

**CITY OF EL PASO, TEXAS
AGENDA ITEM
DEPARTMENT HEAD'S SUMMARY FORM**

DEPARTMENT: Human Resources/Benefit Services

AGENDA DATE: August 25, 2015

CONTACT PERSON NAME AND PHONE NUMBER: Bruce D. Collins, 212-1181
Linda Ball Thomas, 212-1240
Monica Casarez, 212-1280

DISTRICT(S) AFFECTED: All

STRATEGIC GOAL 6:

Set the Standard for Sound Governance and Fiscal Management

SUBJECT:

Approval to amend contract for the management and operation of the City's Wellness Clinics with H2U Wellness Centers LLC d/b/a First Onsite to revise the number and locations of the on-site wellness clinics, make improvement to one clinic site, provide eligible City employees with access to off-site clinics operated and managed by H2U, and amend certain terms and conditions with respect to the provision of services and clinic sites. Contract amendment exercises the first two (2) year option to extend the term of the contract through January 14, 2018.

BACKGROUND / DISCUSSION:

The Initial Contract was awarded for an initial contract period of January 15, 2011 through January 14, 2016 with two (2) two-year extensions.

SELECTION SUMMARY:

N/A

PRIOR COUNCIL ACTION:

On December 21, 2010, Council approved to award Request for Qualifications #2010-100R to H2U Wellness Centers LLC d/b/a First Onsite or an initial contract period of January 15, 2011 through January 14, 2016 with two (2) two-year extensions.

AMOUNT AND SOURCE OF FUNDING:

Department: Human Resources
Self-Insurance Fund: 521120-209-3500-14045-P1414
Amount: \$978,847.00 (September 1, 2015 through January 14, 2018)

BOARD / COMMISSION ACTION: N/A

*****REQUIRED AUTHORIZATION*****

DEPARTMENT HEAD:


Linda Ball Thomas, Human Resources Director

COUNCIL PROJECT FORM
(RFP OR RFQ)

CITY CLERK DEPT.
2015 AUG 20 AM 10:00

*****POSTING LANGUAGE BELOW*****

Please place the following item on the REGULAR agenda for the Council Meeting of AUGUST 25, 2015.

Strategic Goal 6: Set the Standard for Sound Governance and Fiscal Management

That the City Manager be authorized to sign a First Amendment to License to Enter Use Facilities and Professional Service Agreement Contract No. 2010-100R with H2U Wellness Centers to revise the number and locations of the on-site wellness clinics to include the City Hall Clinic, establish the City's obligation to make improvements to one clinic site, provide City employees with access to off-site clinics operated and managed by H2U, and amend the amount of compensation for City Hall Clinic to an amount not to exceed \$136,937.00 for the period beginning on the Recommencement date and ending December 31, 2015, a not to exceed amount of \$412,701.00 for the operating costs for the calendar year beginning on January 1, 2016, \$429,209.00 for operating costs for the calendar year beginning on January 1, 2017; and that H2U shall be compensated at a rate of \$75.00 per visit of eligible employees at the off-site Clinics. Contract Performance period September 1, 2015 to January 14, 2018.

Department: Human Resources
District(s): All

*****ADDITIONAL INFO BELOW*****

RESOLUTION

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EL PASO:

That the City Manager be authorized to sign a First Amendment to License to Enter Use Facilities and Professional Service Agreement Contract No. 2010-100R with H2U Wellness Centers to revise the number and locations of the on-site wellness clinics to include the City Hall Clinic, establish the City's obligation to make improvements to one clinic site, provide City employees with access to off-site clinics operated and managed by H2U, and amend the amount of compensation for City Hall Clinic to an amount not to exceed \$136,937.00 for the period beginning on the Recommencement date and ending December 31, 2015, a not to exceed amount of \$412,701.00 for the operating costs for the calendar year beginning on January 1, 2016, \$429,209.00 for operating costs for the calendar year beginning on January 1, 2017; and that H2U shall be compensated at a rate of \$75.00 per visit of eligible employees at the off-site Clinics.

ADOPTED THIS _____ DAY OF _____ 2015.

