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# **CITY OF OCALA**

## **CITY COUNCIL REPORT**

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**Council Meeting Date: 12/04/12**

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Subject: Contract with CareHere, LLC

Submitted By: Jared Sorensen

Department: Human Resources & Risk

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**STAFF RECOMMENDATION** (Motion Ready): Approve Agenda Item (ID # 5121) the contract with CareHere, LLC in partnership with Crowne Consulting Group for providing an on-site health center

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**OCALA'S RELEVANT STRATEGIC GOALS:** 1 Balance all funds for fiscal sustainability

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### **PROOF OF PUBLICATION:**

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#### **BACKGROUND:**

In February, 2008, an RFP was issued to obtain competitive proposals from qualified and experienced firms to provide worksite healthcare services, including pre-employment health screening functions, occupational and non-occupational health services, on-site basic health services and involvement in wellness and disease management programs. The goal was to achieve efficient and optimal screening of employees as they enter the City's workforce and provide basic healthcare and wellness/disease management, as well as preventative medicine and various testing services.

On December 15, 2008, City Council approved a three year contract with CareHere, LLC in partnership with Crowne Consulting Group to provide an on-site health center for City health insurance plan participants and dependents. On November 15, 2011, City Council approved a 1 year renewal with CareHere, LLC to continue the services at the City's Health Center.

The current contract is due to expire December 16, 2012. Staff met with Crowne Consulting Group and negotiated the following provisions:

- \* The City will continue to pay a program fee of \$23.00 per employee per month and we have the option of allowing retirees to use the Health Center if the City chooses to add that benefit.
- \* The vendor has agreed to allow up to 25 non-eligible employees to use the wellness portion, which includes Health Risk Assessment, webinars, and training classes etc., of the Health Center at no charge. If we have over 25 non-eligible employees, the City will agree to pay a program fee of \$15 per non-eligible employee per month for each additional.
- \* In addition, CareHere will be providing, at no cost, a data analytics report. This report will quantify the value of the services performed and reported at the Health Center.
- \* The proposed contract is for a term of three years with an additional three year renewal.

#### **FINDINGS:**

As a result of the medical visits to the on-site health center, medical trend which was estimated

for fiscal year 2011-2012 at 12% has been flattened to approximately 3%, allowing the City to avoid approximately \$2,000,000 in claims cost since inception of the Health Center.

Utilization at the Health Center has averaged 83% since inception. Over 27,000 appointments have been made since inception, with 10,228 appointments scheduled for FY2011-2012. The Center has dispensed over 13,000 prescriptions since inception which helped to reduce the prescriptions claims on the City's Health Plan despite the increased pressure of medical trend.

**CONCLUSIONS:**

As a result of the medical visits to the on-site health center, medical trend was flattened to below 3% as depicted in the attached graphs.

The health center has enhanced its customer service delivery and has received numerous compliments from employees and dependents as reflected by the comments from the suggestion/comment box located in the health center lobby.

**STAFF RECOMMENDATION** (Motion Ready): Approve Agenda Item (ID # 5121) the contract with CareHere, LLC in partnership with Crowne Consulting Group for providing an on-site health center

**FISCAL IMPACT:**

The Fiscal year 2012-2013 budget includes funding to support this contract. In addition, there is a provision in the contract that allows the City to cancel the contract if funds become unavailable in future years.

**LEGAL REVIEW:** The contract is pending review by the City Attorney, Patrick G. Gilligan.

**ALTERNATIVE:**

Discontinue the clinic program, solicit a RFP for clinic services or renew current contract for one year.

**SUPPORT MATERIALS:**

CareHere Contract (DOCX)

CareHere Info (PDF)