



## AGENDA MEMORANDUM

Future Item for the City Council Meeting of April 15, 2013

Action Item for the City Council Meeting April 22, 2013

**DATE:** April 15, 2014

**TO:** Ronald L. Olson, City Manager

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**Amendment No. 1 to the service agreement for the  
Employer-Sponsored Wellness Clinic**

**CAPTION:**

Motion authorizing the City Manager or designee to execute amendment No. 1 to the service agreement with H2U Wellness Centers, LLC d.b.a. First Onsite (H2U) of Nashville, Tennessee, in the amount of \$495,750, of which \$97,708.33, is required for FY 2013-2014. Funds are budgeted in the Other Employee Benefits Fund.

**PURPOSE:**

This service will be used by the Human Resources Department to provide primary care and wellness services to eligible active employees, retirees and their eligible dependents and/or surviving spouses. This amendment allows the City to provide an enhanced level of service consisting of extending existing hours from 8 to 12 hours a day by the addition of two staff (one nurse practitioner and one part-time medical assistant) and additional supplies necessary to accommodate additional patients. This amendment will allow the City's wellness clinic to double the number of patient visits per year from 5,271 to approximately 10,542 visits.

**BACKGROUND AND FINDINGS:**

The City currently offers medical benefits through a self-funded health plan administered by Humana. The existing employer-sponsored wellness center contract creates a setting within City Hall in which primary care services are offered on a no-fee basis, with the goal of minimizing lost time from work, increasing productivity, promoting the City's wellness initiatives, creating a program to encourage use of primary care and preventive health care services, and providing a vehicle for early intervention by identification and management of member health conditions. Thus, improving the overall health of the members and managing long-term costs to the City's self-funded health insurance plan.

The amount required for the amendment (\$495,750) recommended herein is comprised of and the pricing associated therewith is contingent upon the exercise of both optional one-year extensions to the existing contract between the City and H2U.

**ALTERNATIVES:**

Not applicable.

**OTHER CONSIDERATIONS:**

The City will administratively exercise both optional two-year extensions allowed in the original agreement approved by City Council. Of the \$1,096,750 (\$535,000 Year 1 and \$561,750 Year 2) required for these two extensions, \$495,750 is the amount required for the amendment to provide the additional staff and supplies to accommodate the approximately 5,271 additional patient visits per year.

**CONFORMITY TO CITY POLICY:**

This purchase conforms to the City's purchasing policies and procedures and State statutes regulating procurement.

**EMERGENCY / NON-EMERGENCY:**

Non-emergency.

**DEPARTMENTAL CLEARANCES:**

Human Resources Department

**FINANCIAL IMPACT:**

Operating       Revenue       Capital       Not applicable

<b>Fiscal Year: 2013-2014</b>	<b>Project to Date Expenditures (CIP only)</b>	<b>Current Year</b>	<b>Future Years</b>	<b>TOTALS</b>
Line Item Budget		\$400,000.00	\$398,041.67	\$798,041.67
Encumbered / Expended Amount		\$204,261.09	\$0	\$204,261.09
This item		\$97,708.33	\$398,041.67	\$495,750.00
BALANCE		\$98,030.58	\$0	\$98,030.58

Fund(s): Other Employee Benefits Fund

**Comments:** The total expenditure of \$495,750 is comprised of \$97,708.33 required for the five (5) months remaining in FY 2013/2014 and \$398,041.67, which will be required in future fiscal years.

**RECOMMENDATION:**

Staff recommends approval of the motion as presented.

**LIST OF SUPPORTING DOCUMENTS:**

Price Sheet  
Amendment No. 1