

## Management Committee

Meeting date: May 27, 2015

For the Metropolitan Council meeting of June 10, 2015

**Subject:** Authorization to amend HealthPartners services agreement to include build-out and administration of an on-site clinic

**District(s), Member(s):** All

**Policy/Legal Reference:** Council Policy 3-3 Expenditures more than \$500,000

**Staff Prepared/Presented:** Marcy Syman, Human Resources Director, 651-602-1417 and Terri Bopp, Benefits Manager, 651-602-1370

**Division/Department:** Regional Administration, Human Resources

### Proposed Action

That the Metropolitan Council authorizes the Regional Administrator to amend the services agreement with HealthPartners to include the build-out and administration of an on-site clinic – very near the Robert Street location for an amount not to exceed \$942,600 for two years of operation and build out costs. The Health Partners administrative services contract ends in 2017 at which time we will rebid the contract.

### Background

The Labor Management Benefits Advisory Committee has been discussing the feasibility of opening two on-site clinics at the quarterly meetings since December 2013. An employee interest survey was conducted in September 2014. Survey results indicated adequate employee interest to support two on-site clinics. HealthPartners presented the on-site clinic information to the Comp/Labor Steering Committee on May 29, 2014 and to the Labor Management Benefits Advisory Committee on August 18, 2014. The Business Case was presented and approved at the Comp/Labor Steering Committee on March 9, 2015. At this time we seek support to build the Robert Street clinic which would open in 2016. Approval for an on-site clinic located on the Heywood campus will be sought once space has been identified and initial results for the Robert Street clinic are in.

### Rationale

The Council is self-funded for medical claims and the on-site clinic model offers medical care at a significantly discounted rate compared with standard office visits. It also offers generic prescription drugs at wholesale cost. Operating expenses and corresponding cost savings will be managed inside the reserve account as the clinic initially gets established. Over the long term clinic costs will be managed through the premium structure. It is anticipated that the clinic will decrease our overall medical claims costs which will have a positive impact on premium rates each year. Other advantages of an onsite clinic include: productivity savings, disease management, employee recruitment and retention, and increased employee morale. The onsite clinic would support a culture of wellness at the Council.

### Funding

Ongoing administrative costs of the program will be considered in the establishment of insurance premiums. Funding for one-time build out costs is

available in the self-funded medical reserve account and will be part of a future budget amendment.

**Known Support / Opposition**

The Labor Management Benefits Advisory Committee is a sponsor for this project.