

**SPECIAL MEETING
BOARD OF DIRECTORS
BEACH CITIES HEALTH DISTRICT
August 24, 2010**

A Special Meeting of the Board of Directors of the Beach Cities Health District was called to order in the 3rd Floor Board Room of the Beach Cities Health Center and at 1C Anini Vista Drive, Kilauea, Hawaii at 6:40 p.m.

Members Present: Dr. Noel Chun
Marie Corr
Joanne Edgerton
Dr. Robert Grossman
Vanessa I. Poster

Members Absent:

Staff Present: Susan Burden, Chief Executive Officer
Dr. Lisa Santora, Chief Medical Officer
Steve Groom, Chief Financial Officer
Jackie Berling, Director of Human Resources
Marilyn Rafkin, Director of Older Adult Services
Michael Shaw, Communications Manager

AGENDA ITEM	DISCUSSION	ACTION OR FOLLOW-UP
Call to Order	Ms. Vanessa Poster opened the meeting.	
Public Discussion	Ms. Poster asked if any member of the public would like to address the Board on any issue not on the agenda. No one from the public stepped forward.	
Discussion and Potential Action Item: Review and Discuss the Intent and Willingness for Additional Funding By the District of \$1 Million Dollars, Which Would Bring the District's	<p>Ms. Susan Burden, Chief Executive Officer, introduced Mr. Ben Leedle, Chief Executive Officer, and Mr. Justin Smith, Director of Corporate Development, of Healthways, Inc., both of whom joined the meeting via telephone.</p> <p>Mr. Leedle and Mr. Smith presented an overview of Healthways, Inc. that included the basis for Beach Cities Health District scoring the highest of the three finalists for the next Vitality City.</p> <p>See Attached Exhibit A for discussions between Beach Cities Health District and Healthways, Inc. regarding Healthways, Inc. Blue Zone's request for an additional \$1 Million Dollars funding for the Vitality City project.</p>	

AGENDA ITEM	DISCUSSION	ACTION OR FOLLOW-UP
<p>Total Commitment to \$2.5 Million Dollars for Three Years, With the Understanding That Healthways, Inc., Blue Zones Will Match With \$3.5 Million; And That Entire Funding By All Parties is Subject to a Future Contract for Approval By the District's Board of Directors at a Later Date</p>	<p>After review and discussion, Ms. Poster made a motion to keep the Beach Cities Health District's original commitment at \$1.5 million dollars with an acknowledgement of our in kind contribution.</p> <p>After review and discussion, Dr. Chun made a motion to approve additional funding by the Beach Cities Health District in the amount of \$300,000 dollars, bringing the Beach Cities Health District's total commitment to \$1.8 Million Dollars for three years with the understanding that Healthways, Inc., Blue Zones will match with \$3.5 Million Dollars and that entire funding by all parties is subject to a future contract for approval by the Beach Cities Health District's Board of Directors at a later date.</p>	<p>Motion Failed</p> <p>After review, it was Moved and Seconded (Chun/Corr) to approve additional funding by the Beach Cities Health District in the amount of \$300,000 dollars, bringing the Beach Cities Health District's total commitment to \$1.8 Million Dollars for three years with the understanding that Healthways, Inc., Blue Zones will match with \$3.5 Million Dollars and that entire funding by all parties is subject to a future contract for approval by the Beach Cities Health District's Board of Directors at a later date. Dr. Chun, Ms. Corr and Ms. Edgerton voted yes. Ms. Poster voted no. Dr. Grossman was not in attendance for the vote. Motion Carried</p>

AGENDA ITEM	DISCUSSION	ACTION OR FOLLOW-UP
Adjournment	Ms. Poster moved to adjourn the meeting.	There being no further business, Ms. Poster Moved to adjourn the meeting. Meeting adjourned 9:05 p.m.

