



State of Wisconsin
Department of Employee Trust Funds
4822 Madison Yards Way
Madison, WI 53705-9100
P. O. Box 7931
Madison, WI 53707-7931

Contract by Authorized Board

Commodity or Service:

Third Party Administration of Wellness and Disease Management Programs

Contract/Request for Proposal/Amendment No.:

ETG0005 – Amendment #2 dated August 30, 2018

Authorized Board: Group Insurance Board

Contract Period: January 1, 2018 - December 31, 2019 with the option for renewal for an additional three (3) years

1. This Contract Amendment #2 is entered into by the State of Wisconsin Department of Employee Trust Funds (Department or ETF) on behalf of the Group Insurance Board (Board), and The StayWell Company, LLC (Contractor), whose address and principal officer appear below. The Department is the sole point of contact for this Contract.
2. Whereby the Department agrees to direct the purchase and Contractor agrees to supply the Contract requirements in accordance with the documents specified in the order of precedence below, which are hereby made a part of the Contract by reference.
3. In **Contract Amendment #1**, the Department and Contractor agreed to modify the Contract as follows:
 - a. Contractor's pricing and rules for flu vaccine services are hereby added to the Contract as **Amendment 1A – StayWell Flu Vaccination Pricing and Assumptions**.
 - b. The Department's Request for Proposal (RFP) ETG0005 Appendix 7 - Performance Standards and Penalties is hereby modified as indicated in **Contract Amendment 1B – Modifications to Appendix 7-Performance Standards and Penalties**.
 - c. Section 28.0 Data Security and Privacy Agreement is hereby added to RFP Exhibit 4 - Department Terms and Conditions. The revised Exhibit 4 is attached as **Contract Amendment 1C – Exhibit 4 Department Terms and Conditions**.
 - d. Sections 5.6.L, 5.7.Q and 5.12.1.F are hereby added to the RFP as indicated in **Contract Amendment 1D – Additions to RFP Sections 5.6, 5.7 and 5.12**.
4. In this **Contract Amendment #2**, the Department and Contractor agree to modify the Contract as follows:
 - a. Sections 5.3.J, 5.4.D.6, 5.7.R, 5.11.I, and 5.11.J are hereby modified or added to the RFP as indicated in the attached **Contract Amendment 2A – Changes/Additions to RFP Sections 5.3, 5.4, 5.7 and 5.11**.
 - b. The Department's Request for Proposal (RFP) ETG0005 Appendix 7 - Performance Standards and Penalties is hereby modified as indicated in the attached **Contract Amendment 2B – Modifications to Appendix 7-Performance Standards and Penalties**.
5. For purposes of administering the Contract, the order of precedence is:
 - (a) This Contract Amendment #2;
 - (b) Contract Amendment #1 signed by the Board on March 12, 2018;
 - (c) The Contract between Contractor and the Department signed by the Board on August 16, 2016;
 - (d) Exhibit A, Changes Agreed to by the Parties during contract negotiations and from the Request for Proposal (RFP) ETG0005;
 - (e) Request for Proposal (RFP) ETG0005 dated April 25, 2016; and,
 - (f) Contractor's proposal dated May 27, 2016.

Contract Number & Service: ETG0005 Third Party Administration of Wellness and Disease Management Programs

State of Wisconsin Department of Employee Trust Funds
Authorized Board: Group Insurance Board
By (Name): Michael Farrell, Chair, Group Insurance Board
DocuSigned by: Signature: <i>Michael Farrell</i> 458100801742483
Date of Signature: 9/6/2018 3:56:53 PM CDT
Contact A. John Voelker, ETF Deputy Secretary, if questions arise: (608) 266-9854

Contractor
Legal Company Name: The StayWell Company, LLC
Trade Name: The StayWell Company, LLC
Taxpayer Identification Number: 94-3151780
Contractor Address (Street Address, City, State, Zip): 3000 Ames Crossing Road, Suite 100 Saint Paul, MN 55121
Name & Title (print name and title of person authorized to legally sign for and bind Contractor): Pearce Fleming President, Population Health
DocuSigned by: Signature: <i>Pearce Fleming</i> D6AF1AAAADFF54F
Date of Signature: 9/4/2018 8:30 PM EDT
Email: PFLEMING@staywell.com Phone: (651) 681-3387

Amendment 2A

Changes/Additions to RFP Sections 5.3, 5.4, 5.7 and 5.11

A. The following new Subsection J is hereby added to RFP Section 5.3 – Well Wisconsin Program Administration:

J. By January 1, 2019 Contractor shall have system capability to provide the gift card via Contractor's Choice Rewards tool in a lesser amount for tax purposes, to withhold FICA taxes, to the following Participant groups: Retirees, Retiree Spouses and COBRA Participants. Contractor's estimate for the development work associated with this system change is \$10,000 for 40 hours of development time at \$250/hour. Contractor will complete the development work and the system functionality will be operational no later than January 1, 2019. The amount withheld from the gift cards will be paid to ETF by the first business day of December each year during the Contract term beginning in 2019.

