

Alliance Alert

MemberCentric Integrated Medical Home Model of Care

*Integrated Comprehensive Health Clinic, Telemedicine Services,
Quantitative/Qualitative Outcome Analytics*

The Public Employee Benefits Alliance (PEBA) was created by a group of Texas Government leaders working together since January 2006 to develop strategies to manage the rising costs of healthcare benefits. PEBA was established pursuant to Chapter 791 of the Texas Government Code, the Purchasing Program Chapter 271 of the Texas Local Government Code and all other applicable provisions of Texas Law. PEBA membership is open to all Texas local governments who pay an annual membership fee and execute a PEBA Participating Interlocal Agreement.

PEBA developed the following schedule for selection and implementation of each facet of the Request for Proposal workflow.

Scheduled Completion Date	Task
May 21, 2012	RFP Distribution Date
June 15, 2012	Deadline to Submit RFP Questions to PEBA
Responses will occur by close of business, Friday (Weekly) Last response will be submitted June 15, 2012	PEBA Response to Vendor Questions
June 22, 2012	RFP Due Date
June 25, 2012	Evaluation and Scoring of Request for Proposals
June 26, 2012	Top Candidates Interviewed Best and Final Offer Requested
July 13, 2012	PEBA Board Meeting for Vendor Selection, Top Three Vendors were Approved and further selection criteria recommended prior to final decision
August 3, 2012	PEBA Board Meeting for Final Selection
August 23, 2012	Webcast Conference Call with Vendor and PEBA Participants

Marathon Health, Inc.

Marathon Health inspires people to lead healthier lives and in turn, helps employers reduce the total cost of healthcare. The Marathon Health approach integrates the best practices of onsite primary care, occupational care & health assessment with risk identification, coaching and advocacy, and disease management for high cost chronic conditions. Marathon Health supports its unique model with an eHealth Portal delivering medical content, interactive diet and fitness tools, a personal health record, and an electronic medical record to manage care.

Marathon Health, which was founded in 2005, currently provides services at 99 sites across the United States. With its corporate headquarters in Vermont to manage overall clinic operations, day-to-day operations are managed at the local level through assigned account management and onsite clinical staff. For more information, please visit www.marathon-health.com.

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Comprehensive Health Clinic and Telemedicine Shared Risk Pricing Scope of Services

	Responsible Party			Is Cost Included in Fee	Notes:
	Marathon Health	Political Subdivision	Option for Marathon Health to Purchase / Outsource for Political Subdivision (Pass Through Cost)		
FACILITIES					
Facility / Space		•		No	
Electrical		•		No	
Water		•		No	All exam rooms must have running water.
Telephony		•		No	
Internet Connection		•		No	Require 5MB up and down.
Facilities Maintenance		•		No	
Facilities Janitorial		•		No	
Medical Waste Removal	•			Yes	
FURNISHINGS / EQUIPMENT & SUPPLIES					
Non Medical Office Furniture		•	•	Optional	If requested, Marathon will purchase non medical clinic furnishings, i.e., desks, chairs, etc on behalf of the client. We will do so as a pass through cost with zero dollar markup.
Office Equipment	•			Yes	
Office Supplies	•			Yes	
Medical Furniture	•			Yes	
Medical Equipment	•			Yes	
Medical Supplies	•			Yes	
Medical Furniture Replacement / Repair	•			Yes	
Medical Equipment Replacement / Repair	•			Yes	
IT Equipment, i.e. Computers, Firewall	•			Yes	
PERSONNEL / STAFF					
All Clinic Staff Recruitment	•			Yes	
All Clinic Staff Training	•			Yes	
All Clinic Staff Salaries	•			Yes	
All Clinic Staff Health & Welfare Benefits	•			Yes	
Temporary Staff Coverage in the Event of Absence or Turnover	•			Yes	
Staff Continuing Education	•			Yes	
All Required Medical Licensure Costs	•			Yes	
Type of Staff Available - (Note: The staffing model proposed will depend on the scope of services offered; the size of the eligible population; any specific staffing request by the client.	MD				Marathon assumes a cost of \$200,000 per year for a full time MD. If the negotiated salary is more than 5% higher than the assumed \$200,000 salary and the client instructs Marathon to hire to the provider regardless of the cost, the additional personnel salary and benefit load will be passed on to the client.
	PA				Marathon assumes a cost of \$90,000 per year for a full time PA. If the negotiated salary is more than 5% higher than the assumed \$90,000 salary and the client instructs Marathon to hire to the provider

