

C-16

March 10, 2020

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Adopt a Resolution authorizing the City Manager, or designee, to execute a contract, and any subsequent amendments necessary, with HealthAdvocate, of Omaha, NE, for providing a comprehensive and strategic suite of health resources designed to streamline employees' healthcare navigation experience, in an annual amount not to exceed \$200,000, for a period of three years, with the option to renew for two additional one-year periods, at the discretion of the City Manager. (Citywide)

DISCUSSION

City Council approval is requested to enter into a contract with HealthAdvocate, for providing a comprehensive and strategic suite of health resources.

The Department of Human Resources (HR) administers the City's employee benefits healthcare program. The program covers approximately 4,400 active employees, 2,000 retirees, and 7,800 dependents. In accordance with the Memoranda of Understanding (MOU) between the City and its employee organizations, the Health Insurance Advisory Committee (HIAC), which is comprised of representatives from each of the employee associations, annually reviews the status of the plan costs and makes recommendations to the City Manager on plan changes, benefit levels, and addition and deletion of plans.

At its meeting on September 10, 2019, the City Council approved health and life insurance agreements for the plan year, which began on January 1, 2020, in addition to the 2020 Plan Recommendations of the HIAC, which included the implementation of HealthAdvocate services and discontinuance of the Memorial Care Nurse Ambassador Program.

Background

The City's employee benefits health plan provided administrative assistance to employees to help navigate Memorial Hospital through the Nurse Ambassador Program. These services were limited to PPO health plan members seeking hospital services at Memorial Hospital, located in Long Beach. The administrative assistance consisted of resolving billing issues, understanding care options, and coordinating post hospitalization care. In 2019, the program had staffing changes and the City was notified by Memorial Care, the parent company of Memorial Hospital, that the program would be restructured, including the pricing. HR worked with Alliant Insurance Services (Alliant), the City's Benefits Consultant, to review options to continue the services that employees would find beneficial for them and their dependents,

whether enrolled in the City's PPO or HMO health plan(s). Consequently, Alliant recommended HealthAdvocate as a viable alternative. The Nurse Ambassador Program was discontinued as of December 31, 2019.

Alliant has access to professional vendor services and products through a national platform that identifies quality services and cost proposals. Alliant is not affiliated with, nor do they own, any vendors who provide such services. HealthAdvocate was identified as the vendor whose services most aligned with the City's strategic initiative to improve employee engagement with simplified access to advocacy services. HealthAdvocate provided the HIAC with an overview of the proposed services, implementation strategy, and answered HIAC questions. HIAC recommended the discontinuation of the Nurse Ambassador Program, replacing the program with HealthAdvocate. This recommendation was approved by the City Council on September 10, 2019.

HealthAdvocate demonstrates ease of navigation and implementation, competitive cost structure, and robustness of services. The services will be available to PPO and HMO plan participants including retirees enrolled in the City Health plans. HealthAdvocate's service model includes:

- **One number to reach all benefits.** A single toll-free number connects employees to their entire employee benefits package.
- **24/7 healthcare help from a dedicated Health Concierge.** HealthAdvocate experts can explain coverage and coordinate benefits, identify leading in-network doctors and make appointments, facilitate required pre-authorizations, and coordinate services related to all aspects of an individual's medical care. HealthAdvocate also works with providers and insurance companies on employees' behalf to research and resolve a wide range of related complex matters, such as insurance claims and medical billing issues.
- **Second opinions.** HealthAdvocate will research and identify top experts and Centers of Excellence across the country for second opinions and facilitate the transfer of medical records, tests and lab results.
- **Medical decision support.** HealthAdvocate's experienced clinical team will explain diagnoses and treatment options, research and identify the latest, most advanced approaches to care, discuss the cost and quality of medical services to drive more informed decisions, help employees prepare for doctor visits, and much more.
- **Ongoing, targeted home mailings.** Employees receive regular, targeted home mailings that address gaps in recommended and chronic condition care.
- **Email and mobile app notifications.** Personalized, data-driven age and gender-appropriate e-mail and mobile notifications help ensure that employees get important preventive care and other services at the right time. They can then connect to HealthAdvocate for help finding providers and making appointments.

- **Anytime, anywhere access through web and mobile app.** 24/7 access online and by mobile device to all HealthAdvocate benefits and services. Employees can also connect instantly with their dedicated Health Concierge at the touch of a button.
- **Online on-the-go health advice.** The HealthAdvocate member website and app feature a wide range of relevant articles, reminders and other resources to promote ongoing employee health engagement.
- **Increase awareness and utilization of employee benefits.** The HealthAdvocate team of experts will assist in transitioning employees to any of the City's other benefit vendors as appropriate (e. g., Employment Assistance Program, etc.).
- **Digital navigation.** HealthAdvocate's secure technology platform can link users seamlessly to the City's other benefit vendors from the HealthAdvocate website and mobile app.

Human Resources plans to launch the HealthAdvocate services through a multifaceted communications campaign, which will include in-person events attended by HealthAdvocate.

