

STAFF REPORT

Date: August 23, 2023

To: Mayor and City Council

Thru: Doug Thornley, City Manager

Subject: Staff Report (For Possible Action): Approval of exercise of annual renewal option to join Master Service Agreement #3086-19 between Washoe County and ARC Health and Wellness for employee physical exams and other medical services for the period of July 1, 2023 through June 30, 2024 in an amount not to exceed \$450,000. (Self-Funded Workers' Compensation Fund)

From: Adria White, Risk Manager

Department: City Manager's Office – HR

Summary:

The City of Reno (City) has used ARC Health and Wellness (ARC) for approximately 15 years to provide the mandated workers' compensation heart and lung annual exams and other medical services. The City has utilized these services under the joinder provision of the Master Service Agreement between Washoe County and ARC in order to take part in the discounted fee schedule for these and other medical services.

Alignment with Strategic Plan:

Fiscal Sustainability

Public Safety

Previous Council Action:

August 10, 2022 - Council approved the joinder provision renewal option to the Master Service Agreement 3086-19 between Washoe County and ARC for the period of July 1, 2022 through June 30, 2023, in an annual amount not to exceed \$400,000.

December 11, 2019 - Council approved the joinder provision to the Master Service Agreement 3086-19 between Washoe County and ARC for the period of January 1, 2020 through June 30, 2022 with two additional one-year renewal options, in an annual amount not to exceed \$280,681.

Background:

The City provides annual physical exams to all public safety employees covered by NRS Chapter

617 regarding presumptive workers' compensation claims. The NRS requires annual physicals with specific testing and other medical services to be provided and paid for by the City. ARC has been the provider for the City for approximately 15 years through joinder agreements between both the State of Nevada and Washoe County.

The current contract approved by the Council on August 10, 2022, allowed for an annual extension through June 30, 2024, with an annual cost not to exceed \$400,000. This was a rate increase from the prior extension due to medical inflation and the increase in police and fire personnel covered by the provisions of NRS Chapter 617, which was the reason for the increase to \$400,000 annually on the July 1, 2022 through June 30, 2023 joinder extension.

Discussion:

The City will be using this joinder provision, allowed under NRS 332.195, to participate in the contract extension awarded to ARC by Washoe County. The discounted rates available through Washoe County with ARC are significantly lower than the rates the City could achieve contracting directly with ARC.

Although the rates that ARC is providing for FY24 are staying flat, Risk Management is requesting an increase in the do not exceed amount from \$400,000 to \$450,000. The reason for this increase is due to the increase in both fire and police personnel for FY24.

The City's joinder will be effective July 1, 2023 through June 30, 2024. Washoe County is expected to go out to RFP/RFQ in January 2024 for these services currently provided by ARC. At that time, the City will determine whether or not it is still cost effective to continue on the joinder contract with Washoe County.

Financial Implications:

The NRS requirement for these tests and medical services is unchanged. Sufficient funds for this contract are budgeted in FY23/24 (Self-Funded Workers' Compensation Fund).

Legal Implications:

Legal review completed for compliance with City procedures and Nevada Law. NRS 332.195 allows this joinder without observing an individualized bidding process. Approval of the joinder will obligate the City to perform in accordance with the requirements of the Joinder and will keep the City in compliance with NRS Chapter 617.

Recommendation:

Staff recommends Council approval of the joinder to Master Service Agreement #3086-19 with Washoe County for physical exam services from ARC Health and Wellness for an amount not to exceed \$450,000.

Proposed Motion:

I move to approve staff recommendation.

Attachments:

Joinder Letter 2023 Extension

Final Amendment #2 To the Professional Services Agreement for Employee Medical Services
(Washoe County) 3086-19 Washoe County & ARC Contract_2019