



CITY OF WAUKESHA

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Committee: Human Resources Committee	Date: 9/15/2021
Common Council Item Number: ID# 21-2741	Date: 9/15/2021
Submitted By: Kevin Lahner, City Administrator	City Administrator Approval: Click here to enter text.
Finance Department Review: Click here to enter text.	City Attorney's Office Review: Click here to enter text.
Subject: Amendment to Health Risk Management Agreement for On-Site Medical Services Clinic.	

Details:

The Amendment to Health Risk Management Agreement for On-Site Medical Services Clinic is presented by the City Administrator for review by the HR Committee. This Amendment would be effective January 1, 2022 and include changes to include rate increases for Clinic staff members and the removal of the School District of Waukesha from the agreement.

Options & Alternatives:

[Click here to enter text.](#)

Financial Remarks:

The Clinic is a valuable resource to both employees and the City.
The Clinic's return on investment (ROI) for the City in 2020 was \$5.5M (\$22M since opening).
The Clinic helped save employees \$101,332 in 2020.
Approximate annual cost for the Clinic is \$519,000. This cost is funded by the City health insurance fund.

Executive Recommendation:

I recommend approval of this amendment. Denial of the amendment will remove the City from the clinic partnership and may result in the closure of the clinic ultimately effecting the County and their employees as well.



AMENDMENT #34 TO HEALTH RISK MANAGEMENT AGREEMENT
FOR ON-SITE MEDICAL SERVICES CLINIC-#1402

This Amendment to the Health Risk Management Agreement for On-Site Medical Services Clinic--#1402 (the "Amendment") is made and entered into this 28th day of July, 2021, by and between Everside Health, LLC and its affiliates including Healthstat, Inc., a North Carolina Corporation ("Healthstat") and Waukesha County, City of Waukesha, and School District of Waukesha (each an "Employer" and collectively "Employers").

WHEREAS, Healthstat and the Employers executed a Health Risk Management Agreement (the "Agreement") dated May 20th, 2014 and have mutually agreed to amend the Agreement as set out herein.

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained herein and in the Agreement, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties agree as follows:

Effective January 1, 2022 (the "Effective Date"):

1. The School District of Waukesha is removed as a party to the Agreement.
2. The Term of the Agreement will renew upon the "Effective Date" and continue for three additional years until December 31, 2024 ("Initial Term"), at the end of which time this Agreement shall terminate. Employers will have the option to renew the Agreement for up to two successive periods of one year each by providing advance written notice at least sixty (60) days prior to the end of the Initial Term or the end of the first one year renewal term thereafter.
3. The section entitled "Program Administration Fees" shall be deleted in its entirety, and in lieu thereof shall be inserted the following:

Program Administration Fee. The Employers shall pay Healthstat \$34,000.00 per month via ACH payment to support effective on-going operation of the program. In the event the Employers elect not to set up ACH payments or to pay by credit card, the Program Administration Fee shall increase by 20%. This rate assumes clinic hours, staffing, and scope of services substantially similar to those existing as of the signing of this Amendment. The Employers acknowledge that actual program administration efforts and costs may change based on Employers' choice to change these factors. Should any of these change, Healthstat and Employers will work cooperatively to redefine (increase or decrease) the Program Administration Fee; rate changes will be subject to Employers' advance approval.

4. The section entitled "Reference Lab and Pathology Services" shall be deleted in its entirety, and in lieu thereof shall be inserted the following:

Reference Lab and Pathology Services. Employers shall pay Healthstat based on a consolidated monthly invoice for any reference laboratory

and pathology services furnished to Clinic participants. Each Employer will be billed based on the utilization of reference laboratory and pathology services of their Clinic participants. All lab services will be itemized by accession numbers, totaled each month and submitted to each Employer on one invoice for payment. Labs will be billed on a passthrough basis without markup.

5. The section entitled “Dispensary” shall be deleted in its entirety, and in lieu thereof shall be inserted the following:

Dispensary. Employers shall pay Healthstat based on a consolidated monthly invoice for any medication dispensing services furnished to Clinic participants. Each Employer will be billed based on the utilization of medication dispensing services of their Clinic participants. All medication dispensing services will be itemized by accession numbers, totaled each month and submitted to each Employer on one invoice for payment. Medications will be billed on a passthrough basis without markup.

6. The following language is added to Exhibit “B”: Service Cost:

For the time period of January 2022 through June 2022, Healthstat will waive thirty two percent (32%) of the total Clinic Staffing Fees per month, up to a cap of three hundred thousand dollars (\$300,000). The parties agree that if such waived amount described in the preceding sentence exceeds three hundred thousand dollars (\$300,000) in aggregate at the end of June 2022, then Employers shall pay Healthstat the amount in excess of three hundred thousand dollars (\$300,000).

7. The following provisions of Exhibit “B”: Service Cost are hereby amended to read as follows:

Clinic Staffing Fees.