CITY OF EL PASO:

Oscar Leaser, Mayor

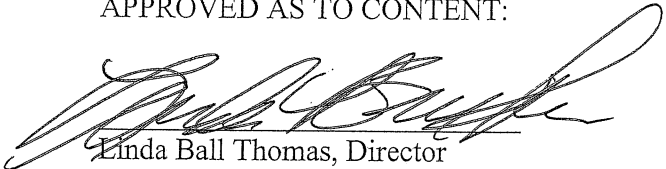
ATTEST:

Richarda Duffy Momsen,
City Clerk

APPROVED AS TO FORM:

Bertha A. Ontiveros
Senior Assistant City Attorney

APPROVED AS TO CONTENT:



Linda Ball Thomas, Director
Human Resources Department

COUNTY OF EL PASO) FIRST AMENDMENT TO LICENSE TO ENTER/
) USE FACILITIES AND PROFESSIONAL SERVICES
STATE OF TEXAS) AGREEMENT - H2U WELLNESS CENTERS

This First Amendment to License to Enter/Use Facilities and Professional Services Agreement (“Amendment”) is made this 7th day of August, 2015 (“Effective Date”) by and between the **CITY OF EL PASO, TEXAS**, a municipal corporation (the “City”) and **H2U WELLNESS CENTERS, LLC**, a Tennessee limited liability company d/b/a First Onsite (“H2U”).

RECITALS

WHEREAS, pursuant to the award of Solicitation No. 2010-100R, the City and H2U entered into that certain License to Enter/Use Facilities and Professional Services Agreement dated December 21, 2010 (the “Original Agreement”) whereby H2U operates, manages and provides services at certain on-site wellness clinics for City and has the right to enter and use certain City facilities to provide such health care services;

WHEREAS, the parties desire to revise the number and locations of the on-site wellness clinics, make improvements to one clinic site, and provide City employees with access to off-site clinics operated and managed by H2U, and the parties desire to amend certain terms and conditions with respect to the provision of services and clinic sites.

NOW, THEREFORE, in consideration of the promises and mutual agreements hereinafter set forth, both the City and H2U mutually agree as follows:

1. Section 1, Scope of Services, of the Original Agreement is amended to read as follows:

The parties acknowledge that the City has relocated its City Hall operations (formerly located at 2 Civic Center Plaza) to several facilities (previously described in Exhibit A of the Original Agreement), and the parties agreed that no wellness clinic services would be provided at City Hall until the relocation of City operations were complete and the City was prepared to make improvements for the on-site City Hall clinic at the new City Hall location, 300 N. Campbell Street (the “City Hall Clinic”).

Following the date of this Amendment, H2U shall work with City to provide services at the relocated City Hall Clinic following the City's completion of certain improvements for the City Hall Clinic, as such improvements are more specifically described in Section 2 of the Agreement as revised by this Amendment.

As of the Re-Commencement Date, H2U shall provide on-site primary care health clinical and management/operations services only at the City Hall Clinic (the “Services”). Clinical services at the City Hall Clinic shall be open to persons that are enrolled in the City Health Benefit Plan who are 1) ***not enrolled*** in Medicare Parts B, C or D and are either 2) active City employees, or retirees (“Eligible Enrollees”). H2U will also provide immunizations to Eligible Enrollees and other persons as may be mutually agreed by

H2U and the City Manager or designee in writing. In addition, H2U will provide basic biometric and physical screenings and nicotine urine testing for the City's wellness program (the "Biometric Services") at the City Hall Clinic and at the Off-site Clinics.

The City Hall Clinic shall operate from Monday through Friday on a schedule to be agreed by H2U and the City Manager or designee. The City Manager or designee may administratively agree to such revisions without action by the City Council, provided that such revisions do not materially alter the obligations under this Agreement and do not increase the amount of the Compensation due under this Agreement beyond any amounts that may be within the City Manager's authority.

The "Re-Commencement Date" shall be no later than thirty (30) days following the Effective Date of this Amendment for the City Hall Clinic, or such date that the City Manager and H2U designate in writing to be the date in which H2U will commence operating, managing and providing Services at the City Hall Clinic and further provided that H2U will begin providing Services, including but not limited to Biometric Services, at the Off-site Clinics no later than September 1, 2015. In addition, to the extent any reference to "Covered Persons" in the original agreement applies following the Re-Commencement Date, the term shall be revised to refer to "Eligible Enrollees" as defined herein.

2. Section 2 of the Original Agreement is amended to revise Subsections A, B and C by adding the following at the end of each respective section and to add Subsection D as follows:

- A. As of the Re-Commencement Date, the license previously granted to H2U to occupy or use the City facilities listed in Exhibit B, shall be terminated, except that H2U may occupy and use the City Hall Clinic site as set forth below.