The next Regular Meeting of the Beach Cities Health District Board of Directors is scheduled for Wednesday, September 29, 2010 at 6:30 p.m. in the Beach Cities Room of the Beach Cities Health Center, located at 514 N. Prospect Avenue, Redondo Beach, California

EXHIBIT A

DISCUSSION BETWEEN BEACH CITIES HEALTH DISTRICT AND HEALTHWAYS, INC. BOARD OF DIRECTORS SPECIAL MEETING AUGUST 24, 2010

Participants from Beach Cities Health District:

Board of Directors:

Ms. Vanessa Poster, Dr. Noel Chun, Ms. Marie Corr, Ms. Joanne Edgerton
and Dr. Robert Grossman

Staff:

Ms. Susan Burden, Chief Executive Officer
Dr. Lisa Santora, Chief Medical Officer

Participants from Healthways, Inc.:

Mr. Ben Leedle, Chief Executive Officer
Mr. Justin Smith, Director of Corporate Development

Q. Ms. Edgerton

Disbursement of funds. We are partners, so when you've got an expense, do we pay first or do we share every expense on a pro rata basis? Do we put our money in an escrow account? How do we do this?

A. Healthways, Inc.

What we envision is in the contract, we would have some specific distribution of funds that coincide with milestones for the project, and rather than try to divide it up and get real technical from an accounting standpoint, we would just kind of base it on delivered milestones understanding that we are paying the lion's share or finding the lion's share of those funds to do that work.

Q. Ms. Edgerton

How do we split the cost? Are we doing it together, is one person doing it first? It's a strategic thing. I don't want to write our check first, I don't want us to pay first, I want us to be sharing the costs together based on a pro rata share.

A. Healthways, Inc.

We're flexible. The reality for us is that we're going to recognize whatever revenue it is over a 3 year period over a straight line model. It's not a huge concern for us as to how that works and we certainly are open to discussions on that. The challenge we have in this as we go out to work with sponsors is I don't know what those sponsor agreements are going to look like. We are having discussions with a number of companies, each of which has specific

interests and that's the reason they would be willing to throw in some money and fund this, but I can't speak exactly when those funds will arrive and appear and that puts Healthways in a position of taking the majority of the risk until we can get those funds raised.

Q. Ms. Poster
You are?

A. Healthways, Inc.
Absolutely. We're going to come with that \$3.5 million and if we can't find sponsors then we are going to have to figure out a way to fund this in some creative way, but we are committing that we are on the hook for that.

Q. Ms. Burden
I just want to confirm our last phone call. We talked about any services that Healthways rendered in the community, that for any monies that BCHD put out, that there could be an invoicing system where you actually send us an invoice...in this case it would be consultants and experts and programs etc. and then we approve those and write checks off actual bills that Healthways add to the project.

A. Healthways, Inc.
That's no problem at all. We are happy to do that and work on a mechanism because I know you guys need transparency and we are happy to figure out a model that works.

Q. Ms. Corr
One of the objective goals that you stated in your presentation is to create a national model of health. Can you whittle down and would you elaborate more on what your object goals are and how it would be measured?

A. Healthways, Inc.
The kind of North Star metric and objective would be to see the longitudinal change over time from base line across the 3 years – a change in the overall well being and specifically based on the base line diagnostics of the well-being index to be able to determine where the greatest opportunity and what the map looks like in the sub indices of that metric and to be able to show that we can purposely move those in a significant way. So obviously understanding that we will want to also pull in other metrics as well – one of the things that Dan Buettner has measured in the community is a change in terms of both perceived and self reported vitality – we will certainly work with any employers or schools who would want to base line and understand their well being and what it looks like at an organizational level. With employers there is an opportunity for them to understand how that looks at changes in the relative per capita rate of behavior risks as well as expression of the needs and health care costs in the community. I think there is if there are going to be a lot of different measures some of those are going to be more of a focus than others based on what the base line diagnostic comes back in

terms of the detailed over sampling of that we'll do around the well being index. The thing that we'd like to prove from a model standpoint is that if you can get a community working together and to create alignment with its elected leadership as well as the business leadership and the citizens, by neighborhood and by subsets of the community, to get involved and engaged in this effort, that you'll end up with better results than what the current model is for the nation which is – take your issue or your concern essentially to your doctor or your health system and they'll be there to try to help support it in any way they can, but we think that's a part of the answer, but not the answer in and of itself and so I think to prove out this model we obviously are going to have to be able to measure some of the discreet components in a way that hasn't been done before.

