

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

CITY COUNCIL PRESENTATION – MARCH 28, 2017

Self-Funded Health Plan

- Self-funded health plan began January 1, 2008
- Good claim years = retain the savings (reserves)
- Bad claim years = Stop Loss Insurance + adequate reserves
- Health Insurance Fund balance as of 12/31/2016 is **\$4,970,191**

Employee Health Center (Clinic)

- Opened in December of 2011
- Employees, retirees, and dependents, covered by our self-funded health plan
- A family care practice model with a focus on prevention and wellness
- Located in the Medical City Denton (formerly Denton Regional Medical Center) professional building
- CareHere, LLC has been the clinic operations and management provider since the clinic opened

Employee Health Center (Clinic)



Clinic Waiting Area



Medical Assistant's Area

Employee Health Center (Clinic)



Lab Draw Area



Exam Room

Clinic Providers

Amena Hashmi, DO



Dr. Hashmi graduated with a Bachelor's degree in Biology and minor in Women's Studies from the University of Illinois at Chicago.

She attended Midwestern University/Chicago College of Osteopathic Medicine, where she obtained her medical degree in 2008.

She completed her residency training at UT Southwestern Family Medicine Program at Parkland Hospital from 2008 – 2011.

Since December 2011, Dr. Hashmi has worked at the City of Denton Employee Health Center.

Clinic Providers

Kim Gatlin, FNP



Kim Gatlin, FNP, is a Board Certified Family Nurse Practitioner through the American Nurse Credentialing Center and American Association of Nurse Practitioners as well as Licensed as an Advanced Practice Registered Nurse through the Texas Board of Nursing.

She spent the majority of her working career in Mt. Pleasant, Texas, prior to moving to Denton in 2013.

Kim earned a Bachelor of Science in Nursing from Stephen F. Austin State University, a Master of Science in Nursing from the University of Texas Medical Branch in Galveston, then a Post Master's Degree as a Family Nurse Practitioner at the University of Texas at Tyler.

Clinic Providers

Julie Brinzo, FNP



Julie Brinzo is a Family Nurse Practitioner, certified by the American Academy of Nurse Practitioners. She is also licensed as a Registered Nurse and Advanced Practice Registered Nurse in both Texas and Georgia.

She received her Bachelor of Science in Nursing from Texas Tech University Health Sciences Center in 1990; her Master in Science from **Texas Woman's University** in 2005; and her Doctorate of Nursing Practice from Texas Tech University Health Sciences Center in 2016. Additionally, Julie completed a Master in Business Administration with a focus on Health Care Administration in 1999, from Wayland Baptist University.

Dr. Brinzo currently serves as the Program Coordinator for the Family Nurse Practitioner Program on the Denton campus at Texas Woman's University. Additionally, as an Assistant Clinical Professor, she teaches and manages the clinical courses for the FNP program. As a policy advocate, she is also responsible for the Health Policy and Health Promotion course for the Master-level graduate nursing students.

She maintains an active clinical practice, working part-time for CareHere, assisting the City of Denton employees and their families in maintaining their health and wellbeing. She is committed to providing outcome-driven, patient centered-care that reflects current evidence and best practices.

Clinic Support Staff

- Erica Valdez, Medical Assistant
- Daisy Sambrano, Medical Assistant
- Mary Ponce, RN and Health Coach

Clinic Utilization

From 2012 – 2015, the clinic has provided over 35,000 patient appointments to City employees, retirees, and dependents.

<u>Clinic Utilization</u>				
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Appointments Available	8,388	8,747	9,198	9,558
Appointments Utilized	6,747	7,551	8,520	8,650
Utilization %	80.4%	86.3%	92.7%	90.5%
Unique Patients Accessing	1,404	1,482	1,547	1,540
Employees Accessing	966	994	1,000	1,009

Cost per Visit – Clinic versus Health Plan

<u>Clinic - Care Diversion Savings</u>				
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
United Healthcare*	\$223.15	\$131.81	\$145.65	\$136.54
Clinic	\$75.40	\$67.25	\$70.04	\$63.91
Savings Per Visit	\$147.75	\$64.56	\$75.61	\$72.63
Annual Care Diversion Savings	\$996,874	\$487,516	\$644,207	\$628,211

