

LETTER OF INTENT
Wellness Clinic Services

July 26, 2018

Mr. James W. Edwards, Jr., CPA
Business Administrator/Board Secretary
Brick Township Board of Education
101 Hendrickson Avenue
Brick, NJ 08724

Dear Mr. Edwards:

The undersigned, as Respondent, has submitted the attached Proposal Statement in response to a request, issued by the Brick Township Board of Education ("Board"), dated July 26th, 2018, in connection with the Board's need for a Wellness Clinic Services.

Integrity Health, LLC HEREBY STATES:

1. The Proposal Statement contains accurate, factual and complete information.
2. Integrity Health, LLC agrees to participate in good faith in the procurement process as described in the solicitation and to adhere to the Board's procurement schedule.
3. Integrity Health, LLC acknowledges that all costs incurred by it in connection with the preparation and submission of the Proposal Statement and any proposal prepared and submitted in response to the solicitation, or any negotiation which results there from shall be borne exclusively by the Respondent.
4. Integrity Health, LLC hereby declares that the only persons participating in this Proposal Statement as Principals are named herein and that no person other than those herein mentioned has any participation in this Proposal Statement or in any contract to be entered into with respect thereto. Additional persons may subsequently be included as participating Principals, but only if acceptable to the Board. Integrity Health, LLC declares that this Proposal Statement is made without connection with any other person, firm or parties who has submitted a Proposal Statement, except as expressly set forth below and that it has been prepared and has been submitted in good faith and without collusion or fraud.
5. Integrity Health, LLC acknowledges and agrees that the Board may modify, amend, suspend and/or terminate the procurement process (in its sole judgment). In any case, the Board shall not have any liability to the Respondent for any costs incurred by the Respondent with respect to the procurement activities described in this solicitation.

6. Integrity Health, LLC acknowledges that the provision of Wellness Clinic Services must comply with all applicable affirmative action and similar laws. Respondent hereby agrees to take such actions as are required in order to comply with such applicable laws.

7. Integrity Health, LLC submits a proposal including out of pocket expenditures, as attached:

OPTION # 1: FULL SCALE HEALTH CENTER MODEL

July 1, 2019 – June 30, 2020	\$ 2,898,944
July 1, 2020 – June 30, 2021	\$ 2,859,601
July 1, 2021 – June 30, 2022	\$ 3,019,611
July 1, 2022 – June 30, 2023	\$ 3,083,902
July 1, 2023 – June 30, 2024	\$ 3,150,113

Please list any cost changes for the addition and/or deletion of staffing, Rx inventory related to utilization, new Rx products and additional service components (e.g., adding a pediatrician based upon demand) proposed within your RFP.

Please see attached Five Year Cost Projection. This attachment includes additional detail on information requested above.

Amount per square foot that has been included in fee for fair market value of a lease of space.

07/01/19-06/30/20	\$ 22.00/SF/YR @ 5,000SF
07/01/20-06/30/21	\$ 22.00/SF/YR @ 5,000SF
07/01/21-06/30/22	\$ 22.00/SF/YR @ 5,000SF
07/01/22-06/30/23	\$ 22.00/SF/YR @ 5,000SF
07/01/23-06/30/24	\$ 22.00/SF/YR @ 5,000SF

Amount per year of fee that is attributable to capital (build out of space and equipment).

07/01/19-06/30/20	\$ 328,572
07/01/20-06/30/21	\$ 151,992
07/01/21-06/30/22	\$ 125,000
07/01/22-06/30/23	\$ 125,000
07/01/23-06/30/24	\$ 125,000

OPTION # 2: SATELLITE HEALTH CENTER MODEL

July 1, 2019 – June 30, 2020	\$ 2,011,621
July 1, 2020 – June 30, 2021	\$ 1,955,424
July 1, 2021 – June 30, 2022	\$ 2,061,475
July 1, 2022 – June 30, 2023	\$ 2,101,023
July 1, 2023 – June 30, 2024	\$ 2,141,747

Please list any cost changes for the addition and/or deletion of staffing, Rx inventory related to utilization, new Rx products and additional service components (e.g., adding a pediatrician based upon demand) proposed within your RFP.

