

ACTION FORM BRYAN CITY COUNCIL

DATE OF COUNCIL MEETING: July 28, 2015		DATE SUBMITTED: July 15, 2015	
DEPARTMENT OF ORIGIN: Risk Management		SUBMITTED BY: Hugh R. Walker	
MEETING TYPE:	CLASSIFICATION:	ORDINANCE:	STRATEGIC INITIATIVE:
<input type="checkbox"/> BCD	<input type="checkbox"/> PUBLIC HEARING	<input type="checkbox"/> 1ST READING	<input type="checkbox"/> PUBLIC SAFETY
<input type="checkbox"/> SPECIAL	<input type="checkbox"/> CONSENT	<input type="checkbox"/> 2ND READING	<input type="checkbox"/> SERVICE
<input checked="" type="checkbox"/> REGULAR	<input checked="" type="checkbox"/> STATUTORY		<input type="checkbox"/> ECONOMIC DEVELOP.
<input type="checkbox"/> WORKSHOP	<input type="checkbox"/> REGULAR		<input type="checkbox"/> INFRASTRUCTURE
			<input checked="" type="checkbox"/> QUALITY OF LIFE
<p>AGENDA ITEM DESCRIPTION: Consider approving an amended professional services agreement with St. Joseph Regional Health Center for the management and operation of an employee health center. The proposed amended agreement is to include professional medical services, supplies, staffing and operational costs and may not exceed an annual budget of \$573,182 during the first term of the agreement and \$559,182 in the second term. Pending City Council approval of an Interlocal Agreement on July 28, 2015, clinical services would be extended to employees and dependents covered under the Bryan Independent School District's self-insured benefit risk pool.</p>			
<p>SUMMARY STATEMENT: The City of Bryan Employee Health Center (COBEHC) has been in operation since March 31, 2011. The City initially held multiple discussions with other local government entities regarding the potential for collaborative clinic operations. Initially, the two cities, the two school districts, Brazos County and Texas A&M discussed options. After several years of discussion, the City of Bryan took a more aggressive approach to bring the clinic to reality and pursued the clinic without participation from other entities. The Bryan Independent School District (BISD) has continued to show interest in the City's current health center model throughout the past four years of operation; however, BISD has not actively pursued an employee health center until earlier this year. In recent months, several meetings between city, school and hospital officials have occurred. BISD has now expressed the desire to join the City of Bryan's employee health center model, which is currently under the operation of St. Joseph Regional Health Center (SJRHC) through an agreement unanimously approved by the City Council on February 24, 2015.</p> <p>The current City of Bryan Employee Health Center is a well-utilized facility where employees and their covered dependents (1,988 lives) are able to receive quality, affordable medical/health care. Patients visiting the Center are not required to pay a co-payment. Services provided at the Center currently include primary, wellness, and acute care along with occupational health services and minor workers' compensation illnesses and injuries. The Center is currently located in close proximity to SJRHC, radiological services, and other medical specialists. It also is located within the Bryan, Texas Health & Wellness Plan Area.</p> <p>The current COBEHC Agreement was unanimously approved by the City Council on February 24, 2015, for an annual amount not to exceed \$391,200. This amount covers costs incurred in relation to the provision of Primary & Occupational Health related services provided to City of Bryan employees, dependents and retirees on the City's group health plan. The proposed amended agreement and associated interlocal agreement will extend clinical services to employees and dependents covered under BISD's self-insured benefit risk pool. If approved, this new partnership will bring an additional 3,556 covered lives to the Center's potential patient panel. With these additional covered lives, the current Center's location and staffing will be insufficient. SJRHC representatives have proposed the following:</p> <ul style="list-style-type: none"> • Increase staff by one additional Advanced Practice Provider (i.e. Nurse Practitioner) • Increase staff by one Certified Medical Assistant or Licensed Vocational Nurse 			

- New location (2308 Villa Maria, Bryan, Texas). This new location will allow for four (4) exam rooms and is 844 square feet larger than the current location with an estimated thirty (30) parking spaces and is also located within the Bryan, Texas Health & Wellness Plan Area.
- Expanded hours to be agreed upon by all parties

The first term of the proposed amended agreement may not exceed an annual budget of \$573,182, which includes a set up amount of \$14,000 (e.g. additional staff prior to January 1, 2016, additional exam room construction and set-up, and waiting area furniture). All operating costs associated with the operation of the Center will be paid equally by the City and BISD for the first year of usage by BISD. The City's portion of costs in year one of joint operations is expected to be approximately \$286,591, which is about \$104,000 less than budgeted and approved in the original agreement. In preparation for the second year of operations, the City and BISD will agree upon a cost sharing model determined on a pro rata basis based upon utilization of the Center by both parties. The total cost for the second term of the agreement will not exceed \$559,182 with the City's portion still expected to be less than the original budget of \$391,200.