City Charter Section 1801 requires that contracts for City purchases be awarded to the lowest responsible bidder after a competitive bid process, but allows for awards without a competitive bid process if accompanied by a Resolution adopted by the City Council.

This matter was reviewed by Deputy City Attorney Amy R. Webber on February 20, 2020, Purchasing Agent Tara Yeats on January 22, 2020, and by Budget Analysis Officer Julissa José-Murray on January 24, 2020.

TIMING CONSIDERATIONS

City Council action to adopt a Resolution and award a contract concurrently is requested on March 10, 2020, to ensure the contract is in place expeditiously.

FISCAL IMPACT

The estimated annual cost of \$200,000 for HealthAdvocate services is budgeted in the Employee Benefits Fund Group in the Citywide Department and replaces the fund allocation for the Nurse Ambassador Program. This recommendation has no staffing impact beyond the normal budgeted scope of duties and is consistent with existing City Council priorities. There is no local job impact associated with this recommendation.

HONORABLE MAYOR AND CITY COUNCIL

March 10, 2020

Page 4

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,

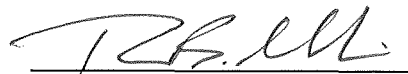


ALEJANDRINA BASQUEZ
DIRECTOR OF HUMAN RESOURCES

AB/mh
R:\Administration\CITY COUNCIL LETTERS\2020\HealthAdvocate\03-10-2020 - Health Advocate Services

ATTACHMENT – RESOLUTION

APPROVED:



THOMAS B. MODICA
ACTING CITY MANAGER

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RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LONG BEACH AUTHORIZING THE CITY MANAGER TO EXECUTE A CONTRACT, AND ANY AMENDMENTS THERETO, WITH HEALTHADVOCATE, WITHOUT ADVERTISING FOR BIDS, TO PROVIDE A COMPREHENSIVE AND STRATEGIC SUITE OF HEALTH RESOURCES DESIGNED TO STREAMLINE EMPLOYEES' HEALTHCARE NAVIGATION EXPERIENCE, IN AN ANNUAL AMOUNT NOT TO EXCEED \$200,000 FOR A PERIOD OF THREE YEARS

WHEREAS, the Department of Human Resources ("HR") of the City of Long Beach administers the City's employee benefits healthcare program (the "Program"); and

WHEREAS, the Program covers approximately 4,400 active employees, 2,000 retirees and 7,800 dependents; and

WHEREAS, the Program provided administrative assistance to employees to navigate Memorial Hospital through the Nurse Ambassador Program; and

WHEREAS, in 2019, the Nurse Ambassador Program had staffing changes and the City was notified by Memorial Care, the parent company of Memorial Hospital, that the Nurse Ambassador Program would be restructured including the pricing; and

WHEREAS, the Nurse Ambassador Program, was discontinued December 31, 2019; and

WHEREAS, HR worked with Alliant Insurance Services, the City's Benefits Consultant, to review options to continue the services that employees would find beneficial for them and their dependents; and

1 WHEREAS, Alliant has access to professional vendor services and
2 products through a national platform which identifies quality services and cost proposals;
3 and

4 WHEREAS, Alliant recommended HealthAdvocate as a viable alternative to
5 the Nurse Ambassador Program; and

6 WHEREAS, HealthAdvocate is an independent ally who is not affiliated with
7 health carriers, but is equipped to assist employees with navigation of a complex
8 healthcare system and improve employee engagement of the City's comprehensive
9 benefits package, with a combination of hands-on professionals and advanced
10 technology; and

11 WHEREAS, HealthAdvocate is the only company that provides
12 personalized, comprehensive and dedicated service that meets the entirety of the needs
13 of our service population; and

14 WHEREAS, as a result, no useful purpose would be served by advertising
15 for bids and to do so would constitute an idle and useless act and an unnecessary
16 expenditure of public funds;

17 NOW, THEREFORE, the City Council of the City of Long Beach resolves as
18 follows:

19 Section 1. The above recitals are true and correct and are incorporated
20 herein.

21 Section 2. The City Manager is hereby authorized to enter a contract,
22 and any amendments thereto, with HealthAdvocate to provide a comprehensive and
23 strategic suite of health resources designed to streamline employees' healthcare
24 navigation experience in an annual amount not to exceed Two Hundred Thousand
25 Dollars (\$200,000) for a period of three (3) years, with the option to renew for two (2)
26 additional one-year periods, at the discretion of the City Manager.

27 Section 3. This resolution shall take effect immediately upon its adoption
28 by the City Council, and the City Clerk shall certify the vote adopting this resolution.

OFFICE OF THE CITY ATTORNEY
CHARLES PARKIN, City Attorney
411 West Ocean Boulevard, 9th Floor
Lana Beach, CA 90802

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I hereby certify that the foregoing resolution was adopted by the City Council of the City of Long Beach at its meeting of _____, 2020 by the following vote:

Ayes: Councilmembers: _____

Noes: Councilmembers: _____

Absent: Councilmembers: _____

Recusal(s): Councilmembers: _____

City Clerk