Q. Ms. Corr

Were you able to achieve some of this with your first city, Albert Lea?

A. Healthways, Inc.

We were not involved with Albert Lea, but Dan Buettner certainly has shared those results and he was able to show changes in health behaviors, key health indicators of metrics, was able to track engagement level of the citizens in the community, the involvement of the business and the schools, being able to document the permanent and the semi-permanent change approach and the relative progress and achievement of those changes all the way to Blue Cross Blue Shield in Minnesota being able to validate that the drop in the health care claims cost in the population of businesses there as compared to the rest of Blue Cross Blue Shield Minnesota's book of business for like-size towns and communities in that region had significant difference. So it went all the way from measuring the index of vitality to looking at process metrics – that were related to those semi-permanent/permanent changes and also included claims analysis for the employers in the workplace.

Q. Ms. Corr

You are trying to create a “model” and you mentioned “national”. Have you thought about what that is going to look like in terms of marketing it? I know it's probably a little early to talk about that, but can you elaborate more on what you envision?

A. Healthways, Inc.

It is a little early, although this project would be on the order of five or six times the size of Albert Lea and the real question will be, is this about the size of unit that you would go to replicate or would we learn from this that you could do another project larger than this in an approach. So part of what we don't know in terms of doing this with you as to whether or not there would be clear indicators for us that we could go into a community like Nashville, which would be half a million or a million people and do a city or is this kind of the right size and that you would have to do five of these projects within those larger communities and some kind of phased approach in order to be able to

replicate this out from the work that we do with you. I think the marketing of it, this is going to bring a lot of media attention, we think in a very positive way and I think the opportunity for you all clearly to be the nation's leader in this kind of an effort on something that has not been done before. The marketing of it, I think, will kind of take a natural course based on how large or how impressive the impact is from the work that we do together. So for us we have huge alignment to find any and every way we can with you to produce the very best results over the next three years because what we think that would afford you and us the opportunity to consider how would we go help other communities step forward and try to model what's been done here. I think there is also an opportunity we're connected with the community health aid initiative out of HHS and the WhiteHouse. I have personally spent time with them over the last four or five months. They'll be taking the well being index as part of the health metrics 100 and really the lead indicator for the causal data set that they want to match with all the affect data from Medicare, CMS and National Institutes of Health and CDC – so when we think about a national model not only in terms of how communities can go forward and do this with a best practices model, but also how do you make objective measurements and how do those measurements actually link to what we think in the end for community and elected officials' interests, at least the mayors we are talking to, how do they drive economic development and jobs in their community and we think that communities with higher well being will be seen as an inherently better economic opportunity for new businesses to relocate and for new businesses to be started and existing businesses to grow in those communities. That it be a key, competitive advantage and we get a lot of support behind us from the government to say go see if you can make this thing really work. In the last four days I have presented to a city that's a population of about 260,000 people on the East Coast, dying to get in..how do we get in...how do we get in...we missed the window for the first sign...what do we have do to get in?? Today I presented to a city of 700,000 people...in Canada of all places...asking how and when do we bring this to our city....I had to tell one city – you guys are too big – we are not yet ready to do a city of your size, but we will be and the point here is that a lot of eyes and a lot of cities are going to be watching what's happened in the beach cities over the next couple of years, and we all have a big incentive to make it successful.

Q. Ms. Poster

I have a question on creating a model. We are already in pretty good shape as a community – we have a lot of programs here, we have a lot of infrastructure already built in, so when we start the measurement, in my mind, we already will start fairly high in well-being. So how does that help to create a model if other communities are starting so far behind us?

