



AGENDA MEMORANDUM

Action Item for the City Council Meeting August 18, 2026

DATE: August 18, 2026

TO: Peter Zaroni, City Manager

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**Motion authorizing execution of a three-year service
agreement with Next Level Urgent Care**

CAPTION:

Motion authorizing execution of a three-year service agreement with Next Level Urgent Care, through the Choice Partners Cooperative, to implement a comprehensive primary, urgent, and preventive care program for City employees, in an amount up to \$5,700,000.00 for the three-year term, with FY 2027 funding of \$1,772,664.00 from the Fire, Police, and Citicare Health Benefits Funds, subject to future budget approval.

SUMMARY:

Next Level Urgent Care proposes implementing Next Level PRIME, a comprehensive primary, urgent, and preventive care program for City of Corpus Christi employees and dependents. The program is designed to expand access to care, improve employee well-being, and reduce overall medical spending. PRIME integrates in-clinic and virtual care with predictable per-employee-per-month (PEPM) pricing.

BACKGROUND AND FINDINGS:

Established in 2013 by a primary care physician, Next Level Urgent Care (NLUC) has been in operation for over 10 years. The Texas-based, physician-owned company operates more than 40 clinics in major cities, including Houston, Austin, San Antonio, and Beaumont. Next Level's mission is to provide high-quality, affordable, and convenient medical care for non-life-threatening injuries or illnesses. The company has earned accreditation from the Urgent Care Association for its quality and safety standards, including patient-centered care, shorter wait times, transparent pricing models, and collaboration with its primary care physicians. NLUC continues to grow and break into different areas of Texas and is excited to announce they will now have a local presence here in Corpus Christi. The first clinic will be conveniently

situated off South Padre Island Drive and Everhart, in the Island Gate Plaza, with an expected opening date in October 2026. NLUC also has plans on expanding and opening additional locations in Corpus Christi, including a second location planned to open mid to late 2027 at the intersection of Saratoga Blvd and Cimarron Blvd.

Active employees, dependents and retirees enrolled on a city medical plan are currently serviced by the Employee Health and Wellness Clinic located at City Hall. The clinic is managed by Concentra and provides primary and some urgent care services Monday – Friday, 7am – 5pm. The clinic is closed on holidays observed by the City of Corpus Christi. Recent trends show employers moving away from an on-site model of medical care and offering off-site or near-site medical care to employees. NLUC operates clinics seven days per week, 9am – 9pm. Virtual care is provided 24 hours per day, including holidays.

With the assistance of the City's benefits consultant, a search was completed for a direct primary care provider model that would provide greater access to more care for employees, dependents and retirees on the medical plan. The City reviewed proposals from four different national, state and local providers. NLUC provided the most cost-effective solution while offering the most benefits to eligible members. Human Resources partnered with representatives from the Police Officers Association and the Firefighters Association, and all agreed that NLUC provided the most value to all eligible members.

NLUC has proposed the Next Level PRIME model to provide services to the Active and Retired City of Corpus Christi employees covered under one of the City's health plans. Eligible members include Civilian, Police, and Fire populations, as well as their covered dependents seeking direct primary care and urgent care services. Any employee, retiree, or dependent covered on a City plan can be seen at any of the 40 NLUC locations in Texas.

Services include:

- primary, preventive and chronic care services
- urgent care
- annual physicals
- lab work
- immunizations
- X-rays for acute injury
- IV fluids for dehydration
- preventive screenings
- durable medical equipment
- telemedicine and virtual care navigation
- health and wellness coaching
- weight loss support

The proposed PRIME model includes structured onboarding, employee communications, technology support, and continuous program oversight via a dedicated account manager and client success team, ensuring strong engagement and timely issue resolution. It delivers an integrated approach that combines seven-day clinical access, 24/7 virtual care, mental health support, wellness coaching, and chronic condition management delivered with predictable monthly costs. This model is designed to reduce emergency room visits, urgent care spend, chronic condition-related expenses, and pharmacy expenses.

