

Total Health Incentive Plan Agreement (2014 Plan)

September 16, 2013

Total Health Incentive Plan

Introduction

The Total Health Incentive Plan (THIP) encourages employees to maintain or improve their health. The Plan incentivizes employees to: (1) update their biometric risk screenings; (2) complete the Total Health Assessment; and (3) maintain or make steady improvements on key biometric risks (Body Mass Index, smoking, blood pressure and cholesterol). The Plan uses a collective, population-based approach that focuses on helping low-risk individuals stay healthy and helping those with health risks and health conditions have the information and resources they need to improve their health and lower health care costs.

The following identifies the specific provisions of the 2014 Total Health Incentive Plan, including the plan design, the employees eligible for the incentive, the plan's goals and measures, and the support that will be provided for implementation.

Total Health Incentive Plan Design

The Total Health Incentive Plan payout is determined based on aggregate results by Region. Each Region will be provided its own baseline biometric risk measures. If the Region meets a Payout Opportunity described below, then all eligible employees in that Region will receive the payout, regardless of any individual results or individual participation. The maximum Total Health Incentive Plan payout per employee is \$500. Maximum payout per Region will be \$500 x number of eligible Regional employees at the time of payout.

Program Goals/Payout Opportunities

Payout Opportunity One: \$150/eligible employee upon achieving each gate, for a total opportunity of \$300/eligible employee.

- Gate one: Eligible employees will receive a \$150 payout if, on December 31, 2014, 75 percent of the eligible employees within the Region completed a Total Health Assessment (THA) —between January 1, 2012 and December 31, 2014. Each employee will count only once for purposes of this measurement regardless of the number of times the employee has taken the THA in this timeframe. The payout will occur after January 1, 2015 and no later than February 28, 2015.
- Gate two: Eligible employees will receive a \$150 payout if on December 31, 2014, 85 percent of the eligible employees within the Region are up to date on biometric screenings (based on Customer Analytics Reporting, see Appendix 3) as measured over a two year period--January 1, 2013 through December 31, 2014. This is measured by taking the average of BMI, smoking, cholesterol and blood pressure screening rates. The payout will occur after January 1, 2015 and no later than September 30, 2015.

Payout Opportunity Two: If the Region meets the goals described in Gate One and Gate Two as of December 31, 2014 and both gates open, there is an opportunity for an additional payout of \$200 for health outcome improvements, by Region ("Health Outcomes Goal"):

- The four biometrics to be measured are Body Mass Index (BMI), smoking, cholesterol, blood pressure. Data definitions are for the "at-risk population" as follows:

- BMI: The percent of eligible employees who have a BMI greater than or equal to 25
 - Cholesterol: The percent of eligible employees with Borderline/High total cholesterol greater than or equal to 200
 - Smoking: The percent of eligible employees who smoke
 - Blood Pressure: The percent of eligible employees with a blood pressure greater than or equal to 140/90
- The Region will meet the Health Outcome Goal if collectively the Region:
 - Makes an average improvement across the four biometric risk areas of at least 1.7 percent in the at-risk population at the end of the 2014 measurement year; and
 - The aggregate results for that Region do not worsen or decline from 2013 baseline in any of the four biometric areas.

To determine results, the 2013 baseline will be compared to 2014 year end results for the eligible population, by Region. (Note: 1.7 percent over three years equals 5 percent improvement as specified in the National Agreement.)

- The 1.7 percent improvement is determined by calculating the average percentage improvement across all risk factors over the baseline for the at-risk population. The percent improvement is rounded to the nearest tenth of a percent.

Gate	Measurement Period	Regional Incentive Goal	Payout
Total Health Assessment Completion	3 years 1/1/12-12/31/14	75% of unique eligible employees	\$150 per eligible employee Payout in 2015 no later than February 28, 2015
Up-to-date Biometric Screening	2 years 1/1/13-12/31/14	85% of unique eligible employees are up to date on specified biometric screenings (average of the four biometric risk measures and per clinically recommended interval without any decline in any measure)	\$150 per eligible employee Payout in 2015 no later than September 30, 2015
Both Gates Above Open and Met	1 year 12/31/13-12/31/14 (Comparing a snapshot of eligible employees on each of these two dates)	Average of 1.7% percent improvement across the four biometric risks, without any decline in any measure	\$200 per eligible employee Payout in 2015 no later than September 30, 2015

Appendix 1 includes an example of how an average 1.7 percent improvement may be achieved (across the four biometric risks in the at-risk population biometric risks by the end of the measurement year of 2014). Appendix 2 is an example where the Health Outcome Goal would not be achieved.