A. Healthways, Inc.

What we have seen is different communities have different strengths and different weaknesses. One of the things that the communities with the highest affluence have better well-being, we know that is not true. We have

plenty of data to show that's not true. The other thing is that as you get away from the beach to the other edges of town you may not see the same level of well-being as you see from a person a half a mile or a mile away. So part of the process, and I just met with Gallup this morning to talk about this, is to survey the three communities and get specific data on the well-being across the six domains that covers not only physical health but social and emotional health so we get a really true picture of where are the opportunities to improve. It isn't necessarily where you start, it's a question of where you can take it from where you are and that's the story we are trying to tell. We intentionally did not target cities at the bottom of the well-being index, and the reason is that some of those communities are there for a reason, and the reason has a lot to do with leadership and a lot to do with the political climate in those communities and their willingness to do things. We are not going to shy away from we're making the already healthy people healthier because there's plenty of opportunity to make improvement, there's plenty of opportunities for seniors – I know the schools are fantastic out there – there's some great programs. We can show them some things that are even better. It's just a matter of collaborating to try and do what we can do to make it better.

Q. Ms. Poster

The second part of my question is, since we are putting so much money into it overall and we already have a lot of infrastructure in this place, how then does it become a model for communities that don't have the infrastructure and don't have the money?

A. Healthways, Inc.

I think your funding model is a very interesting, exportable example. I think that in one way of showing communities examples of things to shoot for. I can't answer that specifically because I don't know yet, but I think we'll have a good story to tell if we get in there and start to work. We have engaged the Center for Health Transformation - they are a think tank out of DC and Atlanta funded by Newt Gingrich, and they do a lot of research, and we have hired them to actually benchmark and try to be an unbiased sort of reviewer of progress and watchdog to see what we are doing and guide us along the way. It's less about who's doing what than what all is being done that can be linked with relationship to moving the needle on well being. Part of what Justin was talking about is a documentation of that model. If you step back from who's doing what but really focus on what's being done and how that links to the performance of making an impact, we should walk away together with a model that I think of as an enterprise model which is the comprehensive set of processes and activities and methods for being able to go do that and the next community that it is exported to may not have done all the things that you have done, but it can be the template map to identify where they might have gaps and to know that we either need to bring those competencies in the future or you guys may be interested in exporting those in the future, or another community may be interested and be ready to go to fill those gaps. The idea would be to take the proven enterprise model and be

able to implement it in another community and the focus would be on assuring that all the pieces and activities that drove success would be included in the model in the next community.

Q. Ms. Poster

One of the things we talked about is that you would help us to make into products for sale some of the programs that we have – that people might pay us to come and help them do things – is that still part of the plan?

A. Healthways, Inc.

Absolutely. Early on, someone described what we were trying to do and they described it as a wagon train – a wagon train that would take 20 to 30 years to get to its eventual destination. We don't think it's going to take that long, but what we do know is that we are adding wagons to the train and we'd love you guys to be a part of it. If you've got IP and things that you can bring to other communities – great. The goal is not to create this closed model where we've got all the expertise and knowledge. We have invested tens of millions of dollars in the well being index, and their relationship with Blue Zones. We are determined to create a national movement and this is the starting point. It's probably not as clean. It's probably a little more messy than we'd like it to be, but we're going to do what we can do and we'd like to get partners that have the same kind of purpose and mission to do the same thing, so if you've got stuff you can bring, great, that's fantastic.

Q. Ms. Poster

You have invested an awful lot of money in this and although all of us here share the health and wellness and prevention goals, what's in it for you? What happens with Healthways? How do you get your investment back financially in this project over time?

A. Healthways, Inc.

In a couple of ways. We learn a whole lot about those different levers that we talked about, both in terms of their different contribution to changing well being and the economic impact to that, and being able to measure it as well as the interactions of those different levers and their effect on each other, because I think that still it's very young science given the fact that the first well being index survey was collected on January 2, 2008. It's a young and early science and so understanding more about that will be good for our business and will be good for a lot of other businesses as well. To us, if there are a few communities out there today like you all that have the wherewithal and the initiative to make the wonderful progress you have already made, we look at that and say "that's great", but for every one like yours, there are literally hundreds and thousands of other communities that really haven't done that much at all. So to the degree that we can show that, what I think, is the untapped will of the American communities, towns and cities to want to do something like this that just can't get it going. If you can get a model going and begin to create the movement that Justin was talking about, then that's great for our business, because we think eventually we will

