

Request for Proposal #6198 – Employee Health Clinic Operations & Management

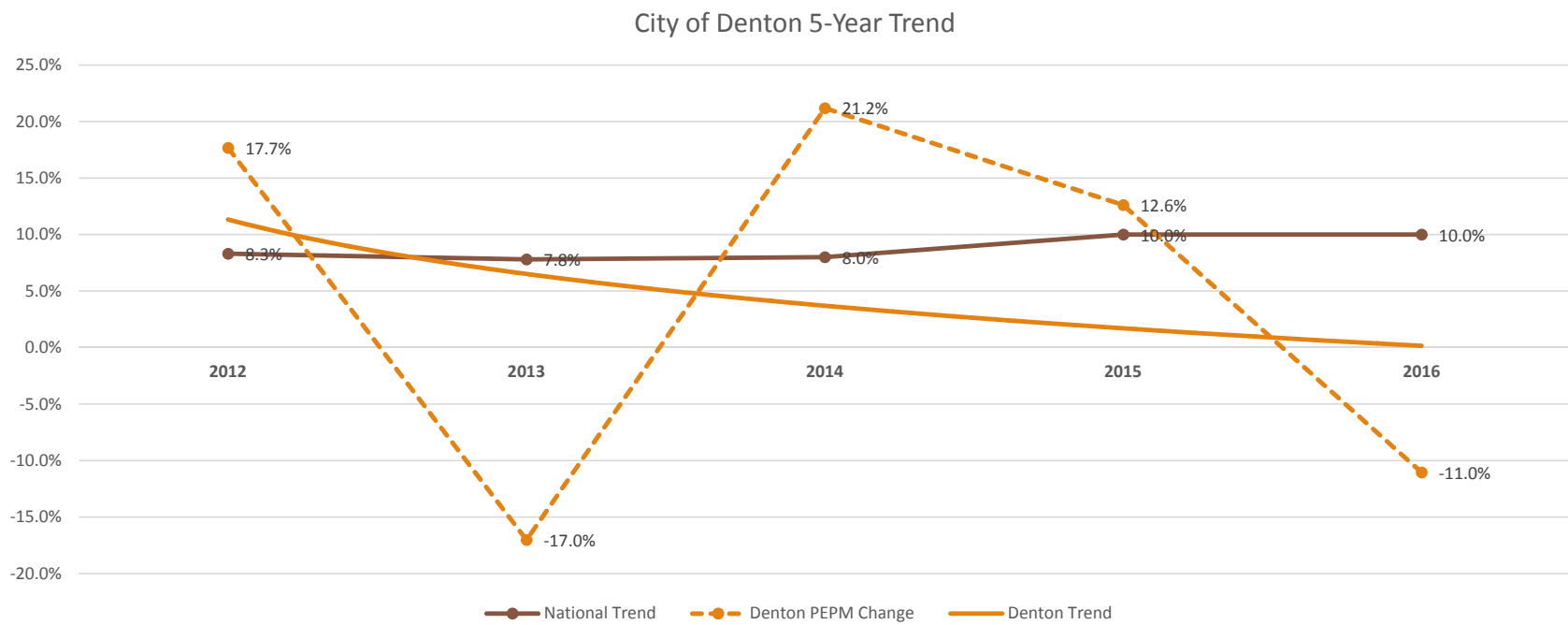
CITY COUNCIL PRESENTATION – FEBRUARY 21, 2017



Background

- With the approval of City Council, the City moved to a self-funded health plan beginning January 1, 2008
- Self-funding has allowed the City to retain the savings (reserves) when we have had good claims years
- Through Stop Loss Insurance, and adequate reserves, the City has been able to weather bad claims years without being forced to make drastic changes to our health plan
- The Health Insurance Fund balance as of 12/31/2016 is **\$4,970,191**
- While our self-funded health plan continues to experience fluctuations, over the last 5 years our overall claims cost trend has been lower than the national average

Background



Background

- In an effort to improve the overall health and wellness of those employees, retirees, and dependents, covered by our self-funded health plan, the City opened the Employee Health Center (clinic) in December of 2011
- The clinic can perform essentially all the services that a family care practice does and has provided over 35,000 patient appointments since opening
- The clinic is a key component of our Healthy Incentives Program (HIP)
- As detailed in the Council packet, in each year of operation we have been able to increase both available and filled appointments, while consistently providing an office visit for less money than it costs the City for an employee to access care within our health plan
- Since opening, the clinic has saved an estimated \$2,750,000 by “diverting” care from the health plan
- It is estimated that the City’s Return-on-Investment (ROI) is \$3.97:\$1

Request for Proposal (RFP)

- CareHere, LLC has been the clinic operations and management provider since the clinic opened
- The initial contract expired on 12/31/2016 and was extended until 2/28/2017 in order to complete the RFP process
- The City received 7 responses to Request for Proposal #6198
- As stated in the RFP, proposals were evaluated on the following criteria:
 - Price, total cost (50%);
 - Compliance with specifications, quality, reliability, characteristics to meet stated or implied needs (20%); and
 - Indicators of probable performance under contract (30%)

Request for Proposal (RFP)

- After the initial review of the proposals, Concentra and CareHere were brought in to make formal presentations, to answer additional questions, and to discuss their proposals in greater detail.
- Based on the interviews and follow-up discussions, the final scoring of the proposals showed:

FINAL RANKING	
<u>Company</u>	<u>Score</u>
1. CareHere, LLC	91.00
2. Concentra	88.10
3. Cerner Corporation	81.00
4. Marathon Health	76.20
5. WeCare, TLC	76.10
6. Denton Community Health Clinic	74.20
7. Vera Whole Health	60.80

Request for Proposal (RFP)

- As detailed in your Council packet, CareHere's overall estimated five year total cost for the administrative fees was approximately \$375,000 more than the Concentra
- However, through the RFP process we obtained a lower Per Employee Per Month (PEPM) fee from CareHere, for an estimated savings of \$135,000 over five years
- Additionally we had concerns with the following areas of Concentra's proposal:
 - Lack of expressed commitment to retain the existing clinic staff;
 - No afterhours call center/nurse line;
 - Will not treat children less than 5 years of age (currently see 2 years and older); and
 - All aspects of Concentra's wellness platform, including wellness coaches, would be provided by a third-party vendor
- Based on the final scoring, staff is recommending awarding the contract to CareHere