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Responsible Party					
	Marathon Health	Political Subdivision	Option for Marathon Health to Purchase / Outsource for Political Subdivision (Pass Through Cost)	Is Cost Included in Fee	Notes:
					regardless of the cost, the additional personnel salary and benefit load will be passed on to the client.
	NP				Marathon assumes a cost of \$90,000 per year for a full time NP. If the negotiated salary is more than 5% higher than the assumed \$90,000 salary and the client instructs Marathon to hire to the provider regardless of the cost, the additional personnel salary and benefit load will be passed on to the client.
	RN				Marathon assumes a provider cost of \$75,000 per year for a full time RN. If the negotiated salary is more than 5% higher than the assumed \$75,000 salary and the client instructs Marathon to hire to the provider regardless of the cost, the additional personnel salary and benefit load will be passed on to the client.
	LVN				Marathon assumes a cost of \$70,000 per year for a full time LVN. If the negotiated salary is more than 5% higher than the assumed \$70,000 salary and the client instructs Marathon to hire to the provider regardless of the cost, the additional personnel salary and benefit load will be passed on to the client.
	LPN				Marathon assumes a physician cost of \$200,000 per year for a full time MD. If the negotiated salary is more than 5% higher than the assumed \$200,000 salary and the client instructs Marathon to hire to the provider regardless of the cost, the additional personnel salary and benefit load will be passed on to the client.
	MOA				Marathon assumes a cost of \$36,000 per year for a full time MOA and assumes any cost variances that arise from the cost of hiring this position within our "fixed fee" model.

Note that additional staffing models / types can be created based upon the client's objectives. For instance Marathon staffs with Registered Dieticians at some client sites, etc.

Per State of Texas regulations, a supervising physician will be onsite for a minimum of 10% of all clinic operating hours. The cost of this supervising physician is included in our "fixed fee" pricing model.

INSURANCES

Malpractice Insurance	•			Yes	\$5MM in coverage
General Liability Insurance	•			Yes	\$5MM in coverage
Technology E&O Insurance	•			Yes	\$5MM in coverage
Property Replacement Insurance	•			Yes	\$1K in coverage
Automobile Liability Coverage	•			Yes	\$1MM in coverage
Workers Comp Insurance	•			Yes	\$500K in coverage
Employee Dishonesty / Crime Coverage	•			Yes	\$100K in coverage

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	Responsible Party			Is Cost Included in Fee	Notes:
	Marathon Health	Political Subdivision	Option for Marathon Health to Purchase / Outsource for Political Subdivision (Pass Through Cost)		
HEALTH RISK ASSESSMENT, LABORATORY AND BIOMETRIC TESTING					
Electronic Health Risk Assessment	•			Yes	
Paper Health Risk Assessment	•			Yes	Available in Spanish
CLIA Waived Labs	•			Yes	Fingerstick blood tests for lipids (HDL, LDL and Triglycerides) and Glucose; Rapid strep test; urinalysis dip stick test; Urine pregnancy test; Occult blood - fecal stool guiac testing.
Non CLIA Waived labs		•		No	
Group / Health Fair Biometric Screenings		•	•	No	
Pathology			•	No	
RADIOLOGY AND IMAGING					
X-Ray / Imaging	•	•		No	
MEDICATION					
Prescription Dispensing	•	•		No	
Single Dose OTC medication Dispensing	•			Yes	
ePrescribing	•			Yes	
EVIDENCE BASED MEDICINE					
Evidence Based Clinical Decision Support Tools for Diagnosis and Treatment Guidance.	•			Yes	
TELEMEDICINE					
Telemedicine		•		No	
TECHNOLOGY					
Electronic Medical Record	•			Yes	
Integrated Personal Health Record	•			Yes	
WebHealth Portal	•			Yes	
APPOINTMENT SCHEDULING					
Electronic Appointment Scheduling	•			Yes	
Telephonic Appointment Scheduling	•			Yes	
Walk In Appointment Scheduling	•			Yes	
REPORTING					
Data Analytics Reporting	•			Yes	
Outcomes Reporting	•			Yes	
COMPLIANCE					
HIPAA Compliance Safeguards	•			Yes	
COMMUNICATIONS					
Initial and ongoing promotional communications	•			Yes	Note that the cost of postage will be borne by the client.
Patient education communications	•			Yes	

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PRICING MODEL

Sample Pricing:

Note: This pricing is based on a client population consisting of 1,000 eligible employees & 2,200 eligible spouses and dependent children. Additionally, the pricing assumes no occupational health services will be provided nor will prescription medications be dispensed.