get called on to help those communities and those employers, schools and individuals make a difference with the type of capabilities that we have. So I can guarantee that it's not a "get rich quick scheme" – the 25 years of Gallup was the longest business relationship we've ever entered into, but I believe whole heartedly that this required a steadfast commitment, not kind of a "let's jump in, put our toe in the water" to see what's here. I have convinced our Board and our colleagues that this is going to be good for Healthways over the longer term, if we can be linked to being an agent to help all of those different constituents that make up a community do better by their well being and that if we conduct ourselves in a trustworthy and innovative way in those collaborations, that down the road we continue to get asked to help people derive their well being over time. That's what's in it for us.

Q. Ms. Poster

Where does the money come from now? Is it all profit from the business that you've had in the past or is there some major investors?

A. Healthways, inc.

It's coming essentially from the cash flow of our business.

Q. Ms. Edgerton

Plus, you are going try to get sponsors to underwrite this?

A. Healthways, Inc.

Absolutely. It's in all our best interest to do that, but in the end as Justin said – to the degree, for whatever reason sponsors don't step up to the plate, we're committed to pushing this through.

Q. Ms. Poster

What you're asking us to consider today is increase by \$1.0 million dollars the commitment that we are willing to make to this project – we've already said that we would do \$1.5 million dollars and you'd like us to do \$2.5 million dollars. What happens if we say "no"?

A. Healthways, Inc.

It's \$2.5 million dollars over three years so it's an additional \$300,000 per year.

Q. Ms. Poster

That's what's on our Agenda to discuss. We have already, as a Board, voted for the \$1.5 million, so tonight we'll be talking about the additional \$1.0 million dollars. What if we vote "no", what happens?

A. Healthways, Inc.

Well here's the thing. This holds true not only for us, but for other sponsors that we've talked to, is we believe and they believe that there's got to be adequate local skin in the game. If all of the money or the majority of the money is coming from the outside, then it really takes on a much, much

different type of program – that we’re probably just not interested in doing. We’ve got to believe that there is enough local community interest – it doesn’t all have to be the Beach Cities Health District, but it’s got to be enough local community funding to say “yes, we’re willing to step up”. Frankly, the financial part is one thing, but the political will and the will to get things done in the community is the bigger part. So, we want to make sure that the community is “all in”, enthusiastic about this thing and if for a \$1.5 million, I don’t think we can make that first step.

A. Ms. Poster

All right. That’s pretty clear.

Q. Ms. Corr

That was not how it was presented when you first came out. In other words there was no discussion – I’m just asking for clarification on this – it’s not to be adversarial in any way – but that was not how the program was presented in June. In fact, at that point, we were under the impression that there was more sponsorship involved or would be involved, so I’m just curious as to the change – what brought about the change in thought between not having to have skin in the game, to having skin in the game?

A. Healthways, Inc.

No – I don’t know if that’s necessarily true. I would say this, in all honesty. When we issued the RFP back in March, we estimated the cost to be roughly \$20.00 per capita and that was the cost we were assuming, and what we said as part of that was that we would go out and do our best to get national sponsors, but because it was a new model, it was a big uncertain factor. As we went out and visited you and understood the complexity of the program, a couple of things that we felt - one is we were expecting a larger community against which we could amortize more cost and it wasn’t a single community, it was three communities, and there was this factor of “The Beach Cities is doing a lot of stuff – there’s a great opportunity for innovation. So, when we went back to you guys with what we call our optimal model, it was a larger price tag – it was a three-year program, with a larger price tag and we frankly did expect some push back and discussion on that. We presented it exactly that “here’s how we would optimally do it”. And as we got into it we went back to what we said originally in the RFP and we’ll still do the more robust model – we’ll take some risks because we want to make sure we do this right. So we kind of went in a big circle – it was somewhat of a learning journey for us, but I think we did it with pretty decent transparency in terms of what we were thinking, and why. We’re kind of back to square one here with the cost and we think it’s a reasonable amount of money for a three year effort.

