

SCHOOL BOARD OF BREVARD COUNTY, FLORIDA

BOARD AGENDA ITEM – August 24, 2021

PROCUREMENT SOLICITATION

RFP 16-P-076-EP – On-Site Health Clinics - Extension

<input type="checkbox"/> (ITB) Invitation To Bid	<input type="checkbox"/> (ITN) Invitation To Negotiate	<input type="checkbox"/> (PB) Piggyback
<input checked="" type="checkbox"/> (RFP) Request For Proposal	<input type="checkbox"/> (RFQ) Request For Qualifications	<input type="checkbox"/> (SC) State Contract
<input type="checkbox"/> (SS) Sole Source		

REQUESTOR: Employee Benefits & Risk Management **Legal Review Required:** Yes No
Standard Template Used with No Changes: Yes No
Standard Template: N/A

VENDOR NAME	AMOUNT AWARDED	REQUIRED PRODUCTS/SERVICES
Marathon Health, LLC	Approximately \$3,282,570 for 2022 Following years subject to increase outlined in Addendum	On-Site Health Clinics
Total	Variable	

<input type="checkbox"/> Contract Renewal	New Contract Amount -	\$3,282,570 annual
<input type="checkbox"/> Recurring Contract	Previous Contract Amount	\$3,126,239 annual
<input type="checkbox"/> New Contract	Variance	\$156,331

PRICE INCREASE / DECREASE EXPLANATION: Based on the 2016 contract in force: Article IV Payment Terms, Pricing: 4.1 allows for a 5% automatic increase over the previous period.

DISCUSSION:

On June 14, 2016, the Board approved the agreement with Marathon Health, LLC to become the District’s Health and Wellness center operator.

The attached Addendum(s) provides the following:

- extends the term of the agreement for an additional five years
- provides termination clause of 90 days
- further defined performance guarantees
- addition of behavioral health provider
- option to engage additional providers

A vendor-provided addendum has been used and approved by Legal Services on August 10, 2021.

CONTRACT TERM:

The extension term shall be begin on January 1, 2022 and continue through December 31, 2026.

RECOMMENDATION:

It is the recommendation of Beth Thedy, Ed.D., Deputy Superintendent/Chief Human Resources Officer and Antonia Scipio, Director of Employee Benefits and Risk Management to approve the attached addendum with Marathon Health, LLC.

AUTHORITY FOR ACTION:

Florida Administrative Code 6A-1.012

RFP 16-P-076-EP

FOURTH ADDENDUM TO HEALTH SERVICES AGREEMENT

This Fourth Addendum to Health Services Agreement (the "Addendum"), dated as of the latest date of the signatures below (the "Addendum Effective Date"), is made by and between **MARATHON HEALTH, LLC** ("Marathon") and **THE SCHOOL BOARD OF BREVARD COUNTY** ("Client").

RECITALS

WHEREAS, Marathon and Client entered into that certain Health Services Agreement, dated as of June 14, 2016, for certain preventive, wellness, disease management, health consultation and primary care services (the "Original Agreement"), as amended by that certain First Addendum to Health Services Agreement dated August 27, 2018, that certain Second Addendum to Health Services Agreement dated December 11, 2018 and that certain Amended and Restated Third Addendum to Health Services Agreement dated January 19, 2020 (collectively with the Original Agreement, the "Agreement"); and

WHEREAS, the Parties wish to extend the Term of the Agreement, and further wish to amend certain provisions of the Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound, the Parties agree as follows:

1. **Extension of Term.** The Parties agree to renew the Term of the Agreement for all three health centers beginning on January 1, 2022 (the "Renewal Date") through December 31, 2026. In consideration of the extension of the Term through December 31, 2026, Marathon agrees to waive the implementation fee associated with the addition of virtual behavioral health services described in paragraph 3 in the amount of \$9,981 and to grant the additional fee waiver described in paragraph 4.
2. **Additional Termination Event.** Section 7.3 of the Original Agreement is hereby amended to provide that Client may terminate the Agreement upon ninety (90) days' written notice to Marathon.
3. **Performance Guarantees.** Marathon will deliver the Marathon Services subject to the performance guarantees attached to this Addendum as Exhibit A.
4. **Addition of Behavioral Health Provider.** The "Health Center Staffing" section of Schedule A of the Agreement is hereby amended to include one (1.0) FTE behavioral health counselor (the "BH Provider"). Marathon will recruit a BH Provider as soon as practicable to provide virtual behavioral health services. The BH Provider may provide on-site services at health center locations as may be mutually agreed upon between the Parties.
5. **Annual Service Fee.** The Parties agree that the Annual Service Fee for the year beginning on the Renewal Date shall be \$3,282,570, meaning and intended to be the same Annual Service Fee payable by Client during the preceding year. Beginning on January 1, 2023, the Annual Service Fee will be increased as follows:

