



City of Boynton Beach Agenda Item Request Form

Meeting Date: 05/20/2025

Proposed Resolution No. R25-136- Approving a Shared-Site Service Agreement with CareATC Inc., for professional health administration to employees, spouses, dependents, and retirees through its shared-site network health centers.

Requested Action: Staff recommends approval of Proposed Resolution No. R25-136.

Explanation of Request:

On October 19, 2022, the City Commission approved an agreement with CareATC to administer an employee health center clinic. This clinic provides City employees, their spouses, dependents, and retirees access to high-quality primary, urgent, prescription, and occupational healthcare.

CareATC has expanded its services, and staff has successfully negotiated new terms that promise both enhanced service offerings and financial benefits. These updated terms include the addition of new services alongside a tiered program specifically designed for dependents and spouses.

Listed below are the savings under the new agreement:

1. Monthly and Annual Cost Savings:

Under the previous CareATC contract, the City's monthly healthcare costs for employees, retirees, spouses, and dependents—including diabetes management, Preventive Health Assessments (PHAs), labs, and supplies—totaled approximately \$139,571.00. The new contract reduces this to \$101,309.50 per month, resulting in a monthly savings of \$38,261.50 and a projected annual savings of \$459,138.00.

2. Tiered Program for Dependents and Spouses:

The new agreement introduces a tiered pricing model based on the number of participating dependents and spouses. Currently, around 433 dependents and spouses are covered under the City's health plan, but only fewer than 60 are using CareATC services. At this participation level, the City pays \$45 per participant per month (PEPM) instead of the highest tier rate of \$95.50. CareATC has committed to increasing

participation through enhanced outreach, including marketing, onsite visits, and educational sessions, with the goal of reducing Aetna claims.

Tiered PEPM Costs for Dependents/Spouses:

- 1–60 participants: \$45.00
- 61–120 participants: \$61.83
- 121–180 participants: \$78.67
- 181+ participants: \$95.50

3. Fire Rescue and Police Evaluations Savings:

The City previously spent \$313,600 annually across multiple vendors to conduct required annual evaluations for Fire Rescue and Police personnel. Under the new agreement, CareATC will now provide these evaluations (excluding imaging) at their facility, saving the City the full \$313,600.

Previous Costs:

- Life Scan (250 staff @ \$1,000 each): \$250,000
- Hepatitis Shots: \$13,600
- MD Now: \$50,000
- Total Savings: \$313,600

4. Overall savings:

- $\$459,138.00 + \$313,600.00 = \$772,738.00$
- By increasing participation at CareATC, the City should experience a savings in reduction of Aetna claims.

5. Improved Cost Increase Terms:

The previous contract allowed annual cost increases based on the greater of either 5% or the U.S. Medical CPI. The new agreement improves this by limiting increases to the *lesser* of:

- 5%, or
- The U.S. Consumer Price Index for Medical Care ("Physicians") as reported by the Bureau of Labor Statistics over the past 12 months.
- This change helps better control annual cost escalations.

6. Performance Guarantees: Improvement to Fees at Risk

Previously, CareATC's fees at risk for performance guarantees totaled \$12,000.00.

1. \$3,000 – Same Day/Next Day Appointments
2. \$3,000 – Patient Net Promoter Score
3. \$3,000 – Client Satisfaction
4. \$3,000 – Account Management

The new agreement places up to seventy thousand dollars (\$70,000) fees at risk, divided into seven (7) Performance categories. The Performance Incentive payments shall be made only if CareATC meets or exceeds the Performance Incentive Goal.

1. \$10,000 - Increase compliance with National Screening recommendations.
2. \$10,000 - Blood Pressure
3. \$10,000 – HbA1c
4. \$10,000 – Generic medication
5. \$10,000 – Account Management – Timeliness of Reporting
6. \$10,000 – Patient Experience
7. \$10,000 – Appointment Availability

Services provided under the new agreement:

1. Primary Care Services. Primary care to include, but not limited to:
 - a) Evaluation, testing, and treatment for minor illnesses
 - b) Treatment for minor injuries not work-related
 - c) Annual physical and/or regular check-up
 - d) Chronic illness evaluation
 - e) Minor medical procedures within the Health Professionals' scope of licensure and abilities (which may vary depending on staffing at the Shared Site Health Center) and can be performed at the Shared Site Health Centers with available equipment.
 - f) Occupational Health.
 - g) Physical Exams – pre-employment & annual physicals (including drug screening), Public Safety pre-employment and annual physicals.
 - h) Medications and Injections
 - i) Laboratory Collections
 - j) Audiometric Testing
 - k) Pulmonary Function Testing
 - l) Respiratory Fit Testing
 - m) Stress Testing with interpretation
 - n) Ultrasounds
 - o) TB testing
2. Pediatric Services. Eligible Participants 2-years & older (urgent care, with limits regarding immunizations) for Routine Primary Care and School Physicals.
3. Pharmaceuticals. Provisions of CareATC standard pharmaceuticals to treat common illnesses, including, but not limited to:
 - a) Infections
 - b) Hypertension

