

## **MEMORANDUM**

**TO:** Donna Barron, City Manager

**FROM:** Matt Grebliunas, Human Resources Director

**DATE:** October 10, 2018

**SUBJECT:** **Approval of the Award of the Near-Site Health and Wellness Clinic to Marathon Health for a Three-Year Period with an Option to Renew for Two Additional One Year Periods in the Amount of \$465,545 per Year and Authorization for the City Manager to Execute All Necessary Documents.**

### **BACKGROUND**

The City of Lewisville entered into its first contract with Marathon Health in August 2013, providing a wellness clinic for employees and dependents who participate in the City's health plan. The facility was named Wellness Works Health Center and officially opened its doors in January 2014. The City of Lewisville has its own contract with Marathon however shares the costs of items such as medical expenses, utilities and rental space with City of Coppell who also utilizes the clinic. The City of Lewisville has 70% of the total covered lives and Coppell has 30% of covered lives who can use the clinic; therefore the costs are shared accordingly. The wellness clinic's services include acute care for common illnesses and minor injuries along with health coaching and management of chronic conditions. Just this year, Marathon has agreed to add a part-time licensed professional counselor to the clinical staff at no additional cost to the City.

While the City continues to see unexpected high claims, the wellness center has helped to control costs for preventive and acute visits as well as improve the health of employees and their dependents. For the 12-month period of August 2017 through July 2018, the clinic reported 1,018 coaching visits and 1,068 acute care visits. Because of the high utilization, the clinical team has the ability to identify those who are high risk or have a chronic condition. Of the 1,533 members on the City of Lewisville Health Plan, 663 of those fall into the high and chronic population. As of the end of July, the clinic has engaged 81.45% of those members in treatment or coaching.

As part of the wellness initiative, employees covered under the City's health insurance and any covered spouses are required to complete a biometrics visit at the Wellness Works Health Center. This past year, 92% of employees and 83% of spouses completed their biometrics. This greatly surpasses the national average of 46% participation in screening activities, based on a recent

Research and Development Corporation employer survey. It is important to point out again that the high participation in the biometric tests gives the clinical staff at the wellness center a much better opportunity to prevent and treat high-risk chronic conditions.

## **ANALYSIS**

In May, City staff sent out a Request for Proposal for the City of Lewisville Near-site Health and Wellness Clinic. Four companies submitted proposals for Health and Wellness Clinic services that were narrowed down to two finalists. The City received a competitive bid from CareHere; however, Marathon's revised long-term financial proposal which includes a behavioral health professional along with past performance are key considerations for this recommendation. Marathon's proposal was the lowest cost at \$465,545 per year over a three-year period. This represents a 7.29% decrease over the current contract for Lewisville.

| <b>Required Fees</b>                 | <b>Year 1</b>  | <b>Year 2</b>  | <b>Year 3</b>  |
|--------------------------------------|----------------|----------------|----------------|
| Clinic Management Fees               |                |                |                |
| City of Lewisville                   | \$465,545      | \$465,545      | \$465,545      |
| City of Coppell                      | \$200,173      | \$200,173      | \$200,173      |
| Subtotal Management Fees             | \$665,718      | \$665,718      | \$665,718      |
| Other Required Fees:                 |                |                |                |
| Lab Processing Fees                  | n/a            | n/a            | n/a            |
| Medications / Vaccines               | \$1,200        | \$1,200        | \$1,200        |
| Office/Clinical Supplies and Postage | n/a            | n/a            | n/a            |
| Subtotal Other Required Fees         | \$1,200        | \$1,200        | \$1,200        |
| Start Up Fees                        |                |                |                |
| Start Up Fees                        | n/a            | n/a            | n/a            |
| Sub Total Start Up Fees              | \$0            | \$0            | \$0            |
| Total Fees                           | \$666,918.00   | \$666,918.00   | \$666,918.00   |
|                                      |                |                |                |
|                                      |                |                |                |
| <b>Optional Fees / Services</b>      | <b>Year 1</b>  | <b>Year 2</b>  | <b>Year 3</b>  |
| List any Fees for Optional Services  |                |                |                |
| Nutritionist                         | n/a            | n/a            | n/a            |
| MHSA Behavioral Services             | \$0 (Included) | \$0 (Included) | \$0 (Included) |
| Total Fees                           | \$0            | \$0            | \$0            |