Mid-Level (NP / PA) Model	Physician Model
<p>Service fees Annual service fee† ** - \$541,642</p> <p>One-time implementation fee*** - \$75,080</p> <p>† Staffing with a Licensed Practical Nurse instead of Medical Assistant adds approximately \$12,000 per year. * Onsite dispensing for this proposal is not allowed based on our preliminary review of pharmacy law. Inclusion of this service is subject to a complete review based on the particulars of the formulary, health center staff composition and any recent changes to law. *** Due at contract signing</p>	<p>Service fees Annual service fee† ** - \$761,014</p> <p>One-time implementation fee*** - \$63,320</p> <p>† Staffing with a Licensed Practical Nurse instead of Medical Assistant adds approximately \$12,000 per year. * Onsite dispensing for this proposal is not allowed based on our preliminary review of pharmacy law. Inclusion of this service is subject to a complete review based on the particulars of the formulary, health center staff composition and any recent changes to law. *** Due at contract signing</p>
<p>Pricing assumes the following staff: Physicians - 0.1 Mid-level practitioners - 1.0 Registered nurses or health educators - 0.5 Medical assistants - 1.0</p>	<p>Pricing assumes the following staff: Physicians - 1.0 Mid-level practitioners - 0.5 Medical assistants - 1.0</p>
IMPLEMENTATION FEES	
<p>Note that the implementation fee covers:</p> <ol style="list-style-type: none"> All staff recruitment costs All training period salaries All training period travel All medical equipment All initial medical supplies All IT equipment All office supplies & equipment All initial co-branded communications cost (including print costs) All necessary licensing, registration and regulatory costs All project management & travel costs 	<p>Note that the implementation fee covers:</p> <ol style="list-style-type: none"> All staff recruitment costs All training period salaries All training period travel All medical equipment All initial medical supplies All IT equipment All office supplies & equipment All initial co-branded communications cost (including print costs) All necessary licensing, registration and regulatory costs All project management & travel costs
PERFORMANCE GUARANTEES	
<p>Marathon places 10% of the "fixed" Annual Service fee at risk in each year of the contract. This risk can be tied to any number of metrics that are valuable to the client including: Reductions in risk prevalence rates (biometric results); closing gaps in care for chronically ill patients; reductions in cost, claims, trend; patient satisfaction; client satisfaction; etc.</p>	

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About PEBA

The annual membership fee and Comprehensive Health Clinic and Telemedicine Services request for proposal fees are shown below. However, local governments who are members of one of the political subdivision Pools will obtain automatic annual PEBA membership through the participating Pool.

Getting Started

PEBA membership is open to all Texas Local Governments who pay an annual membership fee and execute a PEBA Participating Interlocal Agreement. The annual membership fee and proposal fees are shown below. However, Local Governments who are members of one of the political subdivision Pools will obtain automatic annual PEBA membership through the participating Pool.

Proposal Costs	2012	2012 Out of Texas	Late Fee
Comprehensive Health Clinic and Telemedicine Services	\$2,000	\$3,500	\$250

PEBA Annual Membership Fee Schedule

Annual Membership Fees	2006	2007	2009	2010	2011	2011 Out of Texas	2012	2012 Out of Texas	Late Fee
Employer									
0-100 Lives	\$150	\$150	\$150	\$150	\$150	\$250	\$150	\$250	\$250
101-500 Lives	\$300	\$300	\$300	\$300	\$300	\$450	\$300	\$450	\$250
501-1000 Lives	\$500	\$500	\$500	\$500	\$500	\$750	\$500	\$750	\$250
1,001-5,000 Lives	\$700	\$700	\$700	\$700	\$700	\$900	\$700	\$900	\$250
5,001-15,000 Lives					\$750	\$1,250	\$750	\$1,250	\$250
15,001-25,000 Lives					\$1,000	\$3,000	\$1,000	\$3,000	\$250
>25,000					\$1,750	\$3,500	\$1,750	\$3,500	\$250

Webcast Updates

Webcast Topic	Date	Time	Attendees
Calendar Year 2013 Pre/Post Sixty-five Retiree Benefits	September 20, 2012	10:00 AM	
Spohn - HIPAA Security Risk Assessment & Compliance	August 23, 2012	10:00 AM	
HMS - Comprehensive Medical, Pharmacy, and High Dollar Claims Audit Services	August 16, 2012	2:00 PM	
Marathon - Comprehensive Health Clinic and Telemedicine Services	August 23, 2012	2:00 PM	
HMS - Comprehensive Eligibility Audit Services	August 14, 2012	2:00 PM	
Healthcare Reform	February 28, 2012	10:00 AM	18