

West Lafayette Schools Business Office

1130 North Salisbury Street ▪ West Lafayette, Indiana 47906-2447
(765) 746-1602 • www.wl.k12.in.us

To: West Lafayette Board of School Trustees
From: Shawn Greiner, Superintendent
Steve Ohlhaut, CFO
Date: May 2, 2022
Re: Employee Health Clinic

Beginning in Spring, 2021, the Business Office began exploring the possibility of joining a health clinic that would provide certain routine health care services free to employees. As part of this process, we engaged our health care consultant R.E. Sutton (now known as Brown and Brown) to gather information from potential clinic providers, conducted site visits of two clinics, consulted with the health insurance committee, surveyed employees, and gathered information from representatives from the human resources departments of Tippecanoe School Corporation and Lafayette School Corporation.

By Fall, 2021, we had received quotes and cost comparisons from two clinic operators: Everside and ProActive MD. In addition, Everside had provided a Feasibility analysis at that time. ProActive MD was unable to provide a detailed analysis until they received anonymized historical billing data from Anthem to make the projections. In March, 2022, ProActive MD received the information from Anthem and generated the cost savings analysis document.

On March 22, 2022, the Central Office administration met with representatives of our health care consultant to discuss the cost analysis, including the assumptions underlying them. Further, based on feedback from the school board and the passage of time since the previous survey, we prepared another brief survey sent to all employees to gather information about their potential usage and preferences regarding a free health clinic based on the real-world differences between our options.

In addition to enhanced convenience and access for employees, the goals of a health clinic include the eventual generation of cost savings to the school corporation by shifting costs of basic care to the health clinic which provides the services at a lower rate than Anthem reimbursement to providers. This shift decreases claims to the Anthem plan and mitigates future premium increases. Out-of-pocket employee costs decrease as well, as services at the clinic are free to employees. This is especially beneficial to participants in a High Deductible Health Plan (HDHP) who must pay the first \$3000 (\$6000/family) of all care annually out of pocket from a Health Savings Account.

In Summer, 2021, Central Office administration had submitted a line item of \$250,000 in the ESSER III budget for the defraying of the startup costs of a health clinic and this budget was approved by the Indiana Department of Education. It is expected that by the time these startup funds are exhausted, the cost savings generated in Anthem claims will more than offset the ongoing operational costs of the clinic. Those future operating costs will come from the Insurance Over/Under fund. Not having to deplete the Insurance Over/Under Fund

on the startup of the clinic is a risk-mitigating opportunity to determine whether clinic utilization will reach the levels required to justify WLCSC's ongoing participation. Administration will monitor these cost changes closely to determine whether the required return on investment is being met to justify ongoing participation in the health clinic and will make recommendations to the Board accordingly.

Based on information gathered during this process, it is the recommendation of administration to contract with Everside Health, located on Kent Avenue, in West Lafayette to provide our clinic services beginning September 1, 2022. City of West Lafayette employees also participate in this clinic. In reaching this conclusion, we consider the following:

1. The monthly costs to participate in the Everside clinic are lower. There are no extra rent or overhead costs as with the TSC/LSC ProActive MD clinic.
2. The seemingly-better initial ROI in the ProActive MD analysis is based on their current book of business, which consists largely of on-site clinics, which ours would not be.
3. Staff survey results show that a location in West Lafayette is the most important consideration for 26.4% of respondents. Another 23.3% rank access to the clinic during the work day as the most important consideration for use of the clinic. The Everside clinic meets these considerations.
4. The availability of a health care advocate (ProActive MD) was ranked as essential by only 1.8% of respondents.
5. While the ProActive MD clinic has access to an MD in addition to a nurse practitioner—the most important consideration for 9.8% of employees—on balance, we conclude that other factors weigh in favor of the Everside clinic at this time.

In order to further minimize cost risk, WLCSC negotiated a 60-day withdraw provision into the proposed Agreement with Everside. This provision allows WLCSC to withdraw from the agreement with a 60-day notice for any reason at any point. The agreement dates will be changed in the final document to conform to the date of adoption by the Board.

Prior to the commencement of services, there will be an extensive informational roll-out campaign with employees to inform them about the logistics and benefits of the clinic and to encourage its use whenever possible and desired.

We are providing you with the following information:

1. Side-by-side cost and service comparison between ProActive MD and Everside
2. Feasibility plans for ProActive MD and Everside
3. Employee survey results from the March, 2022 survey
4. A proposed agreement for the provision of health clinic services.

Administration requests your consideration and recommends your approval for the proposed agreement with Everside for the provision of health clinic services for WLCSC employees.