

CITY OF EL PASO, TEXAS
AGENDA ITEM DEPARTMENT HEAD'S SUMMARY FORM

DEPARTMENT: Office of Management & Budget/Insurance & Benefits

AGENDA DATE: December 23, 2008

CONTACT PERSON/PHONE: David Almonte - 541-4530

DISTRICT(S) AFFECTED: All
Terrence Freiburg, Purchasing Manager, 541-4313

SUBJECT:

Approve a 1-year extension (January 1, 2009 – December 31, 2009) to the license agreement between the City and Physicians Healthcare Associates (PHA) for the City to provide space on City property for PHA to operate health care clinics for active, non-uniformed city employees, active duty police officers, active duty fire fighters and all retirees enrolled in the City's Self Funded Health Benefit Plan.

BACKGROUND / DISCUSSION:

On January 2002, the City approved a license agreement with PHA to provide space for wellness health clinics on City property to operate wellness clinics for City employees and retirees. The clinics offer basic health services such as but not limited to treatment of colds, influenza, diabetic glucose monitoring, sinus infections and the issuance of prescriptions as necessary for treatment of minor illnesses or injuries.

Between January 1, 2007 and November 30, 2008, the clinics have experienced 4,060 visits. The operation of the clinics during this same time period has cost the City \$341,188.00 and has saved the City approximately \$525,053.00 in sick leave payments to employees and doctor's office visits charged to the health fund. The clinics have provided medical and educational services to City employees/retirees. They have also eliminated the usual wait to see a medical provider and decreased the use of sick leave by employees for certain types of medical treatments.

The extension includes an amendment which grants a non-exclusive license to PHA, determines the end date of this extension and amends the method of payment. The previous payment terms were \$73.00/hr for nurse practitioners and licensed physician assistants and \$150.00/hour for medical oversight. The amendment to the contract provides for a composite rate of \$105.00/hour. This is less than the average hourly rate in the previous two contract extensions.

PRIOR COUNCIL ACTION:

Council initiated establishment of the clinics in January 2002 and has approved the continuation of the agreement every year since. The current agreement between PHA and the City will expire on December 31, 2008. The current contract provides for an extension. This is a request to exercise the option to renew for one year.

AMOUNT AND SOURCE OF FUNDING:

This item is funded and budgeted through the City of El Paso Health Benefit Fund, 45121-04100248-502111.

BOARD / COMMISSION ACTION:

N/A

*****REQUIRED AUTHORIZATION*****

LEGAL: (if required) _____ **FINANCE:** (if required) _____

DEPARTMENT HEAD: David Almonte 12-11-08

APPROVED FOR AGENDA: _____

CITY MANAGER: _____

DATE: _____

RESOLUTION

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EL PASO:

THAT the City Manager be authorized to sign that certain First Amendment to License Agreement for Physicians Healthcare Associates by and between the City of El Paso ("**City**") and Physicians Healthcare Associates ("**PHA**"), whereby the term is extend, the compensation is revised and the scope of the license to PHA to provide nurse practitioners and/or licensed physician assistants to staff and operate health care clinics located on City property is clarified.

ADOPTED this ___ day of December, 2008.

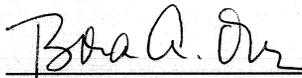
CITY OF EL PASO

John Cook
Mayor

ATTEST:

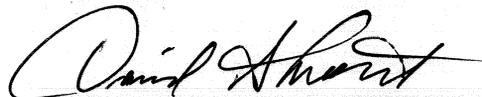
Richarda Duffy Momsen
City Clerk

APPROVED AS TO FORM:



Bertha A. Ontiveros
Assistant City Attorney

APPROVED AS TO CONTENT:



David Almonte, Director
Office of Management and Budget

STATE OF TEXAS)
)
COUNTY OF EL PASO)

**AMENDMENT TO
LICENSE AGREEMENT**

THIS AMENDMENT TO LICENSE AGREEMENT (this "*Amendment*") is executed effective for all purposes as of this ____ day of December, 2008 by and between the City of El Paso, a home rule municipal corporation, (the "*City*") and Physicians Healthcare Associates (the "*Licensee*").

RECITALS

WHEREAS, on February 8, 2005, as a part of its self-funded health benefit plan ("Health Plan"), the City entered into a License Agreement ("Original License") with Licensee to allow Licensee to enter the City premises and operate medical clinics for the benefit of active non-uniformed City employees, active duty police officers, active duty fire fighters and all retirees enrolled in City's Health Plan; and

WHEREAS, the City desires to amend the Contract to extend the term, revise the compensation and clarify the scope of the license to Licensee.

AGREEMENT:

NOW THEREFORE, in consideration of the mutual promises set forth in this Contract, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. **CITY RESPONSIBILITIES.** Paragraph 2a. of the Original License is hereby amended to read:

"The City hereby grants to Licensee, a non-exclusive license to enter City property to operate health clinics at suitable locations designated in Attachment B. City agrees that it will provide Licensee with all available utilities to support operation of the Clinics. Each Clinic site shall be subject to PHA inspection to ensure that the sites adhere to medical requirements (e.g. safety, cleanliness, patient confidentiality, etc.)."

2. **TERM AND TERMINATION.** Paragraph 3a. of the Original License is hereby amended to read:

“This Agreement shall be in full force and effect from the first day appearing herein through December 31, 2009, subject to any limitations set forth herein, and further subject to the availability of funding.”

3. METHOD OF PAYMENT FOR SERVICES. Section 5a. and 5c. of the Original License is hereby amended as follows:

“a. Licensee shall bill the Contractor on a monthly basis at a rate of \$105.00 per hour (blended rate) for services provided by each nurse practitioner and licensed physician assistants. Medical oversight expenses are included in the blended rate.

c. Licensee hereby agrees to bill City for ancillary services in accordance with the terms of this Agreement.”

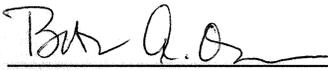
4. TERMS AND CONDITIONS. Except as set forth herein, all terms and conditions of the Original License and all subsequent Amendments thereto shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto executed this agreement at El Paso, Texas, effective as of the first date appearing heretofore.

CITY OF EL PASO

Joyce A. Wilson, City Manager

APPROVED AS TO FORM:



Bertha A. Ontiveros
Assistant City Attorney

APPROVED AS TO CONTENT:



David R. Almonte, Director
Office of Management and Budget

**PHYSICIANS HEALTHCARE
ASSOCIATES:**



Dr. Vernoy Walker
President