

TOWN OF PALM BEACH

Information for Town Council Meeting on: July 11, 2023

TO: Mayor and Town Council

VIA: Kirk W. Blouin, Town Manager

VIA: Gillian Barth, Director of People and Culture

FROM: Dean Mealy II, CPPO, Town Purchasing Manager

RE: Requesting approval of an Amendment to the Agreement for Services at the Onsite Clinic in the amount of \$151,419 for an annual awarded amount of \$466,767 for year two of the clinic, \$456,866 for year three of the clinic and \$470,571 for year four of the clinic for a total four-year award in the amount of \$1,738,839 based on satisfactory performance and budget authorization; **Resolution No. 079-2023**

DATE: June 20, 2023

STAFF RECOMMENDATION

Town staff recommends that Town Council approve an Amendment to the Agreement for Services at the Onsite Clinic in the amount of \$151,419 for the annual awarded amount of \$466,767 for year two of the clinic, \$456,866 for year three of the clinic and \$470,571 for year four of the clinic for a total four-year award in the amount of \$1,738,839 based on satisfactory performance and budget authorization.

GENERAL INFORMATION

On October 1, 2022, the Town Council approved Resolution No. 088-2022 which authorized the reopening of its Occupational Health Clinic under the professional management of Concentra Inc., with oversight from the People & Culture Department (P&C). In its first year, the clinic was staffed full-time (Monday to Friday) by a Concentra Physician Assistant with ongoing oversight from their corporate Physician. Overall feedback from staff has been highly favorable and the time and cost savings associated with access to a central, convenient, and reliable operational health center for new hire physicals, open enrollment biometrics, occupational health (including annual physicals), and workers' compensation has been substantial.

The clinic, limited to occupational health in the first year, was budgeted at \$344,635. Given the success of the Clinic in its first year and the previously envisaged potential for further ROI, P&C conducted a survey of staff to confirm the user viability of expanding to a primary and urgent care facility. Of the Town's employees, over 70% responded favorably. Not only has the clinic been highly utilized and appreciated by staff, but it has also been an attractive amenity featured during recruitment exercises. Continued usage for occupational health and expansion to primary and urgent care are expected to lessen the burden of costs associated with the Town's health budget while saving employees the cost of co-pays. Reduced absenteeism will continue to be a strong feature of this approach.

Concentra presented Management with a proposal to expand the clinic to primary and urgent care at an additional cost of \$122,132 (total cost \$466,767). With only nine months of operation, it is still too premature to determine actual savings in insurance claims as these savings would be realized in years two, three, and four, with the further expansion of primary and urgent care. The People & Culture Department will be working with Concentra and our insurance carrier, Cigna, to report on the ROI over the next 24 months.

FUNDING/FISCAL IMPACT

This project will be funded from the Health Insurance Fund.

USER DEPARTMENT REVIEW

This item has been reviewed by the Town Manager's Office and the People and Culture Department and is approved as recommended.

TOWN ATTORNEY REVIEW

This format has been utilized by the Town in previous recommendations and was approved by the Town Attorney.