Q. Dr. Chun

Can you tell me more about the polling that’s going to take place?

A. Healthways, Inc.

Yes. What Gallup does is – well first let me tell you what they do every night. Every night they call 26,000 people in the United States to get to 1,000 to be able to get a statistically valid sample of the well being in the United States. They would do something similar in the three beach cities and I don't know their out rhythm for how many they would call, and how they would do it, but what they would do is they would rigorously match up the phone calls to match the demographics to the three communities so that we could get a report that would be statistically valid. It would be across all six domains of well being and would give us a relative health indicator.

Q. Dr. Chun

Do they call people every day?

A. Healthways, Inc.

Well, in this case they would call people for a fixed amount of time to get to the sample size that they needed to make the valid sample. In terms of the national surveying it is every single day. To be clear, we would do a snapshot at the beginning and then probably a mid point a year out. We also have something called the "Well Being Assessment" that's a well based tool that we could use and then we do a third, sort of Gallup run survey towards the end of the program. What's great about Gallup is they just share the data and give you some really good insights and they are a valuable partner for us and we are happy to be associated with them because they can really kind of get to the heart of it pretty very quickly.

Q. Ms. Poster

What is an appropriate sample size for our community? How many people would be sampled by them?

A. Healthways, Inc.

We would present that to you. But the scientists at Gallup and the Healthways Center for Health Research would identify an sample size based on what it is that we want to diagnose. So, obviously that sample size has to be larger the more specificity of cuts of the data that you want to make once you get that information in. So we don't have that number in front of us, but we certainly could get that information to you if you are interested. What I talked to them about today was one cut for each city – Redondo, Manhattan and Hermosa Beach. Not having the discussion with you on sub areas or things like that, that you might want to get into.

Q. Dr. Grossman

We haven't, as a health district, looked for sponsorships for programs in the past. If we were to guarantee, like Healthways is guaranteeing an investment to get sponsorship, would it be possible for Healthways to give us some resources so that we could go to sponsors and try to secure sponsorship for a program like this?

A. Healthways, Inc.
You bet.

Q. Dr. Grossman
Government funds or – I don't think we have the experience or expertise to try to securing that money or knowing what kind of financing is out there either.

A. Ms. Burden
This is a local issue. That is, the perception from the communities is that if we get into that, we are taking from their funding streams, e.g., the ED Foundation, and the mental health for-profits. That's one reason we don't do it because they would see us as encroaching on them, which we would be, for money that they would see as being theirs. They are already concerned, particularly the ED Foundation, that this project is going to take some of their money and programming that we have right now. So that's why we traditionally don't do that. And it's a very good reason because those agencies are on such last legs as it is.

Dr. Grossman
Well that answered my question.

Q. Ms. Edgerton
I have a question about the time line. Is this the time line that was used for Albert Lea or this is a new projected time line for us?

A. Healthways, Inc.
It's a new time line. They did Albert Lea in roughly a year relative to its size. When we started looking for partners for this we were looking at cities of roughly 150 up to 300 thousand, thinking it was going to take roughly two years. As we got more into it and looked at the circumstances, looked at the number of cities, looked at all the complexities, as well as this notion of finding a partner to innovate, it takes a little time to do that, we thought we would have the best success and best opportunity for positives results by doing it over three years. This is not easy. This is not a quick set of programs. We think three years is the right amount. We may get into and find out we need less time or we will need a little more time. We're going to leave some flexibility there to do what needs to be done.

Ms. Edgerton
It looks a little ambitious to me. That's why I was asking. It seems like a lot to accomplish in three years – it seems like a long time, but it's really not when you have to do all of this.

A. Healthways, Inc.
So to summarize, we went from this 18 to 24 months lower cost model to this optimal model which is a lot more expensive over three years and now we are kind of thinking we kind of like the optimal model and because we're

committed to this, we'll go with the original dollars and we'll even commit to finding some national sponsors to fund 60% of it. So we feel like we are kind of going out on kind of a limb here, but we think it's worth it.