Employees Eligible for Payout

Only the following employees are eligible for payouts under this Plan:

- Benefit-eligible Coalition employees and non-represented employees (including managers, exempt and nonexempt employees in KFH/KFHP/PMGs) are eligible for the incentive payout under the Total Health Incentive Plan. Membership in KP Health Plan is not required.
- To be eligible, employees must have completed their 90 day probation and be an active employee at the time of payout calculation (generally three weeks prior to payout). Active employees include those with the following status: medical leave, military leave, jury duty, FMLA, union leave, suspended, disabled, or other approved leave of absence. Employees who retire on or after January 15, 2015 will be eligible for all payouts they would have otherwise received if employed on the date of regional payout. Retirement for the purposes of this plan means early, normal, or postponed retirement under applicable pension plans.

This plan excludes executives, physicians, dentists, non-benefit eligible coalition employees, and non-Coalition represented employees.

Incentive is based on collective performance of the eligible population in each region. The following Regions will participate: Northern California, Southern California, Hawaii, Colorado, Northwest, Mid-Atlantic States, Georgia, Program Offices/KPIT. Program Offices staff and KPIT will collectively be treated as a region for the purposes of this incentive plan. Any individual employee will be included in the Region in which they are identified for payroll purposes, as of the date of payout calculation.

Additional Program Details

The Total Health Incentive Plan is part of the 2012 National Agreement (See Exhibit 1.H.1.b). The THIP design was completed by joint management and union leaders who serve on the Total Health Leadership Committee and endorsed by the Total Health Executive Sponsors Committee.

This program is separate from the Performance Sharing Program.

The Plan results will be measured by de-identified aggregate reports provided by Health Plan Customer Analytics Reporting for Health Plan members. Aggregate Total Health Assessment participation rates include member and non-health plan members. All other data for non-Health Plan members will be reported (de-identified) by voluntary submission.

Employees who request reasonable accommodation will be offered one to meet the standards in the Plan, and this will be stated in materials and communications. A reasonable accommodation will be provided, e.g., online courses.

This plan does not provide any health or medical benefits or any other benefit that is subject to the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). This plan is a cash bonus plan, which is not a benefit that is subject to ERISA.

The program outlined above is for 2014, only. The Sponsors will review a similar program for the 2015 performance year, with a 1.7 percent improvement over actual 2014 year end results (and no deterioration in the specified biometrics). However, the parties recognize that 2014 experience with this new and pioneering approach may uncover elements that need to be revised, and this will be discussed in 2015 National Agreement negotiations.

Support for implementation and launch of the Plan will include:

- Consistent data and measures: National Workforce Wellness will provide program-wide and regional baseline data. Total Health Assessment results will be provided approximately 30 days of the end of the measurement period. Biometric screening data and biometric risk data will be provided approximately six months following the end of the measurement period. All data are aggregate for the eligible population in the region, no individuals are identified
- A regional dashboard to track progress will be provided and shared with all employees.
- A detailed campaign/communication plan
- Development and distribution of a toolkit of resources for use enterprise-wide
- Management and labor will work together to ensure that each Region has adequate personnel and resources to execute the plan/program.

Appendix 1

Following is an example of how to achieve an average 1.7 percent improvement across the four biometric risks in the at-risk population by the end of the measurement year of 2014.

