

DEPARTMENTAL MATTERS

INDIAN RIVER COUNTY MEMORANDUM

To: Jason Brown
County Administrator

From: Suzanne Boyll *svb*
Human Resources Director

Date: October 25, 2022

Subject: Final Ranking of Firms and Authorization to Negotiate for Employee Health Clinic/Wellness Center (RFP 2022053)

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

Lockton proceeded with a Claims Population Health Review and Clinic Feasibility Assessment. The results were reviewed with the Board on January 18, 2022 and the Board authorized staff to proceed with an RFP process.

REVIEW AND RANKINGS:

Purchasing solicited proposals and responses were received from six (6) vendors. Each vendor provided comprehensive responses to the RFP to include cost estimated based on their proposed clinic model with varying levels of staffing. A selection committee comprised of Suzanne Boyll, Human Resources Director, David Rattray, Fire Chief, Duke Hawkins, Assistant Utility Operations Manager, Rich Szyrka, Public Works Director, Betsy Stenger, Library Director, Cynthia Stanton, Risk Manager, Kristin Daniels, Budget Director, and Denise Sleeman, Public Works Administrative Coordinator, independently evaluated and scored the received proposals in accordance with the RFP document and Purchasing Manual. The committee met to develop an overall initial ranking of firms. After each committee member read their rankings into the record, a representative of the County's Benefits Consultant, Lockton, provided a technical overview of the proposals. After additional discussions by the committee, one

committee member changed their initial ranking of firms, which only impacted the fourth and fifth place rankings. The top two firms were Everside Health and Care ATC. Each demonstrated substantial experience operating employer sponsored clinics. The initial ranking as well as the cost per clinic hour based on the initial proposals is identified below.

Proposing Provider	Cost Per Clinic Hour (ongoing)
Everside Health	\$595
CareATC	\$384
TCMAI	\$650
Concentra	\$238
One to One Health	\$412
Employee Wellness	\$796

The committee invited the top two firms to participate in onsite interviews and explain their model and approach to operating a clinic. After the interviews, the committee members individually ranked the presenting firms, and developed a post-interview ranking of firms. Additional details were determined to be necessary to declare the ranking final. Clarification questions were asked of the top ranked proposer regarding their proposed staffing model, in order to equitably compare the two top proposals. The committee requested information based on the following staffing model:

- Clinic Staff: Nurse Practitioner and 2 Medical Assistants
- Operating Hours: 40 hours per week
- Eligibility: All enrolled employees, retirees, spouses, and dependents 2 years and older
- Location: Existing 2nd generation medical facility to be determined

Proposing Provider	1 NP & 2 MA Model
Everside Health	\$347
CareATC	\$339

After responses were provided, the committee reconvened to develop a final ranking of firms based on the clarification. No change in final ranking was made based on the clarification. The committee is satisfied with the ranking and is recommending the Board approve it, as shown below:

Proposing Provider
Everside Health
CareATC
TCMAI
Concentra
One to One Health
Employee Wellness

EMPLOYEE CLINIC NEXT STEPS:

During the proposal review process, the committee members expressed support of the employer health clinic/wellness center and agreed that either Everside or CareATC is well qualified to oversee and manage the project.

Staff recommends the BOCC proceed with awarding the RFP to Everside and authorize Lockton Companies to proceed with contract negotiations to implement an Employee Health Clinic with the following staffing:

- **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:** 2nd generation medical office space with exact location to be determined based on available facilities within the service area. Possibility of integrating into County facility at a future date.

The initial services to be offered in the clinic 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, occupational health, onsite employee assistance programs (EAP), mental and behavioral health services
- **Coordination with other County offered programs:** Kannact, SurgeryPlus, CanaRx

COST ESTIMATES:

Facility and Future Growth - The County will have the ability to amend services as determined to be appropriate to support the needs of the workforce and in a manner that supports ongoing health and wellness initiatives. The build out of the initial employee clinic would include sufficient space to accommodate future growth (approximately 2,200 square feet). The cost of the build out is estimated to be \$210,000 to \$420,000. We are anticipating approximately

\$350,000 in costs. The estimated lease cost is \$16-\$19 per square foot; \$2,933 to \$3,483 per month. This would be a pass through cost and we are estimating \$39,600 annually.

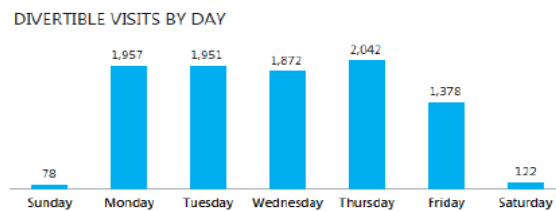
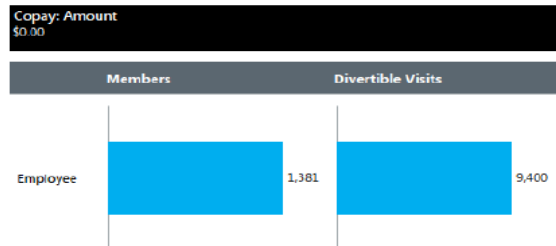
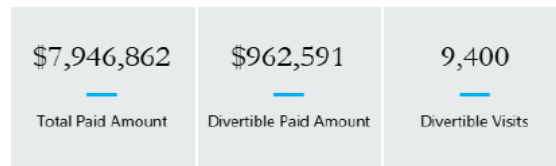
Lockton Companies prepared a pricing overview based on the 1 Nurse Practitioner and 2 Medical Assistants staffing model.