- c) Hyperlipidemia
- d) Diabetes
- e) Infectious Disease (including antibiotics)
- f) Gastro esophageal/reflux disease
- g) Asthma
- h) Chronic lung disease
- i) Allergies (oral for non-life threatening)

4. Lab Work. Necessary standard laboratory work to provide the Services.

5. Virtual Care Access. Eligible Participants will have access to providers that will provide 24 hours per day, 7 days per week care over the telephone, Internet, or any other telecommunication device or network.

6. Registered Dietitian/Health Coach.

- a) The Registered Dietitian/Health Coach shall provide nutritional and health coaching services focused on chronic conditions and lifestyle management to Eligible Participants.
- b) The Registered Dietitian/Health Coach Services shall be delivered virtually.

7. Mental Health Services.

- a) Mental Health Professional(s) shall provide Mental and Behavioral Health Services to Eligible Participants.
- b) The Mental Health Services shall be delivered at the Shared Site Health Center and virtually.

8. Physical Therapy and Musculoskeletal Care.

- a) Licensed physical therapists shall provide integrated chronic disease management and activity prescriptions to address the physiological impact of musculoskeletal conditions.
- b) The Physical Therapy Services shall be delivered at the Shared Site Health Center and virtually.

9. Care Coordination.

- a) The Registered Nurse Care Coordinator shall provide Care Coordination Services to include analyzing high risk patient data, conducting initial outreach, providing clinical education, assessing compliance with treatment plan, and working to address patient barriers.
- b) The RN Care Coordination Services shall be delivered virtually.

10. Team-Based Collaborative Care Services.

- a) The Collaborative Care Services are a specialized chronic condition management program that delivers individualized care plans through the integration of multiple clinicians. Patients will be systematically identified, assessed, and treated based on their unique health status and risk factors.

11. Diabetes Management Program.

- a) Provision of tools to ensure patients are meeting the required milestones to effectively manage diabetes, as well as getting the education and help that is needed to improve health and well-being. Services provided will include:
 - I. Medications & supplies through CareATC pharmacy partner as a pass-through cost.
 - II. Education on managing diabetes.
 - III. Patient check-ins that cover medication compliance, blood sugar measurements,

coordination of provider/lab visits, as well as foot and eye exam compliance.

b) The Diabetes Management Program shall be delivered at the Shared Site Health Center and virtually.

The Shared Site Agreement outlines a collaborative arrangement effective retroactively from February 1, 2025, through September 30, 2027. Recognizing the potential for a long-term partnership, the agreement includes a provision for yearly renewal, contingent upon the mutual consent of all involved parties. This clause allows for flexibility and ensures that the collaboration can adapt to evolving needs and circumstances beyond the initial term, fostering a sustained and mutually beneficial relationship.

CareATC remains proactive in its commitment to the well-being of the City of Boynton Beach's employees, their spouses, dependents, and retirees. Demonstrating a forward-thinking approach, CareATC is continuously exploring and identifying additional healthcare services that could be seamlessly integrated into the existing clinic offerings. This ongoing evaluation ensures that the City can provide a comprehensive and evolving suite of benefits, further enhancing the health and wellness support available to its valued personnel and their families.

How will this affect city programs or services?

The employee health clinic offers its services to employees, their spouses, dependents, and retirees who are currently enrolled in the City's health insurance plan. A key anticipated benefit of providing this accessible on-site care is a projected decrease in the number of external claims submitted to Aetna, as more healthcare needs are addressed directly within the clinic. This shift towards in-house care aims to streamline healthcare delivery and potentially yield cost savings for the City's health insurance plan.

Budgeted Item: Yes

Account Line Item and Description:

522- 1710- 519. 31- 21, City Clinic

Fiscal Impact:

Projected cost savings: \$772,738.00 +/-

Attachments:

[R25-136 Agenda_Item_3092-2025_Resolution_for_CareATC.docx](#)
[Shared Site \(Boynton Beach\) 2024 v18 5.15.2025.pdf](#)