



BOARD OF SUPERVISORS
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Department Name: Human Resources
Department No.: 064
For Agenda Of: September 14, 2021
Placement: Administrative
Estimated Time:
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors

FROM: Department Maria Elena De Guevara, Human Resources Director, 568-2817
Director(s)
Contact Info: Katie Torres, Benefits & Wellness Division Chief, 568-2818

SUBJECT: First Amendment to Agreement between County of Santa Barbara and HealthStat Wellness, Inc for Onsite Employee Clinic Program

County Counsel Concurrence

As to form: Yes

Auditor-Controller Concurrence

As to form: Yes

Other Concurrence: Risk Management

As to form: Yes

Recommended Actions:

That the Board of Supervisors:

- a) Approve, ratify and authorize the Chair to execute the First Amendment to Board Contract #BC20105. The amendment increases the hourly rate paid to a Medical Office Assistant in the Santa Maria Clinic (\$32.59 per hour in the first year of the contract) to equal that paid to a Medical Office Assistant in the Santa Barbara Clinic (\$37.13 per hour in the first year of the contract). Other contract savings make it unnecessary to increase the total annual contract amount of \$1.2 million; and
- b) Determine pursuant to California Environmental Quality Act (CEQA) Guidelines Section 15378(b)(4) that the above action is a government fiscal activity which does not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment, and therefore is not a project subject to environmental review.

Summary Text:

On July 14, 2020, the Board approved a contract with HealthStat Wellness, Inc. for Renewal of Onsite Employee Clinic Program for a contract period of June 2, 2020 through June 30, 2022 with three successive one-year renewal terms. This program has a history of improving the health of employees, reducing healthcare claim expenses, and mitigating increases in medical premiums. Exhibit B of the current contract created a wage differential between the Santa Maria Clinic Medical Office Assistant (\$32.59 per hour, adjusted annually by 3%) and the Santa Barbara Clinic Medical Office Assistant (\$37.13 per hour, adjusted annually by 3%) based on the vendor's assessment of market rates. Unfortunately, the Santa Maria wage rate has proved insufficient to hire and retain a Medical Office Assistant for that location and the position has been vacant since January 1, 2021. This contract amendment is intended to establish an hourly rate for the Santa Maria Clinic that is sufficient to fill the position.

Background:

Over the last three years there have been 15,481 clinic visits, which have allowed the County to avoid approximately \$3.87 million in indirect costs and approximately \$461,000 of potential catastrophic medical event costs due to diabetes, being added to the County's claims experience which is a component for determining future healthcare premium increases. Due to the onsite locations, short waiting times, and the ability to offer same day appointments, it is estimated that over the same time period the clinics have saved the County approximately \$1.02 million in lost time. In addition, County employees have realized an estimated \$697,000 in savings from co-payments by visiting the clinics instead of their primary care physicians and diagnostic laboratories. Over the last two years the reduction in loss ratios resulted in approximately \$3.4 million savings in potential premium increases.

Medical Office Assistants play an important role in the clinics to ensure employee satisfaction, moving patients through the clinic efficiently, and meeting patient needs when they come into the clinics.

Fiscal and Facilities Impacts:

Budgeted: Yes

Fiscal Analysis:

The overall difference in hourly wage for the Santa Maria Clinic Medical Office Assistant (approximately \$9,000 annually) is less than one percent of the total HealthStat Wellness, Inc. contract and other contract savings should avoid the need to increase the overall contract amount.

Key Contract Risks:

This contract amendment provides no additional risk to the County.

Special Instructions: Please return one copy of the executed agreement to Human Resources, attention Don Nguyen.

Attachments:

Attachment A: First Amendment to Agreement between County of Santa Barbara and HealthStat Wellness, Inc.

Authored by:

Katie Torres, Benefits & Wellness Division Chief