SUMMARY STATEMENT

ITEM NO.    SUBJECT:    Renewal of PATCO Employee Assistance Program (EAP) Provider

COMMITTEE:    New Business

COMMITTEE MEETING DATE:    N/A

BOARD ACTION DATE:    March 16, 2011

PROPOSAL:    Staff seeks Board authorization to enter into a contract with The Cooper Health System to provide an Employee Assistance Program to PATCO employees.

PURPOSE:    The Cooper Health System (“Cooper Health”) has served as the Authority’s EAP provider since October 1, 2005. The current contract expired on December 31, 2010.

In keeping with recent Board reforms, we requested authority to extend the current contract with Cooper Health for three months, beginning January 1, 2011 – March 31, 2011, to give our broker, Willis, sufficient time to issue a Request for Proposal to EAP providers.

Willis will receive no commission for placing this benefit on behalf of PATCO.

BACKGROUND:    On January 14, 2011, Willis issued a Request for Proposal for Employee Assistance Program providers. Willis received responses from the following vendors:

- Cooper Health System
- Carebridge Corporation
- Ceridian
- CIGNA
- ComPsych
- FIRSTCALL
- HMS, Inc.
- Mental Health Consultants Inc.
- MHNet Behavioral Health
- Penn Behavioral Health, and
- Princeton HealthCare System EAP
The in force EAP model is well-received by employees, and PATCO management. In addition, the Substance Abuse Problem 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 existing program was the Carebridge Corporation model. An analysis of the two proposals follows:

**Cooper Health System:**

- $2.00 per employee/per month, (was $2.08 per employee/per month – 4% decrease over current);
- Approximately $21,384 annually – based DRPA/PATCO enrollment of 891;
- 5-year rate guarantee; **PATCO 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 PATCO fails to pay contractually agreed upon fees, Cooper Health System will provide 45 days notice of intent to terminate to 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;
- Unlimited on-site Supervisory Training Sessions;
- Unlimited on-site presence at new hire EAP orientation sessions;
- Unlimited on-site presence at critical incident counselings, stress debriefings, and stress management sessions;
- Supervisory consultations – unlimited telephonic or face-to-face;
- Substance Abuse Problem (SAP) Assessments – unlimited;
- Wellness Seminars – 2 on-site per contract year (typically 1.5 - 2 hours in duration). Additional seminars provided at $150/hour;
- Service Center Locations -Camden, Cherry Hill, and Voorhees, NJ;
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- 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 PATCO;
- Work/Life Services (e.g., child and elder care resources, and financial services) – included at no additional cost to PATCO; and
- Additional services billed at a rate of $150 per hour.

Carebridge Corporation

- $2.58 per employee/per month (23.84% over current rate)
- Approximately $27,585 annually –based on 891; 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 family members can receive up to 5 free confidential counseling sessions per type of problem per year;
- Unlimited on-site Supervisory Training Sessions;
- Unlimited on-site presence at group new hire EAP orientation sessions;
- Unlimited on-site presence at critical incident counselings, stress debriefings, and stress management sessions;
- Supervisory consultations – unlimited telephonic only;
- Substance Abuse Problem (SAP) Assessments - 14 assessments annually. Any additional SAP assessments will be $550 each;
- Wellness Seminars – 2 on-site per contract year. Additional seminars available at $450 per hour;
- Service Center Location - Malvern, PA;
- EAP Provider Network is national;
Legal consultation – 30 minutes of telephone or face-to-face consultation at no charge to employee then reduced fees for service;
- Work/Life Services (e.g., child and elder care resources, and financial services) – unlimited, at no additional cost to PATCO; and
- Additional services billed at a rate of $550 per SAP assessment. Additional seminars billed at $450 per every hour

On January 1, 2011, after 13 years with AmeriHealth, the Authority moved the medical and prescription coverage for all benefit-eligible employees at DRPA and PATCO to Cigna. Staff recognizes that integrating the EAP benefit into our existing medical plan would allow Cigna to support all aspects of an individual’s care along the health continuum under one effective service umbrella. However, almost half of the Authority’s employees are not covered by Cigna for medical and prescription benefits; instead, these employees receive their benefits through the Health & Welfare Plans offered by their respective unions. Notwithstanding this concern, staff did analyze the EAP proposal submitted by Cigna. The analysis follows:

- $2.02 per employee/per month (3.04% decrease over current);
- $21,598 estimated annually – based on 891 DRPA/PATCO employees;
- 2-year rate guarantee – terms of contract termination are unclear;
- 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;
- On-site Supervisory Training Sessions – An annual allotment of 9 employer service hours are included to cover supervisory trainings/orientations, employee orientations, on-site seminars, and critical incident services. Any additional hours will be billed at $255 per hour;
- On-site presence at group new hire EAP orientation sessions – An annual allotment of 9 employer service hours are included to cover supervisory
trainings/orientations, employee orientations, on-site seminars, and critical incident services. Any additional hours will be billed at $255 per hour;

- On-site presence at critical incident counselings, stress debriefings, and stress management sessions – An annual allotment of 9 employer service hours are included to cover supervisory trainings/orientations, employee orientations, on-site seminars, and critical incident services. Any additional hours will be billed at $255 per hour;

- Supervisory consultations – unlimited, but telephonic only;

- Substance Abuse Problem (SAP) Assessments – not mentioned in the Cigna proposal;

- Wellness Seminars – An annual allotment of 9 employer service hours are included to cover supervisory trainings/orientations, employee orientations, on-site seminars, and critical incident services. Any additional hours will be billed at $255 per hour;

- Service Center Location – Eden Prairie, Minnesota;

- EAP Provider Network is national

- Legal consultation – limited to 30 minute free consultation, 25% discount on usual fees;

- Work/Life Services (e.g., child and elder care resources, and financial services) – unlimited, included at no additional cost to DRPA; and

- Special Note: Cigna proposal provides for an annual allotment of 9 employer service hours to cover supervisory trainings/orientations, employee orientations, on-site seminars, and critical incident services. Any additional hours needed for basic on-site services would be billed at $255 per hour. Additional critical incident response services would be billed at an additional $285 per hour. The additional fees make it difficult for staff to calculate the full annual EAP cost.
As a public entity, staff recognizes the importance of controlling costs while at the same time offering employees a quality program. Like Cigna, the remaining proposers: Ceridian, ComPsych, FIRSTCALL, HMS, Inc, Mental Health Consultants, MHNet Behavioral Health, Penn Behavioral Health and Princeton Healthcare System EAP, all included additional add-ons that would likely cause additional financial exposure to PATCO.

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 PATCO enter into a contract with The Cooper Health System to provide an Employee Assistance program to PATCO employees. Although Cooper Health has offered a five-year rate guarantee ($2.00 per employee, per month), the DRPA is under no obligation to remain with Cooper for five years. PATCO 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 PATCO fails to pay contractually agreed upon fees, Cooper Health System will provide 45 days notice of intent to terminate to PATCO.

Based on the analysis and information set forth above, staff seeks Board authorization to enter into a contract with The Cooper Health System for our Employee Assistance Program.
SUMMARY STATEMENT
New Business 3/16/2011
Renewal of PATCO Employee Assistance Program (EAP) Provider

SUMMARY: Amount: $2.00 per employee, per month;
Approximately $21,384 annually, based on 891 DRPA/PATCO employees;
The $2.00 per employee/per month rate is guaranteed by Cooper Health for five (5) years.

Source of Funds: Revenue & General Funds
Capital Project#: N/A
Operating Budget: PATCO Employee Services Expense
Master Plan Status: N/A
Other Fund Sources: N/A
Renewable each year, at the Board’s option for four years, beginning January 1, 2012 – December 31, 2015
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 PATCO employees, at a rate of $2.00 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 of $2.00 per employee, per month; and be it further

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

RESOLVED: That staff will seek authorization each year from the Board of Commissioners to renew this contract for up to four years, ending December 31, 2015; 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 PATCO. 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 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 PATCO.
SUMMARY: Amount: $2.00 per employee, per month; Approximately $21,384 annually, based on 891 DRPA/PATCO employees; The $2.00 per employee/per month rate is guaranteed by Cooper Health for five (5) years.

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