Below is the service comparison of the two finalist proposals below:

|  | Marathon                   | CareHere                   |
|--|----------------------------|----------------------------|
| <b>Company Background</b>                                      |                            |                            |
| Clinic Model Proposed  | Nearsite Clinic            | Nearsite Clinic            |
| Experience   | 13 Years                   | 14 Years                   |
| Public Entity Clients  | 150 Public Entities        | 110 Public Entities        |
| <b>Account Management Services</b>                             |                            |                            |
| General Consulting (Design / Development / Measurement / Etc.) | Included                   | Included                   |
| Local Account Management                                       | Included (Fort Worth)      | Included (Coppell)         |
| Assigned Implementation Specialist                             | Included                   | Included                   |
| <b>Clinic Staffing, Location and Hours</b>                     |                            |                            |
| Proposed Clinic Staffing                                       | Current Staffing Model     | Current Staffing Model     |
| Open to Retention of Current Staff                             | Yes                        | Yes                        |
| Proposed Locations   | Current Location           | Current Location           |
| Proposed Days / Hours of Operations                            | Current Hours              | Current Hours              |
| <b>Medical Services</b>  |                            |                            |
| Urgent care  | Included                   | Included                   |
| Routine annual exams and screenings                            | Included                   | Included                   |
| Lab draws  | Included                   | Included                   |
| Allergies  | Included                   | Included                   |
| Pregnancy support & education                                  | Included                   | Included                   |
| Prescription management (No Dispensing)                        | Included                   | Included                   |
| Disease Management Program for Chronic Conditions              | Included                   | Included                   |
| Behavioral Health Professional                                 | Included                   | Not Included               |
| 24/7 Nurseline   | Not Included               | Included                   |
| <b>Wellness Services</b>                                       |                            |                            |
| Health Risk Assessment with Individual Reports                 | Included                   | Included                   |
| Comprehensive Health Screenings                                | Included with consultation | Included with consultation |
| Clinic Outreach to High Risk Individuals                       | Included                   | Included                   |
| Disease Management   | Included                   | Included                   |
| Wellness and Lifestyle Coaching                                | Included                   | Included                   |
| Development of Wellness Initiatives                            | Included                   | Included                   |
| Seminars and/or Group Classes                                  | Included                   | Included                   |
| Aggregate Health Risk Reporting                                | Included                   | Included                   |
| <b>Clinic Management and Operations</b>                        |                            |                            |
| Supply and Inventory Management                                | Included                   | Included                   |
| Patient and Referral Management                                | Included                   | Included                   |
| Maintainment of Quality Assurance Program                      | Included                   | Included                   |
| Maintainment of Employee Records                               | Included                   | Included                   |
| Technology, Computers and Associated Equipment                 | Included                   | Included                   |
| Electronic Scheduling  | Included                   | Included                   |
| Electronic Medical Record                                      | Included                   | Included                   |
| Program Marketing (Printing Included)                          | Included                   | Included                   |
| MalPractice Coverage and General Liability                     | Included                   | Included                   |
| HIPAA Compliance   | Included                   | Included                   |
| <b>Reporting</b>   |                            |                            |
| Data Analytics and Reporting                                   | Included                   | Included                   |
| Eligibility / Data Transmission to Carrier                     | Included                   | Included                   |
| Record Storage   | Included                   | Included                   |
| Stewardship Meetings   | Included                   | Included                   |

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Staff recommends that the City contract with Marathon Health for the 2018 calendar year with a three-year contract and the option to renew for an additional two years. An analysis of all four bids with three-year total fees for both City of Lewisville and City of Coppell combined is included as Appendix A.

### **RECOMMENDATION**

Staff proposes that City Council approve the contracts as set forth in the caption above and authorize the City Manager to execute all necessary documents.