B. RFP Section 5.4 – Biometric Screening is hereby amended as follows:

D.6. Screening staff must arrive at least **sixty (60) minutes** ~~two (2) hours~~ prior to the event start time and manage event set-up and check-in of registered Participants. **Room set-up, required supplies, and screening staff must be ready at the scheduled start time.**

C. The following new Subsection R is hereby added to RFP Section 5.7 – Wellness and Disease Management Programs:

R. Ignite Group Coaching Pilot/Diabetes Prevention Program (DPP). Contractor will implement an Ignite Group Coaching Pilot/Diabetes Prevention Program (DPP):

- a) Contractor's DPP is an evidence-based health coaching solution for overweight/obese individuals and those with Metabolic Syndrome. The DPP will be delivered by Contractor to Participants in a virtual group setting, and will combine social support, advanced technology and behavioral science to help people build habits that promote lifelong weight management. Contractor will provide one or more coaches with the appropriate training who will deliver the training.
- b) The DPP will allow for 50 Participants:
 - i. Pricing for 25 Participants will be based on the Pay for Performance model described in Amendment #2B-Attachment 1 – StayWell Diabetes Prevention Program Performance-Based Pricing. The 2.5% minimum participation assumption listed in Amendment #2B-Attachment 1 does not apply.
 - ii. Pricing for 25 Participants will be based on Contractor's standard pricing model minus the coaching fees. ETF's price for this group will be \$224 per Participant.

D. The following new Subsection I is hereby added to RFP Section 5.11 – Marketing and Communication:

- I. Reoccurrences of emails.** Each email the Contractor sends pursuant to this Contract includes one delivery. To drive additional engagement and ensure timely Participant conversion from one step to the next and program completion, the Contractor will send emails on a reoccurring schedule.
- a) Contractor will add up to twenty (20) reoccurrences of the following program emails: health coaching email and "take action email."
 - b) The approximate cost for 20 reoccurrences of the two emails listed above is \$4,550.
 - c) One reoccurrence includes the following:
 - i. New distribution file pull
 - ii. Quality Assurance (QA) testing of the new distribution file
 - iii. Deployment of existing email to the new distribution list
 - d) The two reoccurring emails listed above will begin in August of 2018 and will run through the 2019 program year.
 - e) If additional reoccurring emails are needed, ETF will work with Contractor to identify them. Additional fees may apply.

E. The following new Subsection J, is hereby added to RFP Section 5.11 – Marketing and Communication:

- J. Well Wisconsin Program Overview Video.** The Contractor will provide a customized video highlighting the Well Wisconsin Program using one of Contractor's existing video templates (e.g., Dominion). The content of the video will be in the format of a creative brief.
- a) ETF may instruct the Contractor to edit the content of the video as desired.
 - b) Contractor's cost for the video is \$3,500 (20 hours). This includes Contractor's content development, project management and proofing for grammatical errors. The final cost will depend on the content scope, length of video, stock footage edits requested by ETF, number of rounds of edits requested by ETF. The above price includes up to three (3) rounds of ETF-requested edits (not to stock footage).
 - c) ETF will review the video and video edits and provide electronic approvals to Contractor via email prior to the video being uploaded to the web portal.
 - d) Once the video is approved by ETF, the Contractor will create the final video.
 - i. Any edits made to the content of the video after the video has been approved by ETF will result in additional charges to ETF billed at \$175 per hour.
 - ii. Any edits ETF requests the Contractor to make to the template (stock footage) will result in additional charges to ETF billed at \$175 per hour.
 - e) The customized video will be utilized within StayWell communications, in the web portal, and the actual video file will be shared with ETF for ETF's use and distribution to employer groups.

Amendment 2B

Modifications to Appendix 7 of the RFP (Performance Standards and Penalties)

