



MEMORANDUM

To: Mayor and City Council

From: Vivyon V. Bowman, Director of Administration and Human Resources

Date: August 13, 2013

Reference: Approval of Joint Employee Clinic Agreement

2030: Top Quality City Workforce

Introduction:

City staff has looked at various ways to improve employee health as well as impact the dollars spent on employee healthcare. We had previously pursued the opportunity to join with neighboring cities in the opening of a multi-city health clinic for employee care designed to control costs associated with general practitioner claims and referrals to specialists while seeking additional avenues to improve our employee wellness outcomes. The opportunity presented itself again through an effort coordinated by Public Employees Benefits Alliance (PEBA). PEBA is a group established with the assistance of Texas Municipal League Intergovernmental Employees Benefits Pool (TMLIEBP) to seek benefits related contracts through the group purchasing power of member cities. PEBA selected Marathon Health, Inc. as their clinic vendor of choice through the Request for Proposal (RFP) process. Several cities attended a presentation hosted by the City of Carrollton and PEBA to gain information on Marathon's clinic model. Currently, the City of Carrollton has terminated their relationship with their existing clinic vendor and contracted with Marathon Health. City Staff is seeking to enter into joint Employee Clinic with the City of Lewisville and TMLIEBP organizations that are in the immediate area.

Analysis:

The City of Lewisville reached out to several neighboring cities and other agencies in an effort to form a partnership for clinic participation. At this time, the City of Lewisville has received City Council approval of their agreement with Marathon Health on August 5, 2013 contingent Coppell

Mayor and Council approval of the attached agreement with Marathon Inc.. In addition, the Texas Municipal League's Intergovernmental Employee Benefit Pool has agreed to the proposed joint Lewisville/Coppell clinic and the City of Carrollton's clinic for their fully insured clients in the area, which includes Lake Cities MUA, Denco 911, Denton County Transit Authority and City of The Colony. The revenue generated by adding those lives will be split 50/50 with Carrollton. Next year, the participation of those TML fully insured lives will be evaluated and the cost share will be based on their utilization. All participating cities and public organizations listed above will have access to the joint clinic as well as the Carrollton clinic. As other cities across the region agree to participate and establish other clinic sites, the goal would be to create a network of clinics that would be accessible to our employees, their dependents and retirees on the City's medical plan. At the present time, the City of Highland Village is also considering participating in the joint clinic, which would further reduce the City's cost to participate.

The primary rationale for City Staff interest in Marathon Health's clinic concept is to augment our existing wellness strategy. Marathon will use the biometric data (blood work) gathered through the City's wellness program to assess the medical needs of all our covered employees. Any time a covered employee visits the clinic for any purpose, the clinical staff will take the opportunity to not only treat the acute illness that brought the employee into the clinic, but also provide one on one lifestyle management for chronic health conditions such as heart disease, asthma, chronic obstructive pulmonary disease (COPD), depression, diabetes, high blood pressure, low back pain, allergies, smoking cessation, obesity and stress management. If the clinic is able to help employees manage and reduce these types of chronic conditions, the result should be future savings to the City's medical plan.

A secondary reason for participating in a clinic would be to provide an opportunity for our covered employees to establish a medical home. Many employees especially our younger employee population normally visit the nearest urgent care center or the emergency room for their medical treatment which can cost more for the employee and the city's medical plan. Having a clinic available at no cost, easily accessible and the opportunity to schedule appointments online will hopefully encourage them to seek treatment on a regular basis with a clinician that will be familiar with their ongoing healthcare needs.

In addition to the savings mentioned above, the clinic will generate other savings to the health plan. Many employees seek care from specialists that could be handled by the clinic staff. The clinic staff will be able to help the employee determine, if care by a specialist is warranted, thus also eliminating some unnecessary specialist visits.

Under the proposed agreement, Marathon would staff the clinic with a full time mid-level practitioner, and half time medical doctor and a full time medical assistant. The clinic would be operational 40 hours a week and would open in January. Since both the proposed joint clinic and the Carrollton clinic are accessible for use, it is intent to coordinate the office hours of the joint clinic with those of the Carrollton clinic to maximize the hours that the clinic is available for employees, retirees and covered dependents healthcare appointments.

The City of Lewisville has found a space for lease that would be sufficient for the clinic located at 860 Hebron Parkway in Lewisville. This location is convenient for both Lewisville and Coppell employees. The City of Lewisville and the City of Coppell will enter into a Memorandum of Understanding regarding the on-going expenses of the clinic such as monthly lease payments, utilities, janitorial services, etc. The calculation will be based on the number of employees of each city. Based on this calculation, the City of Lewisville will be responsible for 68% of the cost (approximately \$23,664 annually) and the City of Coppell will be responsible for 32% of the cost (approximately \$11,136 annually).

Legal Review:

The attached agreement was reviewed by David Dodd on 07/29/13 and all recommended changes were made.

Fiscal Impact:

The annual cost to the City of Coppell for the clinic is \$216,250.00. The cost of the clinic will be offset in part by claim dollars that are currently being paid to primary care physicians through the City of Coppell health plan and by reallocating other plan expenses such as including existing wellness program expenses. The cost is broken up into two components the annual contract fee of 192,617.00 and a there is a one-time implementation fee of \$23,633.00. The implementation fee covers the cost of initial recruitment and training of staff, the acquisition of equipment, initial supplies, technology user setup, initial rollout communications to participants, a participant eligibility file interface, health center signage and décor and travel costs for up to three onsite visits by the project manager. Marathon Health will retain ownership of the equipment and will be responsible for their maintenance and replacement.

Recommendation:

City Staff is recommending approval of the Health Services Agreement with Marathon Health Inc. by the Mayor and City Council for a joint employee health clinic and authorizes the City Manager to execute all required