*Cost data reported by United Healthcare for primary and preventative care office visits

Estimated Clinic Savings

Estimated Clinic Savings				
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Care Diversion Savings	\$996,874	\$487,516	\$644,207	\$628,211
Lab Savings ⁽¹⁾	\$113,149	\$142,722	\$137,985	\$195,196
Productivity Savings ⁽²⁾	\$202,410	\$226,530	\$255,600	\$259,500
Total Savings	\$1,312,433	\$856,768	\$1,037,792	\$1,082,907
Patient Out-of-Pocket Savings ⁽³⁾	\$134,940	\$151,020	\$170,400	\$173,000

¹ - Based on contracted lab discounts versus the marketplace

² - Based on 2 hours lost time for a marketplace visit at \$15 per hour

³ - Based on health plan office visit copayment of \$20 x number of visits used

Patient Satisfaction Survey

Patient satisfaction surveys continue to be positive about the clinic and staff.

<u>Patient Satisfaction Metrics</u>	
<u>Question</u>	<u>2015</u>
The Clinic is my first stop for any illness, health concern or wellness visit.	70%
The Health Risk Assessment (HRA) has helped me better understand my health.	86%
I would recommend the Clinic to a family member or co-worker.	81%
The Clinic is a valuable feature of my health plan package.	84%
The Clinic team is friendly, caring and sensitive to my needs.	90%

Patient Satisfaction Survey

Patient satisfaction survey comments:

- “I only use the Health Center. I feel like it is one of the BIGGEST perks I have at the City.”
- “I started as a patient because of the convenience and no cost, but continue as a patient because of the excellent care. “
- “It has made it possible for me to greatly improve my health.”
- “I think the health risk assessment is great. I never knew some of my numbers and probably wouldn’t now. I know of more than one person that found a life threatening illness early due to the HRA and the health center.”

Request for Proposal (RFP)

- Initial contract expired on 12/31/2016 (extended until 4/30/2017 in order to complete the RFP process)
- “The City of Denton is seeking qualified vendors to provide Clinic Operation and Management Services at its existing Employee Health Center (Clinic), for the City’s employees, retirees, and dependents that are enrolled in the City’s self-funded health plans”
- While several of the respondents have clinics in the greater DFW area, there was never any intent to replace our clinic with one of theirs, or to intermingle patient bases
- The City received 7 responses to Request for Proposal #6198

Request for Proposal (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%)

Price, Total Cost (50%)

- **Price:**

- Per Employee per Month (PEPM) administrative fee
 - Estimated cost for frequently performed outside lab procedures
 - Cost of the annual Health Risk Assessment (HRA)
 - Medical malpractice insurance
 - One-time implementation costs (transition and data transfer costs)
- Evaluated the cost based on the potential five (5) year total cost

Price, Total Cost (con't)

<u>Total Cost Evaluation (maximum 50 points)</u>			
<u>Rank</u>	<u>Company</u>	<u>Total Estimated 5 Year Cost</u>	<u>Score</u>
1	Concentra	\$1,582,265	50.0
2	CareHere, LLC	\$1,930,822	41.0
3	WeCare, TLC	\$2,063,242	38.3
4	Cerner Corporation	\$2,206,288	35.9
5	Denton Community Health Clinic	\$2,261,961	35.0
6	Marathon Health, Inc.	\$2,368,787	33.4
7	Vera Whole Health	\$3,287,720	24.1

Compliance with Specifications, Quality...(20%)

- **Compliance with Specifications, Quality, Reliability, Characteristics to Meet Stated or Implied Needs:**

<u>Compliance Evaluation</u>	
<u>Factor</u>	<u>Weight</u>
Proposed staffing model	25%
Patient appointment scheduling tools (online, phone, etc.)	15%
Proposed hours of operation/available patient hours	15%
Ability to duplicate the City's existing Healthy Incentives Program (HIP)	15%
Minimum age requirements for patients	10%
Prescription refill process	10%
After hours nurseline and call center	10%

Compliance (con't)

<u>Compliance Ranking (maximum 20 points)</u>	
<u>Company</u>	<u>Score</u>
1. CareHere, LLC	20.00
2. Vera Whole Health	18.50
3. Denton Community Health Clinic	17.45
4. Cerner Corporation	17.05
5. WeCare, TLC	15.30
6. Marathon Health	14.95
7. Concentra	14.85