Please see attached Five Year Cost Projection. This attachment includes additional detail on information requested above.

Amount per square foot that has been included in fee for fair market value of a lease of space.

07/01/19-06/30/20	\$ 22.00/SF/YR @ 3,750SF
07/01/20-06/30/21	\$ 22.00/SF/YR @ 3,750SF
07/01/21-06/30/22	\$ 22.00/SF/YR @ 3,750SF
07/01/22-06/30/23	\$ 22.00/SF/YR @ 3,750SF
07/01/23-06/30/24	\$ 22.00/SF/YR @ 3,750SF

Amount per year of fee that is attributable to capital (build out of space and equipment).

07/01/19-06/30/20	\$ 270,666
07/01/20-06/30/21	\$ 120,742
07/01/21-06/30/22	\$ 93,750
07/01/22-06/30/23	\$ 93,750
07/01/23-06/30/24	\$ 93,750

8. Integrity Health, LLC agrees, that if selected by the Board, to perform services outlined in the solicitation. Integrity Health, LLC further agrees that if at any time during the period covered by this solicitation, the Respondent is unable or unwilling to perform said services, that the Board may utilize the next available responsible Respondent, and Integrity Health, LLC will reimburse the Board any cost difference between fee that would have been paid and the cost paid by the Board.

9. Integrity Health, LLC agrees to defend, indemnify and hold the Brick Township Board of Education harmless with respect to any claim for injury to person or property arising out of acts of Integrity Health, LLC, its subsidiaries, parents, agents, principals or employees.

10. Integrity Health, LLC agrees that the services are being delivered and are intended to be performed in the State of New Jersey and shall be constructed and enforced in accordance with the laws of that State.

11. Integrity Health, LLC agrees that the services may be terminated by the Board by giving the respondent 30 days advance written notice.

12. Integrity Health, LLC agrees that this agreement constitutes the entire agreement to be entered into between the parties with respect to the subject matter hereof and supersedes all prior and contemporaneous oral, written and other agreements between the parties with respect to the subject matter hereof. This agreement may only be amended by writing signed by both parties.



Ed MacQueen
Chief Operating Officer
Integrity Health, LLC

Dated: 7/25/2018

Brick Twp. Board of Education
Partnership Health Center- Full Scale Model

Letter of Intent



Five Year Cost Projection
Full Scale Health Center Model

Item	Startup Costs	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Management Fee (See services on p.177)	-	372,900	372,900	372,900	372,900	372,900	1,864,500
Retrofit (5,000 SF)	-	125,000	125,000	125,000	125,000	125,000	625,000
Lease	-	110,000	110,000	110,000	110,000	110,000	550,000
Staffing	60,404	1,570,499	1,727,549	1,848,477	1,903,932	1,961,050	9,071,910
Equipment & Furniture Cost	203,572	-	26,992	-	-	-	230,564
Equipment Maintenance/Support	-	48,000	48,960	49,939	50,938	51,957	249,794
Medical & Office Supplies	6,570	82,000	90,200	96,514	99,409	102,392	477,085
Labs	-	140,000	154,000	164,780	169,723	174,815	803,319
Prescription Drugs	-	180,000	204,000	252,000	252,000	252,000	1,140,000
Total	270,545	2,628,399	2,859,601	3,019,611	3,083,902	3,150,113	15,012,171

Notes:

- Integrity Health's proposal to Brick Twp. Board of Education uniquely features the option of possible reciprocity with the Toms River Schools and Long Branch Schools Partnership Health Centers. Through reciprocity Brick plan members would use the Toms River Schools Health Center and vice-versa. In addition to convenience, the advantage is greater Health Center utilization by Brick employees and dependents producing greater financial gain for Brick Board of Education. Reciprocity could possibly be arranged for a short-term or long-term basis. Upon agreement with another Partnership Health Center, short-term reciprocity could begin immediately and cease once the Brick Board of Education Partnership Health Center is operational. Long-term reciprocity could likewise begin immediately and continue in place once the Brick Partnership Health Center is operational. Reciprocity will not involve risk-sharing of health claims liability or financial cross subsidies between the districts; it is handled similarly to typical provider offices but at a much lower rate and without member co-pays. Integrity Health will ensure that each Partnership Health Center will be fairly compensated for services and products provided to the covered members of the other district(s).
- Integrity Health offers Brick BOE two options for program management fees. The management fee figures above are based on Option #1, \$25.00 per-employee-per-month (PEPM). Option #2 is based on \$15.50 PEPM plus the value of Brick BOE health plan savings generated through use of Green Circle providers who would otherwise be out-of-network (OON). Green Circle savings equal the *difference* between 1) the value of discounts arranged by Integrity Health with OON doctors who join the Brick BOE health plan Green Circle, and 2) the value of Brick BOE health plan's average OON discount applied its network TPA to such Green Circle providers' allowable charges.
- Retrofit Costs are estimated to be \$125/SF. This is a conservative estimate. Retrofit costs can vary based on the condition of the site selected.
- Lease costs based on \$22.00/SF/YR @ 5,000 SF.
- Staffing costs increase 10% in year two to account for potential addition of physical therapy program and increased primary care staffing due to expected utilization increase in year two. Year three staffing cost increase is 7% to account for utilization increase. Years 4 and 5 increases are 3% to account for standard cost of living salary adjustments.
- Medical and Office supply, labs and Rx drug increases year over year reflect expected utilization increases.

Brick Twp. Board of Education
Partnership Health Center- Satellite Model

Letter of Intent



Five Year Cost Projection
Satellite Health Center Model

Item	Startup Costs	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Management Fee (See services on p.177)	-	298,320	298,320	298,320	298,320	298,320	1,491,600
Retrofit (3,750 SF)	-	93,750	93,750	93,750	93,750	93,750	468,750
Lease	-	82,500	82,500	82,500	82,500	82,500	412,500
Staffing	33,836	879,730	967,702	1,035,442	1,066,505	1,098,500	5,081,714
Equipment & Furniture Cost	176,916	-	26,992	-	-	-	203,908
Equipment Maintenance/Support	-	48,000	48,960	49,939	50,938	51,957	249,794
Medical & Office Supplies	6,570	72,000	79,200	84,744	87,286	89,905	419,705
Labs	-	140,000	154,000	164,780	169,723	174,815	803,319
Medications	-	180,000	204,000	252,000	252,000	252,000	1,140,000
Total	217,322	1,794,300	1,955,424	2,061,475	2,101,023	2,141,747	10,271,290

Notes:

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- Medical and Office supply, labs and Rx drug increases year over year reflect expected utilization increases.

The Integrity Health management fees include:

- Legal work for establishment of separate LLC entities for dedicated PHC;
- Operational service to health plan;
- Supervision of site selection;
- Development of lease terms;
- Supervision of facility design & retrofit;
- PHC staff recruitment/hiring/training/management;
- EMR customization;
- Liability insurance protection (naming the School District as additional insured);
- NJ & federal regulation compliance;
- Vendor procurement and management (e.g., medical director, staff, pharmacy drug wholesaler, etc.);
- **Green Circle** contracting (specialist referrals with direct health plan contracts);
- Patient satisfaction monitoring;
- Member/union services management;
- Health center staffing/treatment module optimization;
- Comprehensive reporting (see attached exhibit A);
- Consultation for health center program customization and development; and
- PHC interfaces with providers and other health plan programs for care coordination purposes.