

**Meeting Date (?)** 03/22/2016

**Subject Matter\* (?)** Consider approving an amended professional services agreement with CHI/St. Joseph Health  
This must match rolling agenda entry

**Department of Origin\*** RISK MANAGEMENT

**Submitted By\*** C.Kirk

**Type of Meeting\***  BCD  Special  Regular

**Classification\***  Public Hearing  Consent  Statutory  Regular

**Ordinance\***  None  First Read  Second Read  First & Only Read

**Strategic Initiative\***  Public Safety  Service  
 Economic Development  Infrastructure  
 Quality of Life

**Agenda Item Description\*** Consider approving a second amendment to a professional services agreement with CHI St. Joseph Health (Formerly known as St. Joseph Regional Health Center) approved by City Council on July 28, 2015, for the management and operation of an Employee Health Center. This amendment will increase the annual budget by \$119,000, and will result in bringing the additional Nurse Practitioner to full-time status (from part-time) and allow for the addition of one full-time equivalent (FTE), namely a clinic manager, to the City of Bryan/BISD Employee Health Center at the point utilization exceeds that of the current staffing model.

**Summary Statement\*** The City of Bryan Employee Health Center has been in operation since March 31, 2011. The City initially held multiple discussions with other local government entities regarding the potential for collaborative clinic operations. Initially, the two cities, the two school districts, Brazos County, and Texas A&M discussed options. After several years of discussion, the City of Bryan took a more aggressive approach to bring the Center to reality and pursued the venture without participation from other entities. On November 11, 2010, the City Council approved the initial agreement with St. Joseph Regional Health Center. Since that time and under different agreements, St. Joseph Regional Health Center has operated the City of Bryan Employee Health Center.

The current "original" agreement (i.e., an amendment to this agreement exists), in the amount of \$391,200, was approved by the City Council on February 26, 2015, and has a term from April 1, 2015, to March 31, 2017, with the possibility to extend for two (2) more years for a total of four (4) years. On July 28, 2015, the City Council amended this original agreement changing the terms of the agreement to begin April 1, 2015 and ending on December 31, 2017 (more details about the first amended agreement follow below).

The Bryan Independent School District (BISD) continued to show interest in the City's health center model throughout the first four years of operation. In 2015, BISD actively pursued an employee health center and particularly, a partnership with the City of Bryan. As a result, in July 2015, City Council and BISD's Board of Trustees both approved an Interlocal Agreement for BISD to begin receiving clinic services through the established Center in January 2016. In addition, on July 28, 2015, City Council approved an amended professional services agreement incorporating the additional costs associated with adding BISD. The approved Interlocal Agreement established cost sharing between the City and BISD. All operating costs associated with the Center are being paid equally during the first year of operation (2016). In preparation for the second year of operation (2017), the City and BISD will agree upon a cost sharing model determined on a pro rata basis based upon utilization of the Center by each entity.

The first amended professional services agreement was approved with an annual budget of \$573,182 (including \$14,000 for start-up costs) during the first term (2016) and \$559,182 in the second term (2017). Included in these annual amounts are professional medical services, supplies,

staffing and operational costs. The staffing currently includes one (1) Medical Director, one and one-half (1 ½) Nurse Practitioners, two (2) Licensed Vocational Nurses, and two (2) Office Assistants.

Based on the historical usage data of the City early on as the sole participant (see attachment #1), CHI St. Joseph Health Staff recommended beginning the BISS partnership with an additional part-time (1/2) Nurse Practitioner and additional Licensed Vocational Nurse (LVN) until BISS's utilization pattern could be established. The addition of BISS to the Center brought an additional 3,556 lives (the City has 2,003 lives) to the Center's potential patient panel and has been popular among BISS employees and dependents enrolled in the District's self-insured benefit risk pool. During the first week of BISS coming on board, BISS had 33 visits to the Center. In week four, BISS had 66 visits to the clinic – an increase of 100%. In the first month of operation, BISS had a total of 165 visits to the Center with the City of Bryan having 326 visits.