Service Period	Percentage Increase Over Previous Year's Annual Service Fee
January 1, 2023 – December 31, 2023	1%
January 1, 2024 – December 31, 2024	2%
January 1, 2025 – December 31, 2025	3%
January 1, 2026 – December 31, 2026	4%

In the event that the Renewal Term is further renewed in accordance with Section 3.1 of the Original Agreement, notwithstanding the terms of Section 4.1 of the Original Agreement, the Annual Service Fee and annual dispensed medication fees shall automatically increase by 4% over the previous year. The dollar amount of the Annual Service Fee set forth herein reflects the waiver by Marathon of the annual cost associated with the provision of virtual behavioral health services described in paragraph 3, above, through the expiration of the Renewal Term set forth herein, in the amount of \$130,000 per year, and may be extended by Marathon at its discretion.

The Annual Service Fee shall be subject to the performance guarantees set forth in Schedule A.

6. **Option to Engage Additional Providers.** Client may, at its option, request that Marathon recruit and hire one (1.0) FTE nurse practitioner and one (1.0) FTE medical assistant (the "Additional Providers"). Upon Client's exercise of the foregoing option, Marathon will make reasonable efforts to promptly recruit and hire the Additional Providers. The Parties agree that the Annual Service Fee shall be increased by \$296,741 (i.e. \$235,397 for the Marathon Services provided by a nurse practitioner and \$61,344 for the Marathon Services provided by a medical assistant) upon the date of hire of the Additional Providers, pro-rated for the first partial calendar year beginning on the hire date for the Additional Providers and subject to the percentage increases set forth in paragraph 4 of this Addendum.

In addition, Client shall pay a one-time implementation fee in the amount of \$22,094 for the recruiting, training travel, equipment and software fees related to the engagement of the Additional Providers. Marathon will invoice Client for the implementation fee upon the posting of the job openings for the Additional Providers and Client will pay the invoiced amount within 30 days of the date of invoice.

7. Add the following clause to the agreement:

E-Verify. Under Executive Order 11-116, and Section 448.095, Fla. Stat., effective July 1, 2020, Contractor shall use the U.S. Agency of Homeland Security's E-Verify system, <https://e-verify.uscis.gov/emp>, to verify the employment eligibility of all employees hired during the term of this Agreement. Contractor shall also require all subcontractors performing work under this Agreement to use the E-Verify system for any employees they may hire during the term of this Agreement. Contractor must provide evidence of compliance with 448.095, Fla. Stat by January 1, 2021. Evidence may consist of, but is not limited to, providing notice of Contractor's E-Verify number. Failure to comply with this provision is a material breach of the Agreement, and BPS may choose to terminate the Agreement at its sole discretion. Contractor may be liable for all costs associated with BPS securing the same services, inclusive, but not limited to, higher costs for the same services and rebidding costs (if necessary).

8. **Miscellaneous.** This Addendum is made under and incorporates the terms and conditions of the Agreement. The terms and conditions set forth in this Addendum are in addition to and not in substitution of any terms or conditions set forth in the Agreement. Except as specifically modified by this Addendum, the terms and conditions of the Agreement remain in full force and effect.

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties hereto have executed this Addendum as of the Addendum Effective Date.

THE BREVARD COUNTY SCHOOL BOARD

By: _____

Name: Misty Belford

Title: Board Chair

Date: _____

MARATHON HEALTH, LLC

DocuSigned by:
By: Matt Weissert
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Name: Matt Weissert

Title: Senior Vice President

Date: 8/10/2021

Exhibit A

Performance Guarantees; At-Risk Amounts

At-Risk Amount. Five percent (5%) of the Annual Service Fee remitted by Client shall be “at-risk” for the Term of the Agreement and will be subject to Client credits as detailed below in the event that the following metrics are not met:

	Year 1 (2022)	Year 2 (2023)	Year 3 (2024)
Health Outcomes	2.5%	2.5%	2.5%
Client Savings	2.5%	2.5%	2.5%
Total At-Risk	5%	5%	5%