Through the Next Level PRIME model, eligible members receive all services at any NLUC location with zero out-of-pocket costs. This will save employees an average of \$83.00 per visit with a primary care provider and \$163 per visit with an urgent care provider. NLUC estimates that the City will experience 2:1 savings in the first two years of the contract and 3:1 savings beginning in year three of the contract. NLUC guarantees the City will never pay NLUC for more than the value of services provided to members

on an annual basis, or NLUC will reimburse the difference to the City. The City is budgeting for conservative 1:1 savings for the first year, and combined with NLUC's return on investment model, no cost increase is expected compared to current spend on the Employee Health and Wellness Clinic. NLUC is guaranteeing rates for a period of three years.

Numerous municipalities and industries that offer health plans are moving in the direction of offering a Direct Primary Care provider option. By partnering with NLUC and phasing out the on-site wellness clinic, this will allow for the City to continue to provide direct access to health care in conjunction with our robust medical and pharmacy health plans.

PROCUREMENT DETAIL:

This procurement is through the Choice Partners Cooperative. Contracts awarded through Choice Partners have been competitively procured, in compliance with local and state procurement requirements.

By utilizing the cooperative and entering into an agreement with NLUC the City's estimated annual savings are projected at \$3.39 million, with net savings of \$1.68 million after program costs. PRIME is offered under a PEPM model, with multi-year pricing guarantees and performance guarantees ensuring the City pays no more than the value of services delivered.

Performance is measured based on total fees paid by the Client to NLUC for the PRIME program compared to the total value of PRIME-covered services rendered, as documented in NLUC's utilization reports. If total fees paid by the Client exceed the total value of PRIME-covered services rendered, NLUC will reimburse the City the difference. This guarantee applies only to services included in the PRIME program (e.g., urgent care, primary care, labs, radiology, preventive care, emotional wellness) and excludes non-covered services or third-party charges. The reconciliation will be based on aggregate program performance and processed within 30 days of contract term completion.

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ALTERNATIVES:

The City may choose not to enter into an agreement with NLUC. However, this could negatively impact medical and pharmacy spend as employees on the health plans seek treatment at other providers, such as hospital emergency rooms or stand-alone emergency rooms, which carry higher costs for employees and the City's health plans. The City may choose to enter into a new contract with Concentra to continue managing the Employee Health and Wellness Clinic on the first floor at City Hall. Also, if the City chooses not to enter into an agreement with NLUC, it may potentially be in violation of the Collecting Bargaining Agreements with Fire and Police, as the cost of an Employee Health and Wellness Clinic is part of the formulary budgeting process for employee premiums.

FISCAL IMPACT:

There will be no fiscal impact in FY 2026. The FY 2027 fiscal impact in the amount of \$1,772,664.00 will be to the Health Benefits Funds, Fire, Police and Citicare, subject to approval of the FY 2027 Budget. The remaining funding will be budgeted at \$1,963,668 for fiscal years 2028 and 2029 respectively, up to an amount of \$5,700,000 subject to future budget approval.

FUNDING DETAIL:

Fund: 5608
Organization/Activity: 40606
Dept: 16
Project # (CIP Only): N/A
Account: 537360
Amount: \$327,096.00

Fund: 5609
Organization/Activity: 40605
Dept: 16
Project # (CIP Only): N/A
Account: 537360
Amount: \$334,224.00

Fund: 5610
Organization/Activity: 40600
Dept: 16
Project # (CIP Only): N/A
Account: 537360
Amount: \$256,824.00

Fund: 5610
Organization/Activity: 40601
Dept: 16
Project # (CIP Only): N/A
Account: 537360
Amount: \$854,520.00

Total Amount: \$1,772,664.00

RECOMMENDATION:

Staff recommends the approval authorizing execution of a three-year service agreement with Next Level Urgent Care, of Houston, through the Choice Partners Cooperative, as presented.

LIST OF SUPPORTING DOCUMENTS:

Service Agreement
Price Sheet