The current schedule allows for approximately 169 patients to be seen on a weekly basis with the current average being 123 in January. Due to the potential for continued increase in utilization rather quickly, staff requests approval of additional funding to increase the second Nurse Practitioner to full-time status and add an additional full-time equivalent (FTE), namely a clinic manager to the current Center's staff. If approved and when utilization warrants, the annual budget for year one will not exceed \$692,182 (included \$14,000 for set-up costs) and the budget for year two will not exceed \$678,182. When costs are divided between the City and BISS, costs for the City are still expected to be less than the original \$391,200 budgeted with the City as the sole participant.

While City staff realizes the partnership with BISS is in its infancy and supporting utilization data is limited at the time of the request, forecasting based on the City's historic utilization (see attachment #1) helps support the need for additional staffing. Fortunately, because of the local partnership with CHI St. Joseph Health, the additional provider will have the ability to float to other CHI St. Joseph Health facilities (e.g. Express Care), if the patient load does not warrant the provider being there full-time. If the provider is unneeded in the Center during unusually slow times, her salary would be "charged" to the CHI St. Joseph Health department in which she is working to help minimize cost. That is, the City only pays for provided services and not a flat rate contract.

As previously mentioned, the current City of Bryan/BISS Employee Health Center has become a well-utilized facility where employees and their covered dependents (5,559 lives total) are able to receive quality, affordable medical/health care. Patients visiting the Center are not required to pay an office co-payment. Services provided at the Center currently include primary, wellness, and acute care along with occupational health services and minor workers' compensation illnesses and injuries (City of Bryan employees only). The Center is currently located in close proximity to SJRHC, radiological services, and other medical specialists. It also is located within the Bryan, Texas Health & Wellness Plan Area.

The following is a summary of the proposed second amendment to the professional services agreement:

1. Section 2, Payment, Paragraph A: The total cost of all Primary Care and Occupational Health Services (City of Bryan only) provided during the first term of the Agreement may not exceed an annual budget of \$692,182 (up from \$573,182 with the set-up costs), which includes a set-up amount of \$14,000. The second term of the Agreement may not exceed an annual budget of \$678,182 (up from \$559,182).

2. Section 2, Staffing, Paragraph C: At a minimum, the Center will be staffed by one (1) Medical Director, one (1) full-time Advanced Practice Clinician, one (1) part-time Advanced Practice Clinician, two (2) Licensed Vocational Nurses and two (2) office assistants (current staffing model). Minimum staffing requirements may be increased by adding an additional one-half (1/2) Advanced Practice Clinician and one (1) additional full-time equivalent when utilization warrants the addition.

The following is a summary of agreement expense funding for the original agreement and the amendments:

- Original Agreement Funding Amount: \$391,200
- First Amendment Agreement :
- \*First Term: \$573,182 (includes \$14,000 for start-up)
- \*Second Term: \$559,182

- Proposed Second Amendment Agreement:
- \*First Term: \$692,182 (includes \$14,000 for start-up)
- \*Second Term: \$678,182

The following is the anticipated funding amount for the City of Bryan (less BISD anticipated costs):

- Original Agreement Funding Amount: \$391,200
- First Amendment Agreement :
  - \*First Term: \$286,591
  - \*Second Term: If split equally, the City's portion would be \$279,591; however, Section 7 of the Interlocal Agreement (ILA) between the City of Bryan and BISD states in preparation for the second year of operations, the City and BISD will agree upon a cost sharing model determined on a pro rata basis based upon utilization.
- Second Amendment Agreement:
  - \*First Term: \$346,091
  - \*Second Term: If split equally, the City's portion would be \$339,091; however, the ILA states in preparation for the second year of operations, the City and BISD will agree upon a cost sharing model determined on a pro rata basis based upon utilization.

As stated above, when costs are divided between the City and BISD, costs for the City are still expected to be less than the original \$391,200 budgeted with the City as the sole participant. That is, through the partnership with BISD, an economy of scale is achieved bringing down the cost of service. As a reminder, the City of Bryan is responsible for costs associated with the Employee Health Center, and through the ILA with BISD, the City is reimbursed for BISD's portion of the costs.