HEALTH OUTCOMES

Marathon’s Performance

Following each of Years 1 through 3, Marathon will calculate the measurements indicated in the table below for Members with at least 6 months of eligibility during the applicable 12-month period who have had at least one preventive provider visit during such period (note exception for mental health screening which requires a physical or comprehensive health review). Measurement targets are set based on attainment of the HEDIS 50th / 67th and 75th percentiles Years 1-3 where applicable. Where no HEDIS benchmark applies, target is based on internal benchmarks. The minimum sample size for inclusion of a metric is 20 members. In the event one or more metrics are not included in the total points calculation due to insufficient sample size, the total achievable points for such year shall be decreased by the number of excluded categories and the target points pro-rated accordingly.

Category	Guidelines	Class	Measurement	Targets Years 1/2/3	Weighting
Top Cost Drivers					
Cancer	Breast Cancer Screening (Mammogram)	Adult Preventive Care Guidelines	Measure identifies women 50 through 74 years of age during the reporting period who had a mammogram to screen for breast cancer within the past 24 months, with a 3 month grace period	HEDIS® 50 th / 67 th / 75 th percentiles	0.33
	Cervical Cancer Screening 21-64	Adult Preventive Care Guidelines	Measure identifies female patients 21 through 64 years of age who have had a cervical cancer screening – look-back	HEDIS 50 th / 67 th / 75 th percentiles	0.33

			period varies with test type		
	Colorectal Cancer Screening	Adult Preventive Care Guidelines	Measure identifies patients 50 through 75 years of age who received a colorectal cancer screening – look-back period varies with test type	HEDIS 50 th / 67 th / 75 th percentiles	0.33
Musculoskeletal	Low Back Pain – Exercise / PT Referral	Orthopedic Guidelines	Measure identifies patients 18+ who were treated for neck and back pain with strength and endurance exercise or referred to physical therapy	50% / 50% / 50%	0.50
	Knee Osteoarthritis – Weight Management	Orthopedic Guidelines	Measure identifies overweight patients with hip osteoarthritis who received nutrition counseling	50% / 50% / 50%	0.50
Circulatory	BP Control (140/90)	Adult Preventive Care Guidelines	Measure identifies patients 18 years of age and older whose most recent blood pressure is less than 140/90 (within the past 12 months)	HEDIS 50 th / 67 th / 75 th percentiles	0.50
	TC : HDL Ratio – Improvement of High / Very High Risk	Adult Preventive Care Guidelines	Percent of patients who are high or very high risk for TC : HDL ratio who had two measurements and were eligible for at least 75% of the measurement period and improved to a lower risk category	25% / 30% / 35%	0.50
Key Comorbidities / Risk Factors					
Mental Health	Screening for clinical depression and follow-up	Adult Preventive Care Guidelines	Measure identifies patients 12 years of age and older who have been screened for clinical depression using a standardized depression screening tool, and it positive, a follow-up plan is documented. Pertains	50% / 60% / 70%	1.00

			to patients with an annual physical or comprehensive health review.		
Diabetes	Percent at SOC – at least 5 of 8 met			60% / 70% / 75%	1.00
	BP Control in Diabetes (140/90)	Diabetes Guidelines	Measure identifies patients 18 years of age or older with diabetes whose most recent blood pressure is less than 140/90		
	HbA1c Process (1x year)	Diabetes Guidelines	Measure identifies patients 18 years of age or older with diabetes who have had a hemoglobin A1c screening		
	HbA1c Control <8%	Diabetes Guidelines	Measure identifies patients 18 years of age or older with diabetes whose most recent hemoglobin A1c value is less than 8%		
	Statin Use	Diabetes Guidelines	Measure identifies patients 40 through 75 years of age with diabetes who have an active statin prescription		
	Comprehensive Diabetic Foot Exam	Diabetes Guidelines	Measure identifies patients 18 years of age or older with diabetes who received a diabetic foot exam		
	Lipid Control (less than 100)	Diabetes Guidelines	Measure identifies patients 18 years of age or older with diabetes whose most recent LDL-C value is less than 100 mg/dl		
	Nephropathy Screening	Diabetes Guidelines	Measure identifies patients 18 years of age or older with diabetes who have had a nephropathy screening or evidence of nephropathy		

	Pneumonia Vaccination	Diabetes Guidelines	Measure identifies patients 18 years of age or older with diabetes who received 23-Valent Pneumococcal Polysaccharide Vaccine		
Tobacco Cessation	Tobacco Cessation Counseling	Adult Preventive Care Guidelines	Measure identifies patients 18 years of age or older who are identified as current tobacco users and received tobacco cessation counseling or therapy	HEDIS 50 th / 67 th / 75 th percentiles	1.00

The Healthcare Effectiveness Data and Information Set (HEDIS®) is a registered trademark of NCQA.

