

STAFF REPORT

Date: October 12, 2022

To: Mayor and City Council

Thru: Doug Thornley, City Manager

Subject: Staff Report (For Possible Action): Approval of the extension of the Included Health (previously Grand Rounds) benefit for eligible employees seeking medical guidance through a suite of services in the amount of \$99,000 per year for the next three years. (Self-Funded Medical Plan Fund)

From: Norma Santoyo

Department: City Manager's Office – HR

Summary:

The City of Reno and Included Health (previously Grand Rounds) have partnered to provide a suite of services to eligible active and retired employees currently on the group health plan. Services include expert second opinions, treatment decision making assistance and concierge physician matching. As Included Health has met all ROI guarantees, and in light of a recent initiative to utilize Included Health's services as a resource for public safety employees with pre-disposing indicators for heart and lung disease, staff recommends renewal of the contract with Included Health.

Alignment with Strategic Plan:

Not Applicable

Previous Council Action:

A contract with Included Health was approved in October 2019 by Council as a companion benefit to optimize usage of the group healthcare. The current cost of the contract is \$4.15 per member per month with a ROI guarantee for an annual investment of \$109,560.

Background:

A contract with Included Health was approved in October 2019 by Council as a companion benefit to optimize usage of the group healthcare. Healthcare is increasingly complex, and employees often are not able decide on a best course of treatment, or may even become stymied by the myriad of treatment decisions. Included Health gives support to employees when they face difficult medical problems and/or complex treatment decisions. Included Health has

demonstrated they actually produce savings to our plan by matching our employees with quality care reducing unnecessary treatment, and engaging members with expert medical professionals to ensure care received is of the highest quality and produces the best outcomes.

Included Health uses a database of 700,000 physicians, 96 percent of the United States total, and merges it with insurance claims data and biographical information to grade doctors based on quality measures. The goal is to help people find a physician who will give them the right diagnosis the first time around, and link patients with experts who can provide second opinions and assist with treatment decisions. Included Health (formerly known as Grand Rounds) recently rebranded to demonstrate their commitment to better healthcare for all. They make healthcare benefits easier to find and use, help to meet a growing demand for mental health, and overall improve access to high-quality care.

Discussion:

Included Health's suite of services includes:

- A plan management tool for expert second opinions and redirected care; referrals are often redirected to less invasive, more effective treatments whereby reducing overall plan costs.
- Concierge physician matching directs patients to the best local, in-network physicians or arranges for consultations with world-leading experts when a second opinion is warranted.
- Second opinion services include booking appointments, gathering medical records and treatment decision support services. Included Health physicians assist throughout the treatment process and provide support to local physicians.

Included Health achieved the guaranteed minimum 1:1 return on investment over each 12 month measurement term. They are offering an option of renewing at reduced pricing of \$3.75 PEPM, removing fees at risk for a 1x ROI Guarantee; Annual investment \$99,000. Included Health has provided documented validation of their value and ROI for the City of Reno in these past years. It is likely Included Health will continue to evolve and increase support in many areas related to the increasingly complex healthcare system. Most recently, Included Health has been utilized as a "next step" resource for public safety employees who have been found to have pre-disposing indicators through Heart and Lung Bill mandated physicals. Included Health provides an excellent option for public safety employees and we look forward to positive outcomes which impact our insurance costs and workers' compensation expenses.

Financial Implications:

The agreement with Included Health is for a three-year term, January 1, 2023 thru December 31, 2025. The required funding has actually decreased with an investment of \$99,000 annually. The cost will be paid from the City's Self-Funded Medical Plan. Included Health services will be

offered as part of the benefit package through the City and as a resource through the Workers' Compensation program.

Legal Implications:

Legal review completed for compliance with City procedures and Nevada law.

Recommendation:

Staff recommends approving the renewal of the Included Health contract for eligible active and retired employees for an additional 3 year period.

Proposed Motion:

I approve the renewal of the Included Health contract for a period of three years.

Attachments:

Included Health Renewal Proposal

Included Health Business Review

(Not attached: Included Health Savings Methodology for ROI (confidential and proprietary))