- *(Medical Doctor) Hourly Fee.* Employer shall pay Healthstat an hourly rate to staff the Clinic with a Medical Doctor (presently Dr. Glenn Toth). As of the Effective Date, the hourly rate due for this position shall increase by 3% from \$179.29 per hour to \$184.67 per hour for an estimated 24 hours per week.
- *(Physician’s Assistant) Hourly Fee.* Employer shall pay Healthstat an hourly rate to staff the Clinic with a Physician’s Assistant (presently Jill Zimmerman). As of the Effective Date, the hourly rate due for this position shall increase by 3% from \$111.43 per hour to \$114.77 per hour for an estimated 30 hours per week.
- *(Physician’s Assistant) Hourly Fee.* Employer shall pay Healthstat an hourly rate to staff the Clinic with a Physician’s Assistant (presently Thomas Ruffalo). As of the Effective Date, the hourly rate due for this position shall increase by 3% from \$115.65 per hour to \$119.11 per hour for an estimated 34 hours per week.
- *(Medical Office Assistant) Hourly Fee.* Employer shall pay Healthstat an hourly rate to staff the Clinic with a Medical Office Assistant (presently Carrie Krueger). As of the Effective Date, the hourly rate due for this position shall increase by 3% from \$33.21 per hour to \$34.20 per hour for an estimated 40 hours per week.

- *(Medical Office Assistant) Hourly Fee.* Employer shall pay Healthstat an hourly rate to staff the Clinic with a Medical Office Assistant (presently Sandra Ervin). As of the Effective Date, the hourly rate due for this position shall increase by 3% from \$32.24 per hour to \$33.20 per hour for an estimated 40 hours per week.
- *(Medical Office Assistant) Hourly Fee.* Employer shall pay Healthstat an hourly rate to staff the Clinic with a Medical Office Assistant (presently Maribell Martinez). As of the Effective Date, the hourly rate due for this position shall increase by 3% from \$31.30 per hour to \$32.24 per hour for an estimated 40 hours per week.
- *(Receptionist) Hourly Fee.* Employer shall pay Healthstat an hourly rate to staff the Clinic with a Receptionist (presently Debra Wade). As of the Effective Date, the hourly rate due for this position shall increase by 3% from \$33.86 per hour to \$34.87 per hour for an estimated 40 hours per week.
- *(Receptionist) Hourly Fee.* Employer shall pay Healthstat an hourly rate to staff the Clinic with a Receptionist (presently Joan Merritt). As of the Effective Date, the hourly rate due for this position shall increase by 3% from \$37.17 per hour to \$38.28 per hour for an estimated 20 hours per week.
- *(Office Manager) Monthly Fee.* Employer shall pay Healthstat a monthly fee to staff the Clinic with an Office Manager (presently Amy Fritz). As of the Effective Date, the monthly rate due for this position shall increase by 3% from \$4,574.25 per month to \$4,711.48 per month.
- *(Health Coach) Hourly Fee.* Employer shall pay Healthstat an hourly rate to staff the Clinic with a Health Coach (presently Courtney Handeland). As of the Effective Date, the hourly rate due for this position shall increase by 3% from \$52.46 per hour to \$54.03 per hour for an estimated 22 hours per week.
- *(Health Coach) Hourly Fee.* Employer shall pay Healthstat an hourly rate to staff the Clinic with a Health Coach (presently Natasha Schultz). As of the Effective Date, the hourly rate due for this position shall increase by 3% from \$50.93 per hour to \$52.45 per hour for an estimated 21 hours per week.

7. The parties agree to Year 8 Performance Guarantees as follows:

Year 8 Performance Metrics

Healthstat agrees to put up a total of **50%** of the Program Administration Fee (“Fee-at-Risk”) if satisfactory performances of the below standards are not met. The Measurement Period is January 1, 2022 through December 31, 2022. Final assessments will be completed within sixty (60) days of the end of the Measurement Period and any credits due shall be applied to the next month’s invoice after the final determination. These guaranties are conditioned upon Employer engaging Healthstat throughout the entire Measurement Period and are not recurring. Any subsequent guaranties will be subject to negotiation and written agreement of the parties. The table below indicates each standard and the percentage of the Fee-at-Risk that is associated with each standard:

Performance Standard	Allocation of Fee at Risk	Measurement
<p>Employer satisfaction</p> <p>A representative from each entity will complete a survey regarding satisfaction related to Account Management, Accuracy of Invoices, Clinic Staff Fee Collection and Claims Integration.</p>	<p>10%</p>	<p>This standard will be evaluated on a quarterly basis with 25% of the fees for this section at risk quarterly.</p> <p>A survey will be distributed to, and completed by, one representative from each entity at the beginning of each quarter with questions related to each of the focus areas. The average score across all surveys will be used to evaluate this metric. If the average is 4 or higher, this metric will be considered met.</p> <p>This metric assumes a complete survey by each of the individuals noted above within 10 business days from receipt of the survey link. All survey questions will be required. A score of 3 or lower will require direct feedback in the free text section of the survey.</p> <p>Survey Scale: Very Satisfied (5), Satisfied (4), Neither Satisfied nor Dissatisfied (3), Dissatisfied (2), Very Dissatisfied (1).</p> <p>Where a Force Majeure Event gives rise to a failure or delay in completing the acknowledgment, this guaranty shall not trigger so long as Healthstat promptly acknowledges the service concern after the Force Majeure Event subsides. "Force Majeure Event" means an event, or a series of related events, that is outside the reasonable control of Healthstat.</p>

