



Human Resources

Employee Clinic Analysis and Recommendation

FY 2022-2023

Human Resources – Strategic Plan

Strategic Focus Area 1: Operational Excellence

Objective: To make the City of Burleson a community of choice by providing outstanding customer service; leveraging technology to be an efficient and responsive organization; being financially responsible; and focusing on transparency throughout the organization.

Goal 1: Develop a high-performance workforce by attracting and retaining the very best employees; providing a competitive salary and benefits package; maximizing employee training and educational opportunities.

Human Resources – Clinic History

- As a means to further control costs associated with the City of Burleson's medical plan, various strategies were reviewed throughout the year
 - Wellness initiatives
 - New contracts with lower negotiated costs
 - Increased push for preventive services as a way to increase early illness detection
- One such idea was the implementation of near site clinic, which would provide a primary care physician services at a reduce rate to employees and family members who participate in the City's medical plan
- Staff held meetings with local clinics to gather pertinent information, and the City's benefits consultant, HUB, was engaged to assist with the formulating of the Request for Proposal (RFP) necessary to explore this possible option

Human Resources – Clinic History

- An RFP was advertised on June 3, 2022 and closed on July 1, 2022
- A total of 3 clinics organizations submitted proposals
 - Texas Health Physicians Group
 - Everside Health
 - Marathon Health made bids
- Following the submissions, an analysis of the proposals versus the current plan performance began

Human Resources – Analysis

- Texas Health Resource Group (THR) submitted the most advantageous proposals, with an annual charge of \$383,521 for year 1 and \$398,521 for year 2
 - This equates to an adjusted cost of \$212 per visit utilizing pharmacy discounts and 1,550 expected visits – unadjusted costs were \$247 average
 - HUB analyzed the City's current self insured plan for the applicable clinic services over the prior year
 - The 2021 costs under our plan was \$167,730 for 2,716 visits for the year
 - This equates to a \$62 per visit average
- Based on the current proposal, implementing the near site clinic would result in a cost approximately 3 times greater for the same services
- HUB engaged THR to try and negotiate better costs, however it was not enough to get the plan close to a break even program

Human Resources – Determination

- The City of Burleson employee population is small and healthy
- An internal survey was conducted and the results showed:
 - Participation with the clinic would not be large enough to support the annual cost outlay
 - A large number of employees have primary physicians and would not change
 - One of the clinic locations is currently utilized by many employees under the current medical plan contract at a lower cost than the clinic would be per visit
- The City employees participate in the wellness program to improve their overall health
- The City continues to engage employees in health prevention opportunities keeping costs down
- The implementation of a clinic option, at the present time, is not in the best interest of the City at this time

Human Resources – Going forward

- Staff recommends rejecting all proposals for a near site clinic model
- Staff will continue to look for ways to contain and improve medical plan expenditures to keep premiums and benefits at the best level possible

Council Direction

Options:

1. Approve the proposed rejection of the proposals for the near site clinic model (staff recommendation)
2. Deny the proposed rejection of the proposals for the near site clinic model