THE CITY OF ASHEVILLE

STAFF REPORT

Council Meeting Date: October 26, 2021

Subject: Management Contract for the Employee Health Center

Staff Resource(s): Shannon Barrett, HR Director
Larisa Lowman, Compensation and Benefits Manager

Action Requested: Adoption of resolution approving contract with Marathon Health for management services for the Employee Health Center.

Background:

- The City of Asheville maintains an Employee Health Center (EHC) providing basic medical services staffed by one Physician Assistant and one Medical Assistant with oversight by a part-time physician.
- The previous contract for physician oversight was with Advent Health Hendersonville.
- Advent chose not to renew the contract.
- A Request for Proposals (RFP) process for selection of a new provider was completed and the RFP selection committee chose Marathon to provide oversight and management of EHC.
- Under the new contract, Marathon will provide the services of a part-time physician, increasing physician hours to 20 hours a week from 10 hours a week with the current physician. Marathon will add a medical assistant and a practice support specialist.
- The additional staff will expand availability of appointments for employees, shifting health claims costs from the market.
- Marathon strives to provide a patient experience focused on wellness before, during, and after a visit resulting in lower costs, improved outcomes and better health.
- Marathon will provide acute care, medical procedures, preventive care and screenings, annual well visits and physical examinations, workplace injury support, care referrals and follow-up visits.
- Other enhancements include the addition of an online scheduling system and secure messaging, ability to conduct acute care and health coaching via phone or video through a new patient portal.
- Contracting with Marathon will reduce the costs for supplies as they purchase at scale.
- Having access to Marathon's expanded network will increase the offerings to employees and expand access to quality health care.

Council Goal(s):

- A Connected and Engaged Community

Council Committee(s):

- None.

Pro(s):

- Ongoing access to certified medical providers including physicians to provide oversight for both personal and workers compensation-related care.
- Access to Marathon's large network will increase the offerings to employees and provide greater access to quality health care.
- Expansion of wellness programs and resources for employees.
- Greater utilization can result in better containment of health insurance claims costs.

Con(s):

- None.

Fiscal Impact:

- The adopted FY 2021-22 budget for management of the EHC is $784,628.
- The annual cost of the contract is slightly higher at $864,400 for staffing, supplies, wellness programs and management of the EHC.
- For the remainder of Fiscal Year 2021-22 funds will be redirected from the existing EHC and health claims budgets which are part of the Health Insurance Internal Service Fund.
- The additional costs will be offset by the elimination of contractors for services that will be provided by Marathon in the future.

Suggested Motion:

- Motion authorizing the City Manager to enter into a contract with Marathon Health to provide management services and physician oversight for the Employee Health Center.

Attachment(s)

- Resolution

RESOLUTION NO. 21 - ____

RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO A CONTRACT WITH MARATHON HEALTH FOR HEALTH CENTER MANAGEMENT AND PHYSICIAN SERVICES AT THE EMPLOYEE HEALTH CENTER

WHEREAS, the City of Asheville has authority pursuant to Article 3 of Chapter 160A of the North Carolina General Statutes to enter into contracts for services with other entities; and

WHEREAS, the City issued a Request For Proposals (RFP) for physicians or physician practices to provide physician services at the Employee Health Center; and

WHEREAS, after reviewing the Responses to the RFP, City staff recommends that the City enter into a contract with Marathon Health for management of the health center and provision of physician services; and

WHEREAS, City staff recommends the execution of a contract with an initial term of one (1) year with up to tw*o (*2) one-year extensions to said contract upon mutual approval of the parties; and

WHEREAS, the contract effective date shall be November 1, 2021; and

WHEREAS, the contract value shall not exceed $864,400 for each year of the contract; and

WHEREAS, the monies for the initial term of this contract have been budgeted for the operation of the Employee Health Center;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ASHEVILLE THAT:

The City Manager is hereby authorized to negotiate and enter into a contract on behalf of the City of Asheville with Marathon Health and further authorized to execute up to two one-year extensions to said contract for a total three-year expenditure of $2,593,200.

Read, approved and adopted this the 26th day of October, 2021.

_____ _____

City Clerk Mayor

Approved as to form:

_____

City Attorney