SUMMARY STATEMENT

ITEM NO.: DRPA-11-097  SUBJECT: Renewal of DRPA/PATCO Employee Assistance Program (EAP) Provider

COMMITTEE: Finance Committee

COMMITTEE MEETING DATE: October 5, 2011

BOARD ACTION DATE: November 16, 2011

PROPOSAL: Staff seeks Board authorization to enter into a contract with The Cooper Health System to provide an Employee Assistance Program to DRPA/PATCO employees for the period January 1, 2012 – December 31, 2016.

PURPOSE: The Cooper Health System (“Cooper Health”) serves as the Authority’s EAP provider. The current contract will expire on December 31, 2011.

BACKGROUND: In January 2011, our broker issued a Request for Proposal for Employee Assistance Program (EAP) providers. Willis received responses from the following 11 vendors:

- Cooper Health System
- Carebridge Corporation
- Ceridian
- CIGNA
- CompPsych
- FirstCall
- HMS, Inc.
- Mental Health Consultants, Inc.
- MHNet Behavioral Health
- Penn Behavioral Health
- Princeton Healthcare System EAP

The inforce EAP model is well-received by employees and Authority management. In addition the Substance Abuse Problem (SAP) Assessment resource meets the needs of management and the Authority’s Drug & Alcohol Program. To staff’s knowledge, there have been no network complaints.
The EAP that most closely mirrored the then-existing program was the Carebridge Corporation model. Carebridge would charge $2.58 per employee per month (a 23.84% increase over the 2010 rate which was $2.08 per employee per month). Carebridge offered a three-year rate guarantee. Carebridge would only commit to 14 SAP assessments annually; additional SAP assessment would be billed at $500 each.

On March 16, 2011, the Board accepted the five-year rate guarantee offered by Cooper Health System of $2.00 per employee, per month. We had previously paid $2.08 per employee per month. This is a 4% decrease. The rate guarantee was for the period January 1, 2011 – December 31, 2015.

The Board further authorized staff to enter into an agreement with Cooper Health System that allows DRPA/PATCO to provide 30-days notice to Cooper Health System if there is the intention to terminate the contact. The contract also provides that in the event Cooper Health System ceases to provide EAP services or in the event that DRPA fails to pay contractually agreed upon fees, Cooper Health System will provide 45 days notice of intent to terminate to DRPA/PATCO.

The Board directed staff to return to it each year before December 31st to seek authorization to renew the contract for another year, up to four years, ending December 31, 2015.

This year, at the direction of the Finance Committee, staff sought to negotiate a lower monthly per employee per month (pepm) rate with Cooper.

Cooper agreed to reduce the rate from $2.00 pepm to $1.67 pepm. The new $1.67 pepm is only effective through December 31, 2012. Cooper will only guarantee the rate reduction beyond December 31, 2012 if DRPA is willing to sign an agreement that it will contract with Cooper Health System through December 31, 2016 and not terminate the contract prior to 2016.

Cooper’s new rate does not include attendance at workshops and in-service trainings; going forward the workshops and in-service training will be billed separately at the rate of $150 per hour. Staff estimates that we will be able to limit workshop and in-service training hours to no more than six (6) hours per year. Cooper has agreed to continue attending our new hire orientation meetings at no additional cost.
Cooper Health System:
A summary of the benefits provided by Cooper Health follows:

- $1.67 per employee/per month (was $2.00 per employee/per month);
- Approximately $17,856 annually (a reduction of $3,528 over current annual cost) – based on current DRPA/PATCO enrollment of 891;
- 5-year rate guarantee: DRPA/PATCO must provide 30 days notice to Cooper Health System if there is the intention to terminate the contract for cause, and in the event Cooper Health System ceases to provide EAP services or in the event that DRPA/PATCO fails to pay contractually agreed upon fees, Cooper Health System will provide 45 days notice of intent to terminate to DRPA/PATCO;
- Face-to-face sessions– Every employee and his/her family members can receive up to 5 free confidential counseling sessions per type of problem per year, and, if necessary Cooper will provide up to approximately two additional sessions;
- Supervisory training sessions at the rate of $150 per hour;
- Unlimited on-site presence at new hire EAP orientation sessions;
- Unlimited on-site presence at critical incident group counseling sessions, stress debriefings, and stress management sessions;
- Supervisory consultations – unlimited telephonic or face-to-face;
- Unlimited Substance Abuse Problem (SAP) Assessments for DOT and FTA-regulated;
- Develop a recovery and support plan for employees who confidentially disclose a substance abuse problem that may impact their work performance – Cooper will work with the employee closely for a minimum of one year;
- Develop a treatment and support plan for employees who voluntarily disclose to the Authority a substance abuse problem and fall under the Authority’s Last Chance Agreement – This is a mandatory referral;
- Cooper has three counselors who are SAP-certified;
- Wellness Seminars – 2 on-site per contract year (typically 1.5-2 hours in duration). The sessions are conducted during the day and in the evening.
- Additional seminars provided at $150/hour;
- Service Center Locations -Camden, Cherry Hill, and Voorhees, NJ;
- Cooper’s EAP Provider Network is local;
- Legal consultation - 30-minutes phone or face-to-face legal consult except cases against the DRPA or PATCO – included at no additional fee to DRPA/PATCO;
- Work/Life Services (e.g., child and elder care resources, and financial services) – included at no additional cost to DRPA; and
- Additional services billed at a rate of $150 per hour.