As of the Effective Date, the City grants to H2U, a non-exclusive license to enter City property to establish and occupy the City Hall Clinic site only and H2U's shall have the right to the non-exclusive use of the main lobby, common corridors and hallways, stairwells, elevators, restrooms, and other public or common areas at the City Hall Clinic site unless the parties further amend this Agreement.

The specific operating hours of the City Hall Clinic shall be mutually agreed upon by both parties, provided, however, that the City Hall Clinic shall only operate on weekdays for a total not to exceed forty (40) hours per week unless mutually agreed by the City Manager (or his designee) in writing.

- B. As of the Re-Commencement Date, the City's obligation to provide supplies and equipment for the Clinic Sites shall be terminated. H2U shall have the right to remove all equipment, supplies and other personal property belonging to H2U from the terminated Clinic Sites.

Following the Re-Commencement Date, H2U shall be responsible for providing all of the supplies and equipment for the City Hall Clinic site only. The City shall have no further obligation to provide such Supplies and Equipment at the City Hall site, except as the City Manager (or his designee) and H2U may agree in writing.

In addition, H2U shall be responsible for obtaining, renewing and maintaining, at its expense, any health-related legal or regulatory approvals for the use of the City Hall Clinic for the provision of the Services. The City shall be responsible for obtaining all construction and land use approvals as may be necessary for the construction of the improvements at the City Hall Clinic and any land use approvals that may be required, as further described in Subsection 1D.

- C. Following the Re-Commencement Date, the City's obligations to provide building utilities and building services to all Clinic Sites (except the City Hall Clinic site) shall be terminated. The City's obligations to provide such services to the City Hall Clinic site only shall continue for the remainder of the Term of the Agreement.
- D. City shall perform, or cause to be performed, at City's expense, all renovations and alterations to the City Hall Clinic site that the parties agree are necessary or appropriate to make the City Hall Clinic site suitable for the provision of the Services by H2U as set forth in the Agreement and this Amendment.

The City shall prepare all architectural drawings, plans and specifications for all such renovations and alterations, as well as the schedule for all such renovations and alterations. H2U shall have the right to review such plans, drawings and specifications and, within ten (10) business days following H2U's receipt of such documents, shall notify the City of any issues, concerns or recommendations relating to the plans, drawings and specifications. The parties shall coordinate and work cooperatively to make such changes to bring the plans, drawings specifications into compliance with all applicable laws and the City's available funds.

The improvements at the City Hall Clinic shall be constructed in compliance with all applicable laws in order to allow H2U to perform the services contemplated hereunder. City shall obtain and maintain during the term of this Agreement, at City's expense, any and all government approvals required (including, but not limited to, any required building permits, construction approvals or zoning and land use approvals) for the construction and operation of the premises used for the City Hall Clinic, but H2U shall be responsible for any health-related legal and regulatory approvals necessary for H2U to provide the Services at the clinic.

Following completion of construction, but prior to the Re-Commencement Date, the City Hall Clinic site shall be subject to an inspection by H2U to ensure that the site adheres to medical requirements such as safety, cleanliness and patient confidentiality.

- E. The parties agree that the City's construction obligations for the on-site City Hall Clinic shall not exceed \$200,000, unless the City Manager or designee otherwise agrees in writing. In the event that the construction exceeds this amount, the City, at its sole discretion, may provide notice to H2U to terminate the provision of on-site City Hall Clinic services under this Section 2 of this Agreement. In the event that such on-site services have been terminated, the remainder of the Agreement shall continue in full force and effect, including, but not limited to, the provision of services at the Designated Off-site Clinics and the compensation to H2U for services as set forth in Section 6, as amended.
3. The Original Agreement is amended to revise Section 3 (Term) to add the following paragraph:

The City hereby exercises the first option to extend the term of the Agreement for two (2) years and therefore the parties agree that the term of this Agreement has been extended to end on January 14, 2018 (the "Term").