**Staff Analysis & Recommendation \***

To better manage the patient flow and to continue providing quality medical care, City staff recommends approving the second amendment to the professional services agreement, which will increase the second Nurse Practitioner position from part-time to full-time status and allow for an additional full-time equivalent (FTE). The addition of the Nurse Practitioner to full-time will cost \$70,000/year and the additional FTE would cost \$49,000/year for a total increase of \$119,000 per year.

Increasing the second Nurse Practitioner's status to full-time will improve access to the Center as well as patient satisfaction. According to the American Academy of Family Physicians, "a patient panel of manageable size promotes higher quality care by enabling providers to see their patients in a timely manner." The average panel size for Primary Care Physicians is approximately 2,000 to 2,500. Patient panel size is simply the number of patients under a provider's care. CHI St. Joseph Health suggests the patient panel size of an Advanced Practice Clinicians (Nurse Practitioners & Physician Assistants) have an average patient panel size of 80% of the physician number, which would range from 1,600 to 2,000. Between July 2014 and July 2015, there were 1,864 established patients seen in the City of Bryan Employee Health Center. This count indicates the full-time provider's panel is at capacity with only City of Bryan patients. Based on the 3,556 lives BISD health plan covers and their potential patient panel (approximately twice the size of the City's panel), the additional one-half provider will soon be insufficient.

The City of Bryan conducted a patient satisfaction survey in December of 2015, just prior to BISD joining. The survey indicated 67% of respondents consider the Employee Health Center to be their primary care home, making access important. The survey indicated patients to the Center have concerns about access issues and are experiencing longer than normal wait times.

Due to its growth, the Center will benefit from having a clinic manager onsite during daily operations to ensure scheduling and patient flow are handled appropriately and to oversee the staff from a management standpoint. The clinic manager also will serve as a liaison between the Center and City staff, which becomes increasingly important as Center use continues to grow.

With the Council Agenda process timeline taking multiple weeks, staff requests this request be approved based on current usage figures and forecasts based on the City's initial usage. Early consideration will help avoid compromises in patient access to the Center in future weeks and months. Staff respectfully requests the City Council approve the additional funding to provide additional staffing in coming months, if utilization continues to increase.

The Employee Health Center Advisory Committee reviewed this request and also recommends approving the increased funding along with the possibility to add positions.

**Options\***

(In Suggested Order of Staff Preference)

1. Approve the proposed second amendment to the professional service agreement with CHI St. Joseph Health to increase the second Nurse Practitioner position at the City of Bryan/BISD Employee Health Center from part-time to full-time and add an additional full-time equivalent (FTE), namely a clinic manager, to the staff for an increased cost of \$119,000 per year. In addition, grant the City Manager authority to implement the approved additional staffing based on sustained utilization and upon the recommendation from CHI St. Joseph Health and the Employee Health Center Advisory Committee.

2. Make amendments to the second amendment of the professional service agreement and then approve, which may require consideration at a future City Council meeting, additional negotiations with CHI St. Joseph Health, and additional negotiations with BISD.

3. Do not approve the proposed second amendment to the professional service agreement, which will result in access to the Center remaining the same (i.e., access is often limited based on increased demand).

**Funding Source\***

City of Bryan Employee Benefits Fund (as budgeted and approved by the City Council in the FY16 Budget) and Bryan Independent School District. Since the professional services agreement is between the City and CHI St. Joseph Health, the City is responsible for payment of all costs associated with the agreement. However, the ILA approved on July 28, 2015, has BISD responsible for their portion of the costs based on terms outlined in the ILA; BISD is invoiced by the City.

**Attachments**

EMPLOYEE\_HEALTH\_CENTER\_CHI\_STJOSEPH\_AGREEMENT032216.pdf

1.58MB

Please detail attachments and note attachments available for viewing in City Secretary's Office:

\*\*Attachments are in a single pdf file.\*\*

1. City of Bryan/BISD Employee Health Center Utilization spreadsheet
2. Proposed Second Amendment to Professional Health Services Agreement

Dept. Head Signature



*Lesley Ward*

Deputy City Manager  
Signature



*Hugh R. Walker*

City Manager Signature



*[Signature]*

City Attorney Signature



*Janis K. Hampton*