A summary of the proposed amended professional services agreement:

1. **Section 1, Scope of Services:** SJRHC will extend services to employees and dependents on BISD's self-insured benefit risk pool.
2. **Section 2, Payment, Paragraph A:** The total cost of all Primary Care and Occupational Health Services provided during the first term of the Agreement may not exceed an annual budget of \$573,182, which includes a set up amount of \$14,000. The second term of the Agreement may not exceed an annual budget of \$559,182.
3. **Section 2, Payment, Paragraph B:** SJRHC will submit the monthly invoice to the City of Bryan by the fifteenth (15th) of each calendar month. The City will reimburse the Provider (SJRHC) for the total costs incurred for purchasing equipment, supplies, or third party services as well as salary and benefits for personnel in relation to the provision of services plus an overhead amount equal to five percent (5%) of total invoiced cost. The City will in turn invoice BISD for their portion of the invoice to be paid to the City within thirty (30) days.
4. **Section 3, City Health Plan:** The Provider (SJRHC) will verify each patient's enrollment in either the City's group insurance health insurance plan or BISD's self-insured benefit risk pool prior to treatment at the Center and will work with the City and BISD to assure proper services and referrals within the provider network.
5. **Section 5, Term and Termination, Paragraph A:** Extend the original agreement termination date of March 31, 2017 to December 31, 2017 to coincide with the City's (and BISD's) health plan year (January-December).
6. **Section 5, Term and Termination, Paragraph C:** Extend the notice of termination by Provider to one-hundred eighty days (180).
7. **Section 7, Paragraph B, Access to Books and Records:** In addition to monthly reports currently provided, SJRHC will provide an annual report analyzing utilization, average wait time in the employee health center, health cost savings/loss analysis based on a primary care provider fee schedule, cost avoidance, and other evaluation measures. SJRHC will provide all reports in aggregate form and by individual entity.
8. **Conflict of Terms:** If there is a conflict between the Amendment and the Agreement, the terms of the Amendment will prevail.
9. **Effective Date:** The Amendment will be effective on January 1, 2016.

STAFF ANALYSIS AND RECOMMENDATION: With health care costs continuing to rise nationally, the current employee health center has served as an affordable, accessible avenue for employees, dependents and retirees enrolled in the City's health plan to obtain basic medical care. On an annual basis, City staff conducts an anonymous Employee Health Center Patient Satisfaction Survey. Some of the most common suggestions include the need for additional hours, space and parking. While the number of visits to the current Center has continued to grow, the City's health plan enrollment alone could not justify some these changes. However, with the addition of BISD's 3,556 covered lives, the Center can justify additional staff, hours and a larger, more accessible location. The BISD Board of Trustees passed a resolution on June 15, 2015, supporting the partnership and establishment of a shared employee health center. On July 20, 2015, the BISD Board of Trustees also will consider the interlocal agreement being considered for approval by City Council on July 28, 2015. (As of the writing of this Council Action Form, the July 20th date is accurate.)

Staff recommends approving the amended professional services agreement, which will extend usage and services of the City of Bryan Employee Health Center to enrollees in BISD's self-insured benefit risk pool. This amendment will allow cost-sharing as well as provide an opportunity to expand staff, hours, and provide a larger facility.

OPTIONS (In Suggested Order of Staff Preference):

1. Approve the proposed amended professional service agreement, which will allow for the Center to be available to enrollees in BISD's self-insured benefit risk pool.
2. Make amendments to the proposed amended professional service agreement and then approve, which may require consideration at a future City Council meeting, additional negotiations with SJRHC, and additional negotiations with BISD. As currently planned, SJRHC has sufficient time to prepare a new facility/location for the next health plan year, which begins January 1, 2016. Delays to approving an agreement amendment may result in delaying services to BISD to sometime within the next health plan year (i.e., after January 1, 2016).
3. Do not approve the proposed amended professional service agreement, which will result in the City of Bryan continuing employee health center operations without a partner.

ATTACHMENTS:

1. Proposed Amendment to Professional Health Services Agreement (PDF document)
2. Professional Health Services Agreement between the City of Bryan and St. Joseph Regional Health Center dated February 26, 2015 (PDF document)
3. Bryan Independent School District signed resolution dated June 15, 2015 (PDF Document)

FUNDING SOURCE: City of Bryan Employee Benefits Fund (as budgeted and approved by the City Council) and Bryan Independent School District. Since the professional services agreement is between the City and SJRHC, the City is responsible for payment of all costs associated with the agreement. However, the proposed ILA – on the same City Council Agenda – has BISD responsible for their portion of costs based on terms outlined in the ILA; BISD is invoiced by the City.

APPROVALS: Hugh R. Walker, 07/15/2015

APPROVED FOR SUBMITTAL: CITY MANAGER Kean Register, 16Jul2015

APPROVED FOR SUBMITTAL: CITY ATTORNEY