

Mayor and Council Communication

DATE: 02/22/22

M&C FILE NUMBER: M&C 22-0111

LOG NAME: 14SURGERYPLUSEXTENSION

SUBJECT

(ALL) Authorize Execution of Amendment and Extension of Existing Contract with Employer Direct Healthcare, LLC d/b/a EDHC Solutions, LLC for SurgeryPlus, a Supplemental Benefit for Non-Emergent Surgeries, in an Amount Not To Exceed \$276,000.00 Per Year. The Proposed Contract Extension is for an Additional Two Years

RECOMMENDATION:

It is recommended that the City Council authorize the execution of an amendment and extension of existing contract with Employer Direct Healthcare, LLC d/b/a EDHC Solutions, LLC for SurgeryPlus, a supplemental benefit for non-emergent surgeries, in an amount not to exceed \$276,000.00 per year. The proposed contract extension is for an additional two years.

DISCUSSION:

On November 8, 2016, the City Council adopted Mayor and Council Communication (M&C) C-27986 authorizing the City Manager to enter into a contract with Employer Direct Healthcare, LLC d/b/a EDHC Solutions, LLC for SurgeryPlus, a supplemental benefit for non-emergent surgeries for City of Fort Worth (City) employees, Non-Medicare eligible retirees and their dependents.

The purpose of the M&C is to authorize the execution of an amendment and extension of existing contract with EDHC Solutions (EDHC) in an amount not to exceed \$276,000.00 per year. Human Resources staff recommends that the contract with EDHC Solutions be amended and extended for an additional two-year period, which would expire on December 31, 2023.

While this contract has been in effect, EDHC has provided lower cost surgeries to City employees, Non-Medicare eligible retirees and their dependents. Since implementation in 2017, EDHC has saved the City an estimated \$7.5M in surgery costs, providing surgeries for 569 employees.

Benefits of this contract are as follows:

- Pre-negotiated, bundled surgical rates that lower costs, provide transparency and eliminate hidden fees;
- National high-performance network of Surgeons of Excellence, offering top-quality care; and
- Full-service concierge that drives better experience and puts members first.

Funding is budgeted in the Claims Administration Expense account of the Human Resources Active & Retired Employee Insurance Department's Group Health Insurance and Retiree Healthcare Trust Funds.

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that upon approval of the recommendation, funds are available in the current operating budget, as previously appropriated, in the Group Health Insurance and Retiree Healthcare Trust Funds. Prior to an expenditure being made, the Human Resources Department has the responsibility to validate the availability of funds.

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