



## MEMORANDUM

**To:** Mayor and City Council

**From:** Matia Messemer, Director of Employee Experience

**Date:** November 14, 2023

**Reference:** Consider approval of renewing the Professional Services Agreement with Marathon Health, LLC, as budgeted in the Self-funded Health Fund, in the amount of \$240,320.00; and authorizing the City Manager to sign all necessary documents.

**2040:** Sustainable Government

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### **Introduction:**

The City offers an On-Site (Near-Site) Health Clinic to eligible employees and family members for preventive, wellness, disease management, health consultation, and primary care services. Preventive care helps the city manage the overall cost of health insurance, while the clinic is a strategy that helps manage the cost of the preventive care. This item is presented to renew an agreement with Marathon Health, LLC, to continue to operate and staff the clinic.

### **Background:**

The city offers a health clinic to eligible employees and family members to ensure preventive care is readily available. Preventive care leads to an overall reduction in health care costs to the city, while the clinic allows the city to manage the cost of preventive care. The annual fee associated with this renewed agreement is estimated to be \$240,320.00, and the Professional Services Agreement is for one year to be automatically renewed for up to five years. The fee includes full operations of the health clinic with a staff of a Nurse Practitioner, a Part-Time Physician, 1.5 Medical Assistants, a Part-time Behavioral Health Counselor, and a Collaborating Physician. This fee represents a cost increase from the prior year due primarily to taking on the cost of the Part-Time Behavioral Health Specialist and one additional Medical Assistant. These medical providers were in place previously, but the full cost was being covered by the City of Lewisville and Marathon. Marathon Health, LLC. has been operating the health clinic since its opening in January 2014, and the clinic continues to serve employees well while mitigating the ongoing and continuously rising cost of healthcare. Employee utilization is strong, patients are making good progress on their health goals, and patient satisfaction is high.

### **Legal Review:**

The agreement was reviewed by the City Attorney.

**Fiscal Impact:**

The fiscal impact of this agenda item is \$20,027 per month, which is an estimated \$240,320.00. for the 2024 calendar year through the Self-funded Health fund. This will require an additional \$37,655 more than what is budgeted for fiscal year 2023-2024 and will be funded by the Self-funded Health Fund's fund balance.

**Recommendation:**

The Employee Experience Department recommends approval of this item.