

# DEPARTMENTAL MATTERS

## INDIAN RIVER COUNTY MEMORANDUM

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To: Michael Zito  
Interim County Administrator

From: Suzanne Boyll *svb*  
Human Resources Director

Date: February 14, 2023

Subject: Approval of Agreement with Everside Health LLC for Indian River County Everside Health Center (Employee Clinic)

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### **BACKGROUND**

On May 11, 2021, the Indian River County Board of County Commissioners approved engaging Lockton Companies to perform consulting services related to pursuing an employer sponsored employee health clinic/wellness center.

The following guiding principles were identified as important to consider during this project:

- Clinic as added benefit to attract and retain employees
- Care available at no or low-cost to offset member impact of premiums increase and plan design
- Care needs to be convenient and easily accessible
- Clinic should be financially sound, producing plan savings over time

The County solicited proposals and Everside Health LLC (Everside) was selected to provide comprehensive primary care and acute care medical services to eligible employee and retiree members and dependents through a County sponsored Health Clinic/Wellness Center. At the November 1, 2022 meeting, the Board approved the recommended staffing model, hours and eligibility, and authorized Lockton to proceed with negotiating an agreement with Everside to be presented to the Board for approval.

Lockton and staff have completed those negotiations and the County is ready to proceed with entering into the agreement with Everside to proceed with the establishment of the Indian River County Everside Health Center to provide health and wellness services to our eligible employees, retirees, covered spouses and dependents over 2 years of age. The agreement is for an initial five-year term with the ability to renew annually thereafter.

Approved Staffing Model:

- **Clinic Staff:** 1 Nurse Practitioner and 2 Medical Assistants

- **Operating Hours:** 40 hours per week; actual operating hours to be determined based on organizational need
- **Eligibility:** All enrolled employees, retirees, spouses, and dependents 2 years and older (Approximately 3,200 lives)
- **Location:** 2<sup>nd</sup> generation medical office space with exact location to be determined based on available facilities within the service area

The initial services to be offered in the Indian River County Everside Health Center would include:

- **Acute or personal care:** ear, nose and throat conditions, respiratory infections, gastrointestinal disorders, sprains and strains, urinary problems, rashes and lesions
- **Preventive care:** biometric screening, preventive screening and counseling, physical exams, wellness exams
- **Chronic care advice:** cardiac, cancer, diabetes, depression, musculoskeletal
- **Lifestyle and disease management:** health education and promotion, chronic condition coaching
- **Ancillary services:** immunizations, vaccinations, lab draw and handling, pharmaceutical dispensing, and limited occupational health
- **Coordination with other County offered programs:** Kannact, SurgeryPlus, CanaRx, Employee Assistance Program
- **Future Growth and Expansion of Services-** The County will have the ability to add services based on identified needs

#### **LOCATION:**

Everside has identified possible clinic locations and will proceed with lease negotiations on behalf of the County at the location that is best suited based on projected buildout costs, location, size, and leasing terms once a signed agreement with Everside is in place. The health center location will be reviewed and approved by the Human Resources Director and Public Works Director within the budget that has been allocated.

#### **PROPOSED OPENING:**

Staff anticipates the Indian River County Health Center will be opened by October 1, 2023. This date may be adjusted (earlier or later) based on the time to secure a health center lease, complete the build out, complete the implementation and setup, and secure staffing and resources.

#### **COST ESTIMATES:**

The agreement with Everside is a transparent pricing model with actual pass through costs for health center expenses being billed to the County. The build out costs are estimated to be \$350,000 and may be lower based on the actual space that is leased. Startup costs are estimated to be \$137,000 and will include health center equipment, supplies and furnishing. Initial estimates for leasing costs were approximately \$39,600 based on a minimum of 1,500 square feet; however, actual leasing costs may be higher based on the size of the facility and the cost per square foot. The final leased space will be chosen based on location, accessibility, build out costs, availability, and surrounding market conditions. The agreement provides for

adjustments for inflation of 3.5% for labor costs and technology. As health center utilization increases and additional staff and/or services are added, costs will increase accordingly. Additional staffing and services that would result in additional costs would be presented to the Board for approval. Human Resources will have responsibility for overseeing the Health Center operations and authorizing expenditures under the agreement in accordance with budgeted expenditures.

The value and savings over time as a result of implementing the health center will be realized through improved health and wellness of our insured population, effective management of chronic conditions, early intervention and avoidance of high cost claims, and enhanced employee benefits to assist us with improved recruitment and retention of County employees.

**FUNDING:**

Expenses incurred for the FY22-23 budget will include build out and startup costs of approximately \$487,000 plus management fees and monthly recurring pass through costs once the clinic is operational. Sufficient funding exists in the current Health Insurance Fund/Other Contractual Services/Employee Health Clinic account, number 50412719-033490-23005.

<b>Account Name</b>	<b>Account Number</b>	<b>FY 22/23 Budget</b>
Health Insurance Fund/Other Contractual Services/Employee Health Clinic	50412719-033490-23005	\$1,202,317

**RECOMMENDATION:**

Staff respectfully requests the Board approve the agreement with Everside and authorize the Chairman to execute the agreement after review by the County Attorney for legal sufficiency; authorize staff to proceed with implementation of the Indian River County Everside Health Center by selecting the health center location; authorize staff and Everside to proceed with leasing and build out of the selected facility; and authorize staff and Everside to proceed with necessary actions in accordance with the agreement to recruit clinic staff and incur startup costs necessary to begin operating the health center.

Attachment:

Draft Agreement Indian River County and Everside Health LLC