\$5,000			\$5,000
	Monthly Group-Specific Updates				\$150			\$150
Database Programming (e.g. survey, incentive admin systems)	If applicable				\$150	-10%	\$0	\$0
Library/Resource	Materials: \$1,000 to >\$5,000			0				\$0
Centers	Materials: \$500±			0				\$0
Other	In place, but only used as needed for unanticipated expenses and ad-hoc requests.							\$0
	Misc. taxes, extraordinary shipping (fedex), overages ...							\$0
	If Applicable ... As Incurred							\$0

Total/Group/Year								\$8,100
Average/Employee/Year								\$0
Per Employee Per Month (PEPM)								\$0
Total/Group/Year								\$20,035
Average/Employee/Year								\$37.80
Per Employee Per Month (PEPM)								\$6.30

Grand Totals								
Total/Group/Year								\$86,591
Average/Group/Month								\$7,215.91
Average/Employee/Year								\$163.38
Per Employee Per Month (PEPM)								\$13.61

See Notes Summary page for pricing variables and other notes.

Notes

General inclusions/exclusions:

Costs in this summary include ALL applicable time, materials, customization, travel expenses, shipping, postage and taxes as itemized in supporting detail documents, and are subject to change as project assumptions and specifications may change. All custom printed materials are subject to overages/underages and will be reflected on billing(s) as balance/credit due. Unless otherwise noted, pricing does not include resources/services that may be needed for new hires throughout the year.

Totals are subject to change based on:

Total number of employees.
 Participation rates used & final participation rates.
 Final pricing adjustments based on final project specifications and vendor/supplier prices at that time.
 Underage/overages on custom press runs.
 See Reconciliations.

Minimums apply regarding:

Early detection screenings & immunizations at the worksite, as noted in the pricing summaries.
 Staff time for onsite-related work & travel regarding training and consulting. See related guidelines, and Reconciliations.

Cancellation Fees:

Standard cancellation fees apply regarding applicable training programs, screenings, immunizations and consulting related time, travel and expenses. See related guidelines, and Reconciliations.

Deposits/advances may apply regarding:

Selected customization projects regarding print materials.
 Postage costs regarding selected direct mail projects.
 PEPM Capitated Model (i.e. 2 month advance binder check required to initiate project; due-date based on targeted start date and final specifications).

Additional Services and Resources

Requested services/resources supplemental to those specified in this document are billed separately.

Reconciliations

Underages

If actual rates are lower than projected rates, then corresponding budget amount is held in reserve as a credit against applicable overages, minimum fees and cancellation fees incurred during the course of the strategy year. At end of strategy year, remaining credits are either carried forward to next strategy year or refunded, based on client preference.

Overages

If actual rates are higher than projected rates, then corresponding amount due is paid for by any available credits, or billed when incurred. This process is also used for applicable minimums and cancellation fees.

Standard Payment Terms

Capitated fees are invoiced at the beginning of each month. All other fees are invoiced separately when incurred. All amounts due are payable net 15 days upon invoice date.
 Late payments incur a 1.5% monthly fee (APR=18%) on the applicable balance due.

Discounts

Discounts only apply if billings for all services go through HPN WorldWide.
 Prices are adjusted for all applicable economies of scale and other available discounts, as noted on other document pages.

Compliance

HPN WorldWide has always rigorously protected patient privacy and confidentiality and internet user privacy and confidentiality in accordance with all applicable Federal and State regulations, codes of ethics and HPN WorldWide terms and conditions. All services are delivered in compliance with current HIPPA and other applicable privacy regulations.