Sample Plan Using Program-wide Data
(Meeting Both Gates and Meeting Health Improvement Goal)

	Projected 2013 At Risk (# ees)*	Example 2014 At Risk (# ees)	Average percent change in the At-Risk population
Smoking	6.8% (8,667)	6.7% (8,520)	147 employees quit smoking for a 1.7% reduction (147/8,667 rounded to the nearest tenth of a percent)
Cholesterol greater than or equal to 200	35.5% (37,131)	34.9% (36,500)	631 employees reduce cholesterol for a 1.7% reduction (631/37,131 rounded to the nearest tenth of a percent)
Blood Pressure greater than or equal to 140/90	9.4% (10,554)	9.3% (10,375)	179 employees reduce blood pressure for a 1.7% reduction (179/10,554 rounded to the nearest tenth of a percent)
Body Mass Index (BMI) greater than or equal to 25	68.7% (69,360)	67.5% (68,181)	1179 employees reduce BMI for a 1.7% reduction (1,179/69,360 rounded to the nearest tenth of a percent)
Average			Average 1.7% reduction over the 4 measures Smoking, Cholesterol, Blood Pressure, BMI (1.7+1.7+1.7+1.7/4, rounded to the nearest tenth of a percent)

*This data was taken from Customer Analytics Preventive Lifestyle Risk Report on the THIP eligible employee population for the 12 month period ending: December 31, 2012. These are projected numbers based on 2012 outcomes and are meant as an example only.

Appendix 2

Following is an example of not achieving an average 1.7 percent improvement across the four biometric risks in the at-risk population by the end of the measurement year of 2014.

Sample Plan Using Program-wide Data
(Meeting Both Gates and NOT Meeting Health Improvement Goal)

	Projected 2013 At Risk (# ees)*	Example 2014 At Risk (# ees)	Average percent change in the At-Risk population
Smoking	6.8% (8,667)	6.7% (8,520)	147 employees quit smoking for a 1.7% reduction (147/8,667 rounded to the nearest tenth of a percent)
Cholesterol greater than or equal to 200	35.5% (37,131)	35.1% (36,760)	371 employees reduce cholesterol for a 1.0% reduction (371/37,131 rounded to the nearest tenth of a percent)
Blood Pressure greater than or equal to 140/90	9.4% (10,554)	9.3% (10,375)	179 employees reduce blood pressure for a 1.7% reduction (179/10,554 rounded to the nearest tenth of a percent)
Body Mass Index (BMI) greater than or equal to 25	68.7% (69,360)	67.5% (68,181)	1179 employees reduce BMI for a 1.7% reduction (1,179/69,360 rounded to the nearest tenth of a percent)
Average			Average 1.5% reduction over the 4 measures Smoking, Cholesterol, Blood Pressure, BMI (1.7+1.0+1.7+1.7/4, rounded to the nearest tenth of a percent)

*This data was taken from Customer Analytics Preventive Lifestyle Risk Report on the THIP eligible employee population for the 12 month period ending: December 31, 2012. These are projected numbers based on 2012 outcomes and are meant as an example only.

Appendix 3

Up to date Biometric Risk Screenings as measured 1/1/13-12/31/14	
Body Mass Index (BMI)	Percentage of adult population aged 21-74 that had a recorded result for weight and height during the last 12 months. For height, if no value in the 12 month period there was a scan back another 12 months.
Cholesterol	Percentage of adult population that had a recorded result for cholesterol, which includes an LDL, HDL and Triglyceride result, during the last 5 years.
Smoking	Percentage of adult population that had their smoking status populated in the social history section of HealthConnect. This is not a 'time captured' element and reflects the current or most recent smoking status.
Blood Pressure	Percentage of adult population that had a recorded result for blood pressure during the 12 month period being measured.
Biometric Risk Values for the at-risk population as measured 1/1/13-12/31/14	
Body Mass Index	Percentage of members aged 21-74 who came to the doctor in the measurement period and who had a recorded BMI that is ≥ 25 . Excludes members who were using maternity services during the time period of measurement
Cholesterol	Percentage of members who came to the doctor in the measurement period and who had a measured cholesterol result ≥ 200
Smoking	Percentage of members aged 18+ who came to the doctor in the measurement period and who had a Smoking Status result of Never or Quit according to HealthConnect.
Blood Pressure	Percentage of members aged 18-85 who came to the doctor in the measurement period and who had an average Blood Pressure reading where the "average" systolic was ≥ 140 OR the "average" diastolic was ≥ 90 .

Above measures as defined by Customer Analytics Reporting