

MEMORANDUM

TO: Claire Powell, City Manager

FROM: Marva L. Perry, HR Analyst Risk Management

VIA: Tadd Phillips, Director of Human Resources

DATE: March 4, 2024

SUBJECT: **Approval of an Agreement with Occupational Health Centers of the Southwest, PA for Occupational Health Services; and Authorization for the City Manager, or Her Designee, To Execute all Necessary Documents.**

BACKGROUND

The City of Lewisville entered its first contract with Occupational Health Centers of the Southwest, PA (dba Concentra Medical Centers) in January 2013, providing the City occupational services for injured employees, physical therapy, drug screening, physical exams, and pre-employment services. The current Concentra contract expired on January 27, 2024.

Utilization of Concentra services as the City's only preferred occupational health provider increased by 10% from FY21 to FY22 and again by 28% from FY22 to FY23. City employees have also seen increased wait times over recent years. Because of the high utilization and increase in wait times at Concentra, staff researched additional occupational health providers options to supplement the Concentra relationship, resulting in an agreement with OccuMed. We believe that offering employees choice between two providers will decrease the wait times and increase employee satisfaction with these services.

Staff, therefore, recommends continuing the partnership by entering into a Professional Service Agreement with Concentra. As the City's incumbent preferred provider for the scope of services, Concentra offers experience providing these needed services.

ANALYSIS

Under Texas Local Government Code 2254.002, the City may enter into a Professional Service Agreement for licensed physicians and medical services on the basis of demonstrated competence. Concentra is qualified and well positioned to continue performing the services the City seeks. Their national footprint, strong infrastructure, health care expertise, and commitment to service provide ongoing benefits to the City.

The City spent \$157,413 on occupational health services in FY2023 with a single provider. If the same services were required in the upcoming year, the cost to the city would be comparable but

now split between the two occupational health providers Concentra and OccuMed. Funds for these activities are currently budgeted for in the Self Insurance Risk Fund.

CITY STAFF'S RECOMMENDATION

That the City Council approve the agreement and authorize the City Manager, or her designee, to execute all necessary documents as set forth in the caption above.