TOTAL HEALTH INCENTIVE PLAN

Program Overview

Why a health incentive?
As part of Kaiser Permanente’s vision to be a leader in Total Health, we aspire to have the healthiest workforce in the health care industry. By focusing on our own health, we can serve as role models of health for each other, our members and patients, and the communities we serve. This incentive plan is a catalyst for building a community of support throughout Kaiser Permanente that will enable us to be our healthy best. Together we can build a culture of total health that will help all of us to be healthy, stay healthy, and thrive, as we deliver on our mission to provide high quality, affordable health care services and to improve the health of our members and the communities we serve.

Eligible employees
Participation in the Total Health Incentive Plan is open to benefits eligible employees in Kaiser Foundation Hospitals (KFH), Kaiser Foundation Health Plan (KFHP) and Permanente Medical Groups (PMGs) who are:

» Kaiser Permanente Coalition Union-represented employees;
» Non-represented employees, including managers, exempt and nonexempt employees.

The Total Health Incentive Plan is a voluntary employer wellness program. No employee is required to participate.

Total Health Incentive Plan design
The Total Health Incentive Plan takes a collective approach that will track progress and reward improvements on a regional (not individual) basis, with no penalties for individuals who do not meet the goals. The Total Health Incentive Plan has three parts, with a maximum bonus opportunity of $500 for the 2014 plan year. Progress will be measured and payments made on a regional basis, meaning that all eligible employees will receive the incentives if the targets are met.

1) Gate One: 75 percent of eligible employees in a region must take the Total Health Assessment (THA) between January 1, 2012, and December 31, 2014. If a region meets this gate, a bonus of $150 will be paid no later than February 28, 2015.

2) Gate Two: 85 percent of eligible employees must be up to date on biometric screenings (an average of the four biometric risk measures) between January 1, 2013, and December 31, 2014. If a region meets this gate, a bonus of $150 will be paid no later than September 30, 2015.

3) If the region meets Gate One and Gate Two, eligible employees can earn an additional $200 bonus if the region has a collective average improvement in the at-risk population of at least 1.7 percent across the four biometric factors to be measured: smoking, cholesterol, blood pressure, and body mass index (BMI), with no decline in any of the four risk factors.
What is the health improvement goal?

The incentive goal was designed to encourage employees to adopt more healthy lifestyles, and will be based on achieving collective, annual, manageable health improvements in four biometric risk areas: blood pressure levels, body mass index (BMI), cholesterol levels, and smoking rates. The goal is to move employees out of the “at risk” population in each of these risk areas:

<table>
<thead>
<tr>
<th>Biometrics</th>
<th>At-Risk Population Measurement Values</th>
</tr>
</thead>
<tbody>
<tr>
<td>Body Mass Index (BMI)</td>
<td>Greater than or equal to 25</td>
</tr>
<tr>
<td>Cholesterol</td>
<td>Greater than or equal to 200</td>
</tr>
<tr>
<td>Smoking</td>
<td>Smoker</td>
</tr>
<tr>
<td>Blood Pressure</td>
<td>Greater than or equal to 140/90</td>
</tr>
</tbody>
</table>

Employees are encouraged to start where they are and take small steps towards a healthier lifestyle. In order to meet the health improvement goal, the region must average the 1.7 percent improvement across all four biometric risk measures in the at-risk population and there can be no decline in any one of the four risk measures during the measurement period.

To support employees in achieving the goal, Kaiser Permanente is implementing environmental and policy changes throughout the organization that will make the healthy choice the easy choice for employees. For example, we are promoting healthy eating options for cafeterias and vending machines.

Privacy and confidentiality

Kaiser Permanente as the employer will not receive any of your personal biometric information or your Total Health Assessment results. The incentive is measured on collective achievement, biometric data is reviewed in the aggregate, and individual names are not associated with the data. That means that no manager, facility, or region will have access to individual employee biometric information or Total Health Assessment results. All personal information remains confidential and in compliance with all HiPAA and applicable state privacy laws.