Indicators of Probable Performance (30%)

<u>Probable Performance Evaluation</u>	
<u>Factor</u>	<u>Weight</u>
Previous experience managing employer clinics	30%
Clinic transition (to include the number of clinics transitioned, the plan to retain the existing staff, and the timeline)	25%
Plan to manage provider sick leave, vacations, and vacancies	20%
Appointment management model (length of appointment, number per day, etc.)	15%
Clinic management model and location of management staff	5%
Familiarity with Texas laws	5%

Probable Performance (con't)

- The two heaviest weighted factors were:
 - Previous experience managing on-site/near-site clinics
 - The proven ability to successfully transition an existing clinic

<u>Summary of Clinics Managed</u>	
<u>Proposer</u>	<u># of employer clinics managed</u>
1. CareHere	208
2. Cerner	175
3. Marathon Health	147
4. Concentra	140
5. WeCare TLC	30
6. Vera Whole Health	6
7. Denton Community Health Clinic	1

Probable Performance (con't)

<u>Summary of Clinic Transition Experience</u>	
<u>Proposer</u>	<u>Clinic Transition Experience</u>
1. CareHere	Incumbent
2. Concentra	16 in 2016
3. Marathon Health	15
4. Cerner	Extensive experience, including 6 public entities
5. WeCare TLC	15% of business
6. Vera Whole Health	1
7. Denton Community Health Clinic	0

Probable Performance (con't)

<u>Probable Performance (maximum 30 points)</u>	
<u>Company</u>	<u>Score</u>
1. CareHere, LLC	30.00
2. Cerner Corporation	28.05
3. Marathon Health	27.90
4. Concentra	23.25
5. WeCare, TLC	22.50
6. Denton Community Health Clinic	21.75
7. Vera Whole Health	18.25

Ranking by Evaluation Category

Summary of Evaluation Category Ranking				
<u>Company</u>	<u>Price (50%)</u>	<u>Compliance (20%)</u>	<u>Performance (30%)</u>	<u>Total</u>
CareHere, LLC	2	1	1	4
Cerner Corporation	4	4	2	10
Concentra	1	7	4	12
WeCare, TLC	3	5	5	13
Denton Community Health Clinic	5	3	6	14
Marathon Health	6	6	3	15
Vera Whole Health	7	2	7	16

Final Ranking

<u>Final Ranking</u>	
<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

Summary

- Staff recommends CareHere, LLC for the following reasons, despite not having the lowest proposed cost:
 - Five (5) year proven track record of operating a successful clinic for the City of Denton
 - Extensive experience (208) operating clinics across the country
 - Existing clinic staff will be retained preserving the patient/provider relationships
 - No potential transition issues
 - Afterhours call center/nurse line
 - Demonstrated management commitment to continuous clinic improvement
 - Integrated health coach
 - Robust wellness platform
 - Demonstrated collaborative relationship with clinic providers and the City

Questions



Additional Questions

- **Did the built-in price increases of the original contract match reality?**
 - Yes. While the original contract provided for a price escalation annually to the PEPM fee, CareHere never increased their PEPM fee
 - We have tried to keep clinic staff pay raises in line with those received by City employees (3-4% per year if warranted by performance)
 - Prices for medical supplies & equipment have not increase significantly over the past five (5) years
- **Did the the original contract go over the “not to exceed” (NTE) amount?**
 - The contract and ordinance did not have a stated NTE amount

Additional Questions

- **What are the built-in price increases for the new contract?**
 - The PEPM administrative fee is fixed for the term of the contract
 - Staff salaries increases are tied to the US Department of Labor – Current Employment Statistics (CES) and may increase or decrease by a maximum of 8% each year
 - For purposes of calculating the NTE amount:
 - 2% annual increase in the number of employees for the PEPM fee
 - 3% annual increase in staff salaries and medical supplies and equipment
- **Is it not significant that the window for the 120 days for which proposals are valid has passed?**
 - No. The RFP wording states that the proposals are valid for 120 days or until the contract is approved by the governing body
 - Based on that wording the proposals are still valid but we did secure approval to extend from all proposers