<p>Patient satisfaction survey- results.</p> <p>Healthstat will receive an average survey score of 4, based on a 5-point scale on a satisfaction question. No minimum participation is required for guarantee to be valid.</p>	<p>10%</p>	<p>The measurement of this guarantee will be based on the average survey score garnered during the “Measurement Period” utilizing CBIZ’s standard survey. If the average score for the question “How would you rate the services you received today?” is equal to a Good (4) or Excellent (5) for that time period, the performance guarantee will be met. A skipped response will not be figured into the average calculation.</p> <p>IT issues must be reported to Employer and Healthstat within one business day (ex. internet connectivity).</p> <p>Further, application of this guarantee is conditioned upon Employer satisfying its obligations as to the Clinic(s) (ex. maintaining security, cleanliness, HVAC, etc.).</p> <p>Survey Scale: Excellent (5), Good (4), Average (3), Fair (2), Poor (1).</p>
<p>Patient satisfaction survey- participation.</p> <p>Healthstat will employ diligent efforts to collect survey responses from 45% of patient visits before they leave the clinic.</p>	<p>10%</p>	<p>The measurement of this guarantee will be based on the percent of participants who visit the clinic for a personal health appointment. Participants who decline to complete the survey and who document such declination in the survey instrument will be counted as participants.</p> <p>IT issues must be reported to Employer and Healthstat within one business day (ex. internet connectivity).</p> <p>Further, application of this guarantee is conditioned upon Employer satisfying its obligations as to the Clinic(s) (ex. maintaining security, cleanliness, HVAC, etc.).</p>
<p>Health Improvements.</p> <p>Healthstat guarantees improvements or maintenance in a majority of the standard risk factors identified as high risk for the top 20% of the highest risk monitored participants, measured during our Year 7 mass health risk assessment events.</p>	<p>20%</p>	<p>Targeted 10% average reduction in risk factors for the top 20% highest at risk individuals who participate in the Year 7 Health Risk Assessment. Each entity will be assessed individually for this metric. This will be used to determine if the performance guarantee is met. Fee credit will be based on calculated difference between actual aggregate reduction and target. The portion at risk for each entity will be determined by the % split outlined in the intragovernmental agreement. No increase in BMI will count as a 10% reduction. An increase to BMI will decrease the reduction value from -10%. A decrease to BMI will increase the reduction value from -10%. See examples.</p>

Example #1: No Movement in BMI

	Total Cholesterol	LDL Cholesterol	HDL Cholesterol	Systolic BP	Diastolic BP	Triglycerides	Glucose	BMI	Average
City	-5%	-5%	1%	-10%	-10%	-15%	1%	-10%	-7%
County	-9%	-10%	3%	-5%	-8%	-15%	-5%	-10%	-7%
Aggregate	-7%	-8%	2%	-8%	-9%	-15%	-2%	-10%	-7%

- No movement in BMI = 10% reduction
- 10% target reduction – 7% actual aggregate reduction = 3% fee credit

Example #2: Increase in BMI

	Total Cholesterol	LDL Cholesterol	HDL Cholesterol	Systolic BP	Diastolic BP	Triglycerides	Glucose	BMI	Average
City	-5%	-5%	1%	-10%	-10%	-15%	1%	-6%	-6%
County	-9%	-7%	3%	-5%	-6%	-15%	-5%	-6%	-6%
Aggregate	-7%	-6%	2%	-8%	-8%	-15%	-2%	-6%	-6%

- 4% increase in aggregate BMI = 6% aggregate reduction in BMI
- 10% target reduction – 6% actual aggregate reduction = 4% fee credit

Example #3: Decrease in BMI

	Total Cholesterol	LDL Cholesterol	HDL Cholesterol	Systolic BP	Diastolic BP	Triglycerides	Glucose	BMI	Average
City	-5%	-5%	1%	-10%	-10%	-15%	1%	-14%	-7%
County	-5%	-9%	3%	-6%	-8%	-15%	-5%	-14%	-7%
Aggregate	-5%	-7%	2%	-8%	-9%	-15%	-2%	-14%	-7%

- 4% decrease in aggregate BMI = 14% aggregate reduction in BMI
- 10% target reduction – 7% actual aggregate reduction = 3% fee credit

The terms and conditions of the Agreement shall remain in full force and effect except as expressly amended hereby.

[Signatures appear on the following page.]

IN WITNESS WHEREOF, the parties have executed this Amendment as of the day and year first above written.

Healthstat, Inc.

By: _____
Name: Chris Miller
Title: CEO
Date: _____

Waukesha County

By: _____
Name: _____
Title: _____
Date: _____

City of Waukesha

By: *Kevin Lahner* _____
Name: Kevin Lahner _____
Title: City Administrator _____
Date: 8/16/2021 _____

School District of Waukesha

By: _____
Name: _____
Title: _____
Date: _____