

Item Title: Approval of Multi-year Agreement with Premise Health to Operate the Employee Health Center

Specific Action Requested:

The Board of Commissioners authorizes the County Manager to enter into a four year agreement with Premise Health for the operation of the County's employee health centers, subject to terms and conditions acceptable to the County Attorney.

Item Summary:

Background

The County offers two on-site health centers to employees, pre-65 retirees and spouses covered under the County's health insurance. These services were last competitively procured in 2013. Marathon Health is the current operator. The EHC provides acute care, disease management, health coaching and wellness seminars. The EHC also manages the County's health risk assessment and biometric screening programs. Utilization of the EHC has increased since inception, growing from 21% to 47%, and additional services, such as health coaching, have been added over the term of the contract.

The County recently issued Request for Proposals (RFP) for a vendor to operate the County's employee health center. A summary of the process and related recommendation is provided below.

RFP Process

The County received 13 proposals for the administration of the employee health center: CareATC, Cerner, Concentra, HealthStat, Marathon, Novant, Optum, Paladina Health, Premise Health, QuadMed, R-Health, UNC Physicians Network and WakeMed. All written proposals were reviewed. Five vendors were invited on-site for the in-person interview: CareATC, HealthStat, Marathon, Premise Health and QuadMed. Two vendors were elevated to finalists meetings: CareATC and Premise Health.

Responses were evaluated as to: Recommended Service Model including any new, additional services; Strategic Partnership with both a short-term and long-term focus; Engagement and Communication Strategies and Tools; Available Health and Wellness Programs; Reporting and Technology Capabilities; Vendor Collaboration with existing and potential vendors and Vendor Credentials based on experience and marketplace reputation.

Recommendation:

Based upon the RFP analysis, Premise Health is the recommended vendor to operate the health center. Premise Health is committed to innovative thinking and understands that the health center model should be customized in order to be most effective. Premise Health is the recommended vendor given the (1) proposed services, (2) staffing model and approach to services, (3) electronic medical records system, (4)

commitment to member accessibility and experience and (5) expected return on investment.

Premise Health recommends that the County continue providing acute care. Premise Health recommends the addition of a pre-packaged dispensary so that the most common medications, (~25) can be filled at the EHC. Also, Premise recommends adding a 0.2 FTE behavioral health specialist to assist with managing behavioral health, one of our top medical conditions both in prevalence and cost. These services are expected to be cost effective and increase utilization of the employee health center.

Additionally, Premise Health recommends the addition of a full-time Health Center Manager and an additional Registered Nurse and ensures staff is trained in health coaching. The Health Center Manager and additional Registered Nurse will increase clinic support, enhance the patient experience, increase care management and outreach and enable the Wellness Coach to be dedicated to lifestyle coaching, such as weight-loss and stress management. The health coaching training will bolster a more comprehensive healthcare approach and increase member understanding of their own health care.

Premise Health also has a strong commitment to holistic health, which is reflected by their investment in the Electronic Medical System, EPIC. Once fully integrated with EPIC (January 2018), providers at the EHC will have access to the same record keeping system as community providers like Duke and WakeMed. EPIC will enable the providers at the EHC to provide more comprehensive care, based on experiences within and outside of the center, and will allow the EHC to more accurately report on health care data and utilization of health care services.

The accessibility of services and member experience is also important to Premise Health. From virtual medical visits which can be conducted bi-directionally via video conferencing, to telephonic appointments with EHC providers to real-time electronic text messaging with a provider, Premise Health strives to meet our employees where they are regardless of their work location or shift. Premise Health also utilizes technology to enhance the in-person visits with an electronic check-in option and post-visit survey and an optional employee portal for additional tools, resources and support.

With the additional services, programs and staffing recommended, Premise Health proposed an annual contract of \$1,149,454 for year 1 with total annual cost increasing minimally over the term of the contract. The proposed costs do not reflect variable costs for services such as lab work, prescription fills, etc as these costs are currently incurred through medical and pharmacy claims; the costs would be redirected through the contract. Premise Health anticipates that with additional staffing and services, utilization of the employee health center will increase by 20% over the next 4 years and that with more conditions being managed and other health conditions being prevented and treated early, the County will realize an annual savings through health care cost avoidance for the term of the contract. Premise Health anticipates by Year 4, the County will realize a total of at least \$2.4 million in health care cost avoidance (assuming all remains equal).

In conclusion, the recommendation to partner with Premise Health will enable the County to increase and enhance the services being offered to members in a cost-effective manner, while bolstering the Living Great @ Wake mission to improve the health and well-being of employees and their families.

Next Steps

The next step would be to engage Premise Health and the recommended Medical Insurance vendor in a collaborative discussion regarding benefit plans and health and well-being services. It is anticipated that Premise Health will begin managing the employee health center as of February 1st or March 1st of 2018; staff will collaborate with Premise Health on the implementation timeline to ensure a seamless transition.

Attachments:

1. Presentation on Process and Recommendation
2. Overview of Contract Terms with Premise
3. Scorecard for On-Site Initial Interview
4. Agenda for Initial On-Site Interview
5. Scorecard for Strategic Finalist Meeting
6. Agenda for Strategic Finalist Meeting