Q. Ms. Poster

I assume that this budget includes money to lease office space, locally and wondering if you considered leasing space from us?

A. Healthways, Inc.

We were hoping to get some relatively inexpensive space, but yes we would.

Q. Ms. Corr

How do you envision our role being with you?

A. Healthways, Inc.

As we form the leadership team it's going to be critical that the Beach Cities Health District has some key people in leadership roles because of the relationships and presence you already have. You've got a network of six or seven hundred volunteers. I see this as a highly collaborative effort with all of us spending a lot of time and energy on this. We would bring an initial team in there to start discussing who should be on that team and how that should work within the next ten days if you guys were ready to go.

Q. Ms. Edgerton

Ten days?

A. Healthways, Inc.

Yes.

Ms. Edgerton

Attorneys have to draft a contract.

A. Healthways

We know how to get contracts done and we don't want to sit down waiting for a contract.

Ms. Edgerton

Well we have to have a signed contract. We're a public agency and we can't just move quite as quickly as the private sector, so just keep that in mind.

Ms. Poster

Ten days is a little fast for us.

Q. Dr. Grossman

Framingham has been going on for thirty years. What happens in terms of year 4, year 5 and year 7? Presumably, if this program were successful there's still data to collect. I'm just curious as to what happens in month 37 if

we don't accomplish what we wanted to or we don't have the measurable results that we're looking for.

A. Healthways, Inc.

I don't know...to be honest. We can contingency plan this to death, but I don't know the answer to that. We have got so many things ahead of us. We really haven't factored that into our puddle but we have factored in the idea that with progress being able to transfer the sustainability of this to the community itself over that three year period is key and we would expect that the community is going to want to continue to look at key measures and metrics. While Framingham has been measured for thirty years, I'm not quite sure what all of the continuity and sustainability of programming to change health there really did better or whether they just studied it a lot.

Healthways, Inc.

Let's go back to the contracts and risks. We are not going to ask you guys to spend any money before you have a contract. It's really up to you in terms of the resources you want to invest ahead of that.

Q. Dr. Santora

Do you have a launch date set?

A. Healthways, Inc.

We don't have a date set, we're pending a "go". Ben and Dan are going to do a media tour in New York. We have to keep this confidential until we get to the national media because they are going to feel like they got a scoop on this whole thing, and the exact date would be planned on some national media availability and where things fit and some things related to what you have going on in the community. So if you've got your big "Lobster Festival" going on at the same time, it's probably not a good day or week to do that so we'll have to collaborate on that. We're thinking it's somewhere around the third week of October. We want to stay out of the election media in November. We want to be ahead of that and we want to have ample time to get that national media plugged in and everybody there.

Q. Dr. Santora

Are you coordinating this with Dan Buettner's book? I know he's releasing a book nationally.

A. Healthways, Inc.

It's not directly coordinated although the issue there is Dan sort of needs to disappear for a week or so when that thing launches in November, so it is a factor for sure. And what's nice about it is what Dan's going to do on that book tour is talk about what's happening in Vitality City and what's going on, so we're kind of going to get a double shot.

Q. Ms. Poster

Let's go back to the leadership team and the way that our staffs would interact. And I assume that a lot of this will come out in the contract, but if you are a separate entity, the staff that you will have here will be a part of your national staff, they won't report to us but they will be.

A. Healthways, Inc.

No. We're not going to have you report to us. I mean this program relies on a huge number of volunteer resources that we are coordinating. It will be a collaborative effort in terms of the structure and we can explain more of that but be assured it's going to be a collaborative effort with the City and the various groups within the City.

Q. Ms. Edgerton

What happens after 18 months you're half way through it and Beach Cities Health District is unhappy with the performance?

A. Healthways, Inc.

I think that's a remedy type situation or a dispute resolution type of thing.

Q. Ms. Poster

Are there any other questions from the public or the Board of Directors?

There were no questions from the public or the Board of Directors and Mr. Leedle and Mr. Smith left the meeting.