

Mayor and Council Communication

DATE: 10/15/24

M&C FILE NUMBER: M&C 24-0875

LOG NAME: 14EMPLOYERDIRECT2024

SUBJECT

(ALL) Authorize Execution of an Agreement with Employer Direct Healthcare, LLC for SurgeryPlus and Cancer Support Services in an Annual Amount Up to \$450,000.00 for an Initial Term Running July 2024 to December 2027 with Two Two-Year Options to Renew for the Same Annual Amount and Ratify Expenditures in the Amount of \$232,005.00 for Services Rendered January 2024 to June 2024 for the Human Resources Department

RECOMMENDATION:

It is recommended that the City Council authorize execution of an agreement with Employer Direct Healthcare, LLC for SurgeryPlus and Cancer Support Services in an annual amount up to \$450,000.00 for an initial term running July 2024 to December 2027 with two two-year options to renew for the same annual amount and ratify expenditures in the amount of \$232,005.00 for services rendered January 1, 2024 to June 30, 2024 for the Human Resources Department.

DISCUSSION:

The purpose of this Mayor and Council Communication (M&C) is to seek authorization from the City Council to execute an agreement with Employer Direct Healthcare, LLC for SurgeryPlus and Cancer Support services. These services will be used to continue providing supplemental benefits for non-emergent surgeries for City of Fort Worth employees, non-Medicare eligible retirees and their dependents. The agreement will replace the current Agreement with Employer Direct Healthcare, LLC set to terminate on June 30, 2024 (City Secretary Contract No. 48598).

SurgeryPlus has provided bundled concierge surgery benefits for the City of Fort Worth employees and retirees since 2017.

The 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;
- Full-service concierge that drives better experience that puts members first;
- Additional ancillary services such as coordination with physical therapy;
- A Cancer support benefit; and
- Significant savings year over year through negotiated rates and surgery avoidance including \$5.9M in 2023 alone, which is a 17.78% Return on Investment.

A Request For Proposal was not required for this contract as the Benefits Office requested and received a Chapter 252 Exemption from the Legal Department under the professional service exemption.

Funding is budgeted in the Claims Administration Exp account within the Group Health Insurance and Retiree Healthcare Trust Funds for the Human Resources Department and will be budgeted in the same for Fiscal Year 2025.

DVIN-BE: This project was approved for a waiver per the chapter 252 exemption under the professional service exemption by the Legal Department. Therefore, the business equity goal requirement is not applicable.

Agreement Terms: Upon City Council approval, the Agreement will begin on July 1, 2024 and end on December 31, 2027.

Renewal Options: The City has the option to renew the Agreement for an additional two (2) two-year renewal options.

Administrative Change Orders: An administrative change order or increase may be made by the City Manager or his designee up to the amount allowed by relevant Law and the Fort Worth City Code and does not require specific City Council Approval as long as sufficient funds have been appropriated.

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that upon approval of the above recommendation funds are available in the current operating budget, as previously appropriated, and upon adoption of the Fiscal Year 2025 Budget by the City Council, funds will be available in the Fiscal Year 2025 operating budget, as appropriated, in the Group Health Insurance and Retiree Healthcare Trust Funds. prior to an expenditure being incurred, the Human Resources Department has the responsibility to validate the availability of funds.

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