Vendor	Care ATC	Everside
based on 3200 eligible lives, includes spouses and dependents		
Hours per week	40 hrs/week	
Staffing	1 APP, Overseeing MD, 2 MA	
Pricing		
Start-Up Fee (One-Time)	\$87,167	\$90,000
Staffing/Clinic Operations	\$432,008	\$384,022
Professional Liability, Continuing Education for staff, licenses & due	\$24,595	n/a
Technology Cost	\$108,216	\$75,000
Administrative Costs	n/a	\$98,974
Management Fee	\$85,000	\$81,721
Additional Pass-Through Costs *estimates		
labs	\$14,901	\$23,000
clinic/office supplies	\$14,901	\$26,000
staff travel	n/a	\$5,000
Rx Restocking	\$32,285	\$29,000
Total Yr 1 <small>(includes variable/pass-through estimates and start-up fees)</small>	\$792,950	\$812,717
Ongoing Costs <small>(includes variable/pass through fees, excludes start-up fees)</small>	\$705,782	\$722,717
	3% annual increase 10% fees at risk	3.5% annual increase 10% fees at risk

NOTE: Fees do not include the build out of the onsite clinic. Build out fees have been estimated at \$210,000 - \$420,000.

VALUE AND POTENTIAL SAVINGS:

Identified Divertible Visits Employees/Retirees Totals \$962.5K



Low Diversion Scenario Approximately \$202K (20-30%)

SELECT VISIT DIVERSIONS

	Divertible Paid Amount	Divertible Visits	% Diverted	Diverted Visits	Total Diverted Paid Amount	Total Copay Amount
Allergy	\$31,528	299	0.0%	0	\$0	0
Chiropractic	\$211	45	0.0%	0	\$0	0
➔ Chronic Condition Management	\$13,743	123	20.0%	25	\$2,749	0
Dermatology	\$33,948	282	10.0%	28	\$3,395	0
➔ ENT Services	\$5,808	37	10.0%	4	\$581	0
➔ Immunizations	\$966	9	30.0%	3	\$290	0
Injectable Drugs	\$67,830	39	0.0%	0	\$0	0
Laboratory	\$12,069	435	30.0%	131	\$3,621	0
Maternity	\$2,989	15	0.0%	0	\$0	0
Medical Equipment and Supplies	\$4,179	11	10.0%	1	\$418	0
Minor Musculoskeletal Procedures	\$7,608	56	10.0%	6	\$761	0
Minor Surgery	\$23,105	94	0.0%	0	\$0	0
Office Visit - Behavioral Health	\$558	6	0.0%	0	\$0	0
➔ Office Visit - Medical Care	\$513,829	5,876	30.0%	1,763	\$194,149	0
➔ Office Visit - Preventive Care	\$98,273	585	30.0%	176	\$29,482	0
Ophthalmology/Optomety	\$28,313	325	0.0%	0	\$0	0
Other Procedures	\$37,353	365	20.0%	73	\$7,471	0
Physical Therapy, Rehab, and Occupati.	\$13,547	598	0.0%	0	\$0	0
Pulmonary	\$6,746	27	0.0%	0	\$0	0
Radiology	\$59,905	173	0.0%	0	\$0	0
Total	\$962,591	9,400	↑	2,208	\$202,915	0

- Chronic Condition Management
- Immunizations & Labs
- Office Visits – Medical Care
- Office Visits - Preventive Care

2,208	\$202,915
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The analysis performed by Lockton indicates that savings from diverting care to the clinic would be approximately \$202,915 using a low diversion scenario of 20-30% of the total identified divertible visits employees/retirees totals of \$962.5K. Increased utilization would result in an increase in diverted savings.

It is anticipated that additional savings would be realized over time as chronic conditions are better managed through the wellness relationship established between the clinic the individual (employee/spouse/dependents). The employee clinic visits would provide more time with the provider than is typically provided in the health care marketplace allowing for health coaching and wellness support. The clinic would also support our employees who may not have an established primary care relationship, providing easy access to schedule health and wellness appointments that are convenient.

Employee access to the clinic and availability to schedule same day or next day appointments would also result in savings as a result of a reduction in lost time and early care for acute conditions.

The addition of the employee health and wellness clinic would also be an excellent enhancement to the County’s benefit program and would support recruitment and retention of employees.

FUNDING:

The expense for an employer health clinic/wellness center would be paid out of the Health Insurance Fund/Other Professional Services/Employee Health Clinic account, number 50224613-033190-23005. First year costs are estimated to be \$812,717 plus build out fees of approximately \$350,000 and pass through leasing costs of approximately \$39,600, for a total of \$1,202,317, and would need to be allocated on a future budget amendment utilizing Health Insurance Fund/Cash Forward-Oct 1st.

RECOMMENDATION:

Staff respectfully requests the Board approve the committee final rankings; approve the staff recommendation for the staffing model, hours and eligibility; authorize the County Administrator to sign the Non-Disclosure Agreement after approval by the County Attorney for legal sufficiency; and authorize Lockton Companies to proceed with negotiating an agreement with Everside which will be presented to the Board for approval after Lockton's consultation with the County Administrator and review by the County Attorney for legal sufficiency.