Marathon may update guidelines within the clinical areas above to remain current with evolving care standards.

Annual Fee Credits

The portion of the At-Risk Amount attributable to Health Outcomes (indicated in the table above) will be credited back to the Client in accordance with the following scale:

# of Points Achieved	% of At-Risk Amount
< 2	100% credited to Client
2.0-2.99	75% credited to Client
3.0-3.99	50% credited to Client
4.0-5.99	No refund
6.0	25% bonus paid to Marathon

CLIENT SAVINGS

Marathon's Performance

The portion of At-Risk Amount attributable to Client Savings will be credited back to the Client in accordance with the following scale:

	Year 1	Year 2	Year 3	Scoring
Achievement of Net ROI	2.0 : 1.0	2.0 : 1.0	2.0 : 1.0	<p>≥90 & <100% of target = 25% refund of at-risk amount</p> <p>≥75 & <90% of target = 50% refund of at-risk amount</p> <p><75% of target = 100% refund of at-risk amount</p>

Calculation Methodology:

- Client’s expected Year 1 medical and Rx plan paid PMPM claims costs for the eligible population, excluding high-cost claimants of \$50,000 or above, are calculated using a 6% medical inflation rate and 11% Rx inflation rate.
- Expected Year 2 PMPM costs are computed by increasing expected Year 1 costs by 6% for medical inflation and 11% for Rx inflation
- Expected Year 3 PMPM costs are computed by increasing expected Year 2 costs by 6% for medical inflation and 11% for Rx inflation
- Gross savings is calculated by comparing actual plan paid spend to projected spend as illustrated below
- ROI is calculated by dividing gross savings by the annual service fee; the resulting ratio must meet or exceed targets above
- Claims and plan eligibility data must be received in the format and within the timeframe specified in this Agreement to complete this analysis
- Unforeseen macro-economic events may require an adjustment of the comparison trend and the Parties will negotiate such adjustments in good faith if such unforeseen events occur.

Cost Savings Calculation Illustration				
	Average Enrolled Pop.	PMPM Excl. Outliers > \$50K	Total Plan Paid Excl. Outliers	
Baseline	2,000	\$ 300.00	\$ 7,200,000	
Comparison Trend - 6% Inflation	2,000	\$ 318.00	\$ 7,632,000	
Actual Plan Paid - Measurement Year	2,000	\$ 286.00	\$ 6,864,000	
Actual vs. Comparison Trend (Gross Savings)			\$ (768,000)	
Marathon Health Annual Service Fee			\$ 500,000	
Est. Savings : Cost Ratio (ROI)			1.54	

Requirements of Client

Notwithstanding the above, if the following requirements are not met during a given year for the indicated dimension, then no fee credit will be due to the Client for that dimension for such year:

Client Savings:

1. Client must provide information on PMPM medical and pharmacy claims cost and high-cost claimants of \$50,000 or above for at least the last 2 years immediately preceding Year 1 of the Agreement.
2. Client must provide the expected PMPM medical and pharmacy claims cost, net of and high-cost claimants of \$50,000 or above, for Year 1, reflective of the impact of any health plan design changes for that year.
3. Client must provide information on PMPM medical and pharmacy claims cost and high-cost claimants of \$50,000 or above within 90 days of the end of each contract year.
4. The medical claims and membership data referred to in Section 6.5 and Section 6.6 of the Agreement must be received as scheduled. In addition, Client will direct its carrier, third party administrator, or third party vendor for claims data mining to provide to Marathon pharmaceutical claims data for the Participants enrolled in Client's health plan(s) for the 12 months prior to the Renewal Date and at periodic but no less than monthly intervals thereafter through the Term.
5. Client must have named an Executive Sponsor for the health center.

Results Summary

Annual results will be calculated following 90 days of claims run-out with final results available within 180 days.

Categories	% of Annual Service Fee	Results
Health Outcomes	2.5%	4.0 – 5.99 met = no refund
Client Savings	2.5%	100% of target = no refund