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# **CITY OF OCALA**

## **CITY COUNCIL REPORT**

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**Council Meeting Date: 07/07/15**

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Subject: Contract Renewal with CareHere, LLC

Submitted By: Jared Sorensen

Department: Human Resources & Risk

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**STAFF RECOMMENDATION** (Motion Ready): Approve Agenda Item (ID # 8282) renewing the contract with CareHere, LLC for providing an on-site health center for City employees and dependents for a three-year period from January 1, 2016 to December 31, 2019.

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**OCALA'S RELEVANT STRATEGIC GOALS:** Operational Excellence

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### **PROOF OF PUBLICATION:**

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#### **BACKGROUND:**

In 2009, the City of Ocala opened a comprehensive health and wellness center to service the medical needs of employees and dependents on our health plan. The strategy supported: comprehensive services such as primary care, chronic disease management, wellness, prescription dispensing, imaging and occupational health services aimed at improving medical outcomes and mitigating the double digit, annual cost increase our health plan had previously experienced.

#### **FINDINGS AND CONCLUSIONS:**

Utilization at the Health Center by City employees is approximately 94%. Over 27,000 provider appointments have been made since inception, with over 4,400 ancillary and occupational appointments. The Center has dispensed over 17,000 prescriptions since inception which helped to reduce the prescriptions claims on the City's Health Plan despite the increased pressure of medical trend.

As a result of the medical visits to the on-site health center, medical trend was reduced and the City has recognized a savings of over \$3.7 million to the health plan since inception of Health Center.

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 recommends continuing our relationship with CareHere.

#### **FISCAL IMPACT:**

The City pays CareHere \$23.00 per eligible employee per month which is approximately \$221,400 per year. In addition, there are pass through costs such as: provider, ancillary, prescription, and medical supply costs etc. The Fiscal year 2015-2016 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.

#### **PROCUREMENT REVIEW:**

Staff discussed the renewal with the Procurement Department and the City Manager's Office and renewing the contract is in the best interest of the City.

**LEGAL REVIEW:** The contract has been reviewed and approved for form and legality by the City Attorney, Patrick G. Gilligan.

#### **ALTERNATIVE:**

Issue RFP for current fiscal year.

**SUPPORT MATERIALS:**

RSK 08-001 (PDF)