4. The Original Agreement is amended to add Section 5 to read as follows:

5. **OFF-SITE CLINICS**

No later than September 1, 2015, in lieu of services at the terminated Clinic Sites (the locations on/at Lee, Hawkins, and Municipal Service Center) and in addition to the re-commencement of Services provided at the City Hall Clinic as of the Re-Commencement Date, H2U shall allow persons who are designated Eligible Enrollees and their Dependents under the City's Health Plan to have access to H2U services provided at any designated off-site clinic owned and operated by H2U ("Designated Off-site Clinics"). The Designated Off-site Clinics include those local health clinics operated by H2U located at Del Sol H2U Clinic, 1163 La Quinta, Suite B-100, El Paso, Texas 79936 and Las Palmas H2U Clinic, 3333 N. Mesa Street, El Paso, Texas 79902 but Eligible Enrollees may use any off-site H2U Clinic located outside El Paso as in Exhibit A, as such list may be revised by H2U at any time. Off-site Clinic operation hours and locations shall be established and revised by H2U at its sole discretion. The parties agree that H2U at its sole discretion may add other Designated Off-site clinics in El Paso at any time by written notice to the City.

The parties acknowledge that the Designated Off-site Clinics are not open to the general public but are open to City and other employer clients of H2U. Additionally, the parties further acknowledge that the "Designated Off-site Clinics" do not include clinic locations operated by H2U on the premises of or on behalf of other employer clients.

6. The Original Agreement is amended to revise Section 6 to add the following at the end of Subsections A and B:

- A. Following the Re-Commencement Date, the parties agree that the compensation to H2U shall be revised for the Services provided at the City Hall Clinic and for the Off-site Clinics on the date no later than September 1, 2015 that H2U begins providing Services, as set forth herein. The City Hall Clinic and the Off-site Clinics are collectively referred to herein as the H2U Operated Clinics.

Compensation for City Hall Clinic: For the period beginning on the Re commencement Date and ending on December 31, 2015 (the "Initial Amended Contract Period"), City shall pay an amount not to exceed amount not to exceed One Hundred Thirty-Six Thousand Nine Hundred Thirty-Seven Dollars and No/100 (\$136,937.00). The amount billed to the City for the first month shall be prorated based on the actual number of business days H2U provides Services at the City Hall Clinic beginning on the Re-Commencement Date through the end of the first calendar month.

H2U's actual operating costs for the City Hall Clinic shall include clinic staffing costs, operating expenses, a management fee of Twenty-six percent (26%) of Clinic staff salaries, wages and benefits plus a ten percent (10%) risk adjustment ("H2U Operating Costs").

For the calendar year beginning on January 1, 2016, City shall pay an amount not to exceed Four Hundred Twelve Thousand Seven Hundred One Dollars and No/100 (\$412,701.00) for the H2U Operating Costs of the City Hall Clinic.

For the calendar year beginning on January 1, 2017, City shall pay an amount not to exceed Four Hundred Twenty-Nine Thousand Two Hundred Nine Dollars and No/100 (\$429,209.00) for the H2U Operating Costs of the City Hall Clinic.

Compensation for Off-site Clinics: In addition to the compensation described above, the City shall pay H2U a fee of Seventy Five and No/100 Dollars (\$75.00) per visit of an Eligible Employee or Dependant to the Off-site Clinics. For the Biometric Services for Eligible Employees only, the \$75 fee will include the initial visit and one follow-up visit.

- B. Following the Re-Commencement Date, H2U shall provide a separate invoice for Services provided at any H2U Operated Clinic to Eligible Enrollees that are employees of the El Paso Water Utilities Public Service Board (PSB), based upon the information shown on the insurance member identification card presented at the time Services are provided. An invoice for all other Eligible Enrollees shall be provided to the City's Risk Manager. Invoices will be itemized and will reflect the contract number The invoices shall be submitted to the following addresses:

To City:
City of El Paso
Human Resources Dept.
Attn: Risk Management

To PSB:
El Paso Water Utilities
Attn: Jeff Tepsic
1154 Hawkins

300 N. Campbell
El Paso, Texas 79901

El Paso Texas 79925

7. Beginning on the Re-Commencement Date (as defined herein), the parties agree that the following sections and exhibits shall be deleted: Exhibit B, Exhibit C, and Exhibit D.
8. Except as specifically amended hereby, all of the terms of the Original Agreement shall remain in full force and effect. In the event that the terms of this Amendment and the Agreement are inconsistent, the terms of this Amendment shall control and prevail. The Original Agreement and this First Amendment are collectively referred to in this Amendment as the "Agreement."
9. H2U and City hereby each represents and warrants that it has all necessary and required power and authority to enter into this Amendment, that the execution and delivery of this Amendment by H2U and City has been duly authorized by all requisite corporate action, and that when executed and delivered, this Amendment shall be valid and binding upon H2U and City, respectively.
10. All capitalized terms used in this Amendment not otherwise defined herein shall have the meaning ascribed to them in the Agreement.
11. This Amendment may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