In most cases, an employee’s (and/or dependent’s) problems are able to be resolved using the Cooper EAP. When that occurs, our claims experience with our health insurance carrier is not impacted.

In 2010, the Authority experienced the sudden death of an employee while in the line of duty. We contacted Cooper Health and the EAP provider immediately dispatched counselors to provide critical incident stress management sessions. This is not the first time that we have called upon Cooper Health to provide similar counseling in response to an employee death or other workplace tragedy.

We have reviewed the EAP services offered by United Healthcare (UHC). The Substance Abuse Problem Assessments are the cornerstone of the Authority’s Drug & Alcohol Policy. UHC’s SAP assessments work in conjunction with UHC’s base medical coverage for mental health and substance abuse through United Behavioral Health. More than half of the Authority’s employees receive their health benefits through their respective unions, and, therefore, will not be covered by UHC. In addition, a number of UHC’s ancillary services are limited to six hours per customer per year. These services would include attendance at supervisor training sessions, onsite attendance at new hire orientations, Work/Life Services counseling, among other services. Currently, Cooper provides these ancillary services on an unlimited basis.

Staff seeks Board authorization to enter into a contract with Cooper Health System for the period 1/1/2012 – 12/31/2016, at a pepm of $1.67.
SUMMARY: A fixed fee of $1.67 pepm for Employee Assistance Program services for the period 1/1/2012-12/31/2016, plus $150/hour for up to 6 hours per year for attendance requested by DRPA/PATCO at workshops and in-service training for a total annual fee not-to-exceed $900. The number of employees is to be determined by the census on January 1st of each year. If the census remains at 891, the annual contract value would be approximately $17,856, plus a professional fee not to exceed $900 for workshops and in-service training sessions.

Source of Funds: Revenue & General Funds
Capital Project#: N/A
Operating Budget: DRPA/PATCO Employee Services Expense
Master Plan Status: N/A
Other Fund Sources: N/A
Other Parties Involved: Cooper Health System
RESOLUTION

RESOLVED: That the Board of Commissioners authorizes staff to enter into a contract with Cooper Health System to provide an Employee Assistance Program for DRPA/PATCO employees, at a rate of $1.67 per employee, per month; and be it further

RESOLVED: That the Board of Commissioners authorizes staff to enter into a contract with Cooper Health System for the period 1/1/2012 – 12/31/2016; and be it further

RESOLVED: That the Board of Commissioners authorizes staff to enter into an agreement with Cooper Health System that allows DRPA to provide 30 days notice to Cooper Health System if there is the intention to terminate the contact, and in the event Cooper Health System ceases to provide EAP services or in the event that DRPA/PATCO fails to pay contractually agreed upon fees, Cooper Health System will provide 45 days notice of intent to terminate to DRPA/PATCO; and be it further,

RESOLVED: That the Chairman, Vice Chairman and the Chief Executive Officer must approve and are hereby authorized to approve and execute all necessary agreements, contracts, or other documents on behalf of the DRPA. If such agreements, contracts, or other documents have been approved by the Chairman, Vice Chairman and Chief Executive Officer and if thereafter either the Chairman, Vice Chairman is absent or unavailable, the remaining Officer may execute the said document(s) on behalf of DRPA/PATCO along with the Chief Executive Officer. If both the Chairman and Vice Chairman are absent or unavailable and if it is necessary to execute the said document(s) while they are absent or unavailable, then the Chief Executive Officer shall execute such documents on behalf of DRPA/PATCO.
SUMMARY: A fixed fee of $1.67 pepm for Employee Assistance Program services for the period 1/1/2012-12/31/2016, plus $150/hour for up to 6 hours per year for attendance requested by DRPA/PATCO at workshops and in-service training for a total annual fee not-to-exceed $900. The number of employees is to be determined by the census on January 1st of each year. If the census remains at 891, the annual contract value would be approximately $17,856, plus a professional fee not to exceed $900 for workshops and in-service training sessions.

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