

SUMMARY STATEMENT

ITEM NO.: DRPA-16-090

SUBJECT: DRPA-PATCO Employee Assistance Program (EAP) Provider 2017

COMMITTEE:

Finance

COMMITTEE MEETING DATE:

August 10, 2016

BOARD ACTION DATE:

August 17, 2016

PROPOSAL: Staff seeks Board authorization to enter into a new contract with The Cooper Health System to continue providing an Employee Assistance Program (“EAP”) to Authority employees and their eligible dependents.

PURPOSE: The Cooper Health System (“Cooper Health”) has served as the Authority’s EAP provider since October 1, 2005. The current contract expires on December 31, 2016.

BACKGROUND: In June 2016, our broker, Gallagher Benefit Services (“Gallagher”), issued a Request for Proposal for Employee Assistance Program providers. Gallagher received responses from the following vendors:

- Cooper Health System - Camden, NJ
- Carebridge Corporation - Malvern, PA
- Health Advocate - Plymouth Meeting, PA
- E4health - New York, NY
- ComPsych - Chicago, IL

The current EAP model offered by Cooper Health System is well-received by employees. To staff’s knowledge, there have been no network complaints.

The EAP, which includes unlimited telephonic or face-to-face supervisory consultations, unlimited wellness seminars, and unlimited Substance Abuse Problem assessments which meet the needs of the Authority’s Drug & Alcohol Program, is well received by management.

The EAP that most closely mirrors the EAP offered by Cooper Health is the Carebridge Corporation model. An analysis of the two proposals follows:

The Cooper Health System: Cooper Health offered a flat renewal (\$1.67 pepm;

- Approximately \$17,635.20 annually – The annual fee is paid in its entirety in January and will be based on the total census as of 1/1/2017. The \$17,635.20 fee is based on a total census, as of 1/1/2016, which was 880;
- 5-year rate guarantee; *DRPA must 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 fails to pay contractually agreed upon fees, Cooper Health System will provide 45 days notice of intent to terminate to DRPA.;*
- Face-to-face sessions– Every employee and his/her eligible dependents can receive up to five (5) free confidential counseling sessions *per type* of problem per year;
- **Unlimited** on-site Supervisory Training Sessions;
- On-site presence twice monthly at new hire EAP orientation sessions **at no additional cost;**
- **Unlimited** on-site presence at critical incident counseling, stress debriefings and stress management sessions **at no additional cost;**
- Supervisory consultations – **unlimited** telephonic *or* face-to-face at **no additional cost;**
- **Unlimited** Substance Abuse Problem (SAP) Assessments **at no additional cost;**
- **Unlimited** Wellness Seminars **at no additional cost;**
- Service Center Locations -Camden, Cherry Hill, Voorhees and Sewell, NJ;
- EAP Provider Network is **local;**

- Legal consultation – Included, except cases against the DRPA or PATCO – included at no additional fee to DRPA;
- Work/Life Services (e.g., child and elder care resources, and financial services) – included at no additional cost to DRPA; and

Carebridge Corporation

- Fees are paid monthly and will be based on the census as of 1/1/2017. The “per employee per month” rate will be \$1.12. Assuming a census of 880 the annual pepm will be \$11,827.20 (this is strictly the pepm rate and does not include the fees for sessions and/or services including, but not limited to, incident counseling, management sessions, training sessions and the important substance abuse problem assessment)
- We anticipate an annual fee of approximately \$25,087.20; (\$7,452 increase over current; includes \$130 hourly rate per session/service and \$350 per Substance Abuse Problem as outlined below and anticipated in 2017) –based on 880; DRPA/PATCO employees;
- 3-year rate guarantee; *“If an employer determines that the services of Carebridge are rendered in an unsatisfactory manner at any time following the commencement of EAP service, employer may by written notice delivered to Carebridge terminate the agreement on the 45th day following the delivery of such notice.”*;
- Face-to-face sessions – Every employee and his/her eligible dependents can receive up to five (5) free confidential counseling sessions *per type* of problem per year;
- On-site Supervisory Training Sessions – limited to 15 hours of training per year; additional 102+ hours of training offered at \$130 per hour;
- On-site presence at group new hire orientation sessions; limited to 15 hours annually; any additional hours will be billed at \$130 per hour;
- On-site presence at critical incident counseling, stress debriefings, and stress management sessions– limited to 15 hours of training per year; additional 102+ hours of trainin

- offered at \$130/hour;
- Supervisory consultations – unlimited telephonic *only*;
 - Substance Abuse Problem (SAP) Assessments – no complimentary assessments offered- all at \$350 per case;
 - Wellness Seminars – limited to 15 hours of training per year; additional 102+ hours of training offered at \$130/hour;
 - Additional seminars billed at \$130 per every hour;
 - Service Center Location - Malvern, PA;
 - EAP Provider Network is national ;
 - Legal consultation – included
 - Work/Life Services (e.g., child and elder care resources, and financial services) – included

As a public entity, staff recognizes the importance of controlling costs while at the same time offering employees a quality program. Like Carebridge, the remaining proposers: Health Advocate, e4Health and ComPsych all included additional add-ons that would likely cause additional financial exposure to the DRPA.

After carefully reviewing the services offered by each EAP provider, the annual cost of the contract, the rate guarantees, and any additional costs for basic services, staff recommends that the DRPA enter into a contract with Cooper Health System to provide an Employee Assistance program to Authority employees and their eligible dependents.

Although Cooper Health has offered a five-year rate guarantee (\$1.67 per employee, per month), the DRPA is under no obligation to remain with Cooper for five years. DRPA must provide 30 days notice to Cooper Health System if we intend to terminate the contract. 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.

Based on the analysis and information set forth above, staff seeks Board authorization to enter into a contract with Cooper Health System for our Employee Assistance Program for a period of 1/1/2017 – 12/31/2021.

SUMMARY:

Amount:

Approximately \$17,635.20 annually - The annual fee is paid in its entirety in January and will be based on the total census as of 1/1/2017. The \$17,635.20 fee is based on a total census, as of 1/1/2016, which was 880;

The rate is guaranteed by Cooper Health for five (5) years

Source of Funds:

Revenue & General Funds

Capital Project#:

N/A

Operating Budget:

DRPA Employee Services Expense

Master Plan Status:

N/A

Other Fund Sources:

N/A

Duration of Contract:

January 1, 2017 – December 31, 2021

Other Parties Involved:

The Cooper Health System

RESOLUTION

- RESOLVED:** That the Board of Commissioners authorizes staff to enter into a contract with The Cooper Health System to provide an Employee Assistance Program for DRPA employees, at a rate of \$1.67 per employee, per month; and be it further
- RESOLVED:** That the Board of Commissioners accepts the five-year rate guarantee offered by The Cooper Health System; and be it further
- RESOLVED:** That the Board of Commissioners authorizes staff to enter into an agreement with The 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 fails to pay contractually agreed upon fees, Cooper Health System will provide 45 days notice of intent to terminate to DRPA; 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 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.

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The rate is guaranteed by Cooper Health for five (5) years

Source of Funds:	Revenue & General Funds
Capital Project#:	N/A
Operating Budget:	DRPA Employee Services Expense
Master Plan Status:	N/A
Other Fund Sources:	N/A
Duration of Contract:	January 1, 2017 – December 31, 2021
Other Parties Involved:	The Cooper Health System