[Signature Page follows]

County of El Paso)
)
State of Texas) **FIRST AMENDMENT TO LICENSE TO ENTER/ USE
FACILITIES AND PROFESSIONAL SERVICES
AGREEMENT - H2U WELLNESS CENTERS**

Signature Page

IN WITNESS WHEREOF, the parties have executed this Amendment on the dates set forth above to be effective on the Amendment Effective Date.

City:
The City of El Paso

Tomás González
City Manager

Approved as to Form:

Approved as to Content:

Bertha A. Ontiveros
Senior Assistant City Attorney

Linda Thomas, Director
Human Resources Department

For H2U:
H2U Wellness Centers, LLC

Name: Donna Cheal
Title: H2U CEO

City Wellness Clinics

Administered by



Strategic Goal 6 – Set the Standard for Sound Governance and Fiscal Management

6.2 Implement Employee Benefits and Services that Promote Financial Security

Financial Security & Cost Controls

- Shares risk evenly between H2U and the City to drive utilization of services and decrease costs in the long term

Strategic Goal 6 – Set the Standard for Sound Governance and Fiscal Management

6.2 Implement Employee Benefits and Services that Promote Financial Security

Employee Benefits and Services Objectives

- Expand hours and services provided for eligible employees and dependents
- Align with the Shape It Up, Biometric Incentive option for Comprehensive Wellness Program



RETURN ON INVESTMENT



VISITS	
YTD	FY2015 through June 2015
0	CITY HALL
1497	MSC
1497	TOTAL VISITS

COST ANALYSIS	
177,574	EST. Savings from lost time avoidance (1hr) ¹
152,694	EST. Savings to health plan ²
\$ 330,268.14	TOTAL ESTIMATED SAVINGS

FY2015 YTD (as of June 2015)

1st Qtr 336

2nd Qtr 555

3rd Qtr 513

4th Qtr 93

Total YTD 1497



REINVESTMENTS

Workforce

- One-time, lump sum payments for full and part-time employees
- Increased lowest full-time position to \$10.00 per hour
- Increased funding for tuition assistance program
- “Shape It Up” wellness program
 - Providing up to \$150 monthly per employee to offset rising health care costs
- New safety, attendance, and team participation incentives
- Professional growth and development opportunities through
- Lean Six Sigma (LSS)



Benefits from Contract Addendum

Redesigned services for City Hall 1 Clinic, Las Palmas H2U Clinic, and Del Sol H2U Clinic will provide:

- **Increased providers and Hours of Operation:**
 - Each clinic will be staffed with a full time Nurse Practitioner and Medical Assistant thereby tripling the hours of operation for eligible employees and dependents
- **New Clinics:**
 - All three clinics are ADA and HIPAA compliant
- **New billing structure:**
 - City moves from a current \$123 per hour billing to
 - City Hall 1: Clinic expenses and 26% management fee (of clinic staff wages and benefits)
 - \$75 per visits for H2U Del Sol (east) & Las Palmas (west) Locations.
 - Visits and costs will be billed accordingly to City and PSB funds



Scope of services

- Acute episodic care and symptom relief (sprains, strains and pains)
- Cholesterol, hypertension and diabetes screenings, treatment and management
- Sore throats/ears/headaches
- Personal hygiene matters
- Coughs/Sinus problems
- Rashes and allergies
- Acute urinary tract problems
- Flu Shots
- Minor injuries
- Labs performed on-site
- Biometric Screening for City's Shape It Up! Wellness Program
- Physical Screenings





Member satisfaction surveys

City of El Paso Jun-15

Patient Satisfaction Trended by Month



Recommend Survey Prompt: "I would gladly recommend the clinic to others."
Response Options: 5=Strongly Agree, 4=Agree, 3=No Opinion, 2=Disagree,
1=Strongly Disagree

4.6 average score where members would "gladly recommend the clinic to others" with 5 being highest score of "Strongly Agree"

City Hall 1 Construction project as of 08/06/2015



Reception Area



Lab Area



Exam Room 2



Exam Room 1



Thank you...