Effective January 1, 2018	
Performance Standards	Penalties
<p>MODIFY:</p> <p>F. Biometric Screening Events. 2. Length of Screening: Provided that the Contractor has access to the screening site at least sixty (60) ninety (90) <u>sixty (60)</u> minutes prior to the event start time, events shall be fully staffed in order to meet the scheduled start time and end time of the event for pre-scheduled appointments. The Penalty will not apply if the Contractor and event host agree to lengthen the event time to accommodate walk-in appointments.</p> <p>The Performance Guarantee is voided if event end time is delayed due to event host's failure to complete responsibilities and/or additional participants being screened after program end time not due to Contractor issues.</p>	<p>\$500 per thirty (30) minutes of time delayed, per incident</p>
<p>MODIFY:</p> <p>H. Customer Service. 9. Call Center Access: Dedicated toll-free telephone access to customer service center available between 8:00 a.m. and 7:00 <u>6:00</u> p.m., CST/CDT, Monday through Friday, at minimum, except for legal holidays.</p>	<p>\$2,500 per quarter</p>
<p>MODIFY:</p> <p>J. Website and Web-portal: assessed quarterly. 3. Availability: With the exception of scheduled maintenance, the website and web-portal shall be available continuously. In the event of downtime, the Contractor shall immediately notify the ETF Program Manager of the expected duration of the downtime, post a notice on the website and provide a 24-hour "hot line" number.</p>	<p>\$3,000 per incident. If the outage continues for more than 24 hours, an additional \$3,000 will be assessed per Day the web-portal is down/unavailable.</p>
<p>ADD:</p> <p>F. Biometric Screening Events. 7. Participant Wait Time: Contractor shall have sufficient staff on site so that participants with pre-scheduled screening appointments shall complete their screening within a minimum of thirty (30) minutes from their scheduled appointment start time. Participants that arrive more than five (5) minutes after their scheduled appointment start time are excluded from this measurement and may be required by the Contractor to be rescheduled if such late arrival will jeopardize timely completion of subsequent screening appointments.</p>	<p>\$500 for every 5% of Participants per screening event who do not complete their screening within thirty (30) minutes of their scheduled appointment start time</p>



StayWell Diabetes Prevention Program Performance-Based Pricing

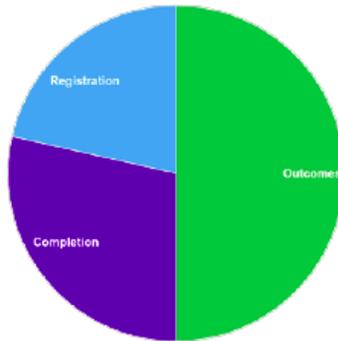
Background

StayWell conducted market research to verify our understanding of client interest in performance-based pricing. Our research confirmed that many clients are not completely satisfied with fee-for-service and PMPM pricing options for StayWell's Diabetes Prevention Program (DPP) and would prefer to pay for "outcomes".

The purpose of this Performance-based Pricing Model is to align StayWell and our client around mutually desired outcomes by rewarding both parties for performing their respective roles and by creating incentives for continuous performance improvement. The intent of the model is to provide a flexible, collaborative framework for negotiating specific performance targets. Our intent is to offer a performance-based model that is not only attractive to both StayWell and its clients, but differentiates StayWell from other well-being vendors.

The model, as proposed below, moves StayWell from its current fixed pricing model (i.e., client is charged a flat rate per registrant) to a performance-based model where StayWell is paid for connecting with eligible individuals, engaging them throughout the DPP program, and helping them achieve clinically meaningful weight loss. Half of the total potential revenue per participant is based on weight loss attainment.

Payment Structure for Performance-Based Model



Diabetes Prevention Program

StayWell's DPP is an evidence-based health coaching solution for overweight/obese individuals and those with Metabolic Syndrome. Delivered in a virtual group setting, the program combines social support, advanced technology and behavioral science to help people build habits that promote lifelong weight management.

Performance-Based Model

Clients pay for individuals participating in the program based on their attainment of each milestone.



MILESTONE	RATE PER PERSON	DEFINITION
Program Registration	\$130	
Program Completion	\$175	Defined as attending 6+ of 12 weekly sessions
Weight Loss		
3% Loss	\$300	Based on achievement of weight loss target of 3% below baseline [^] weight within 12 months of registration.
5% Loss	\$150	Based on achievement of weight loss target of 5% below baseline [^] weight within 12 months of registration.
Minimum billable rate per person	\$130	
Maximum billable rate per person	\$755	

[^] Baseline defined 1st actual device recorded weight.

Model Assumptions

StayWell will agree to enter into a performance-based contract for clients who agree to the following criteria. If actual performance does not meet these criteria, billing will revert to standard program pricing.

- Devices are made available to all registrants. Performance-based pricing will apply only to those registrants who sync devices and track both physical activity and weight.
- \$300 weight loss performance payment is made for any registrant who meets criteria defined in the statement of work (SOW) and achieves 3% weight loss based on a weight captured <12 months following registration.
- Additional \$150 weight loss performance payment is made for any registrant who meets criteria defined in SOW, exceeds 3% weight loss target and achieves 5% weight loss based on a weight captured ≥ 12 months following registration. Total payment for 5% weight loss is \$450.
- Payments for achieving weight loss targets will be based on a participant remaining "Active" in the program and achieving the respective target. "Active" is defined as having 3+ weigh-ins during a given month.
- Individuals who discontinue participation in the program due to loss of eligibility or other extenuating circumstance will be excluded from the performance-based model. Standard program pricing will apply.
- Individuals who become pregnant or have other conditions where weight loss is not medically recommended are excluded from the performance-based model. Standard program pricing will apply.
- Assumes minimum participation of 2.5%.
- Customer implementation of a mutually agreed promotion/communication strategy.
- Customer implements StayWell's standard engagement strategy for coaching programs.