

CITY OF SANTA ROSA
CITY COUNCIL

TO: MAYOR AND CITY COUNCIL

FROM: NATHAN BARNETTE, INTERIM RISK MANAGER
HUMAN RESOURCES

SUBJECT: FIRST AMENDMENT TO PROFESSIONAL SERVICE
AGREEMENT – MISCELLANEOUS EMPLOYEES FOR
WELLNESS SERVICES WITH WELLNESS SOLUTIONS, INC.

AGENDA ACTION: RESOLUTION

RECOMMENDATION

It is recommended by the Human Resources Department that the Council, by resolution, approve the First Amendment to Professional Service Agreement - Miscellaneous Employees with W. Solutions, Inc., for an additional amount not to exceed \$150,000 for wellness services. At the budget hearing on June 14 – 16, Council approved funding for this program within the Human Resources Department FY 2016/17 budget. With this amendment, the total cumulative amount of this agreement will not exceed \$300,000.

EXECUTIVE SUMMARY

Contract F000978 with W. Wellness Solutions, Inc., for Wellness Program Services is due to expire June 30, 2016. W. Wellness Solutions, Inc., has submitted a one-year contract extension to continue wellness services at an additional cost of \$150,000 for a total cumulative cost of \$300,000. Adheres to City Council goal 2A. Promote a City Organization that is Service-sustainable Maintains Employee Moral.

BACKGROUND

On July 7, 2015, City Council awarded Contract Number F000978 for a one- year term for a Wellness Program for Miscellaneous Employees to encourage improved fitness levels and decrease health risk factors. This Wellness Program was implemented because of the success of a similar program in the Police Department. In only the second year of that program, total Worker's Compensation payments decreased by \$522,000.

FIRST AMENDED PROFESSIONAL SERVICE AGREEMENT
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Participation in the current Wellness Program for Miscellaneous Employees has been strong. The wellness coordinator identified high blood pressure, and potential blood pressure issues, as well as weight issues in a significant number of participating employees, and continues working with our employees to encourage improved fitness levels and decrease health risk factors.

Between January 1, 2016 and March 14, 2016, biometrics screenings of 123 (10.25%) City employees conducted by Sutter Health provided the following participant data analysis:

- 26.8% high blood pressure & 2.4% high cholesterol levels – increases risk for cardiovascular disease
- 22% obese – increases risk for diabetes and cardiovascular diseases
- 28.6% of participants at moderate/high risk for future poor health and increased healthcare costs

PRIOR CITY COUNCIL REVIEW

The City Council approved funding to expand this program to all employees in the FY 2015-16 adopted budget and continued support of the program with approval of additional funding in the FY 2016-17 budget recently adopted.

ANALYSIS

Workers Compensation costs are significant for all employees and have averaged over \$1,000,000 per year for Miscellaneous Employees and \$2,000,000 per year average for Safety Employees. A review of prescription medicines used by employees provides indicators of where the City needs to focus efforts to reduce overall health care costs. The top three prescription medicines indicate potential health issues with regards to strain and sprains, respiratory, and cardiovascular ailments.

A recent study published in the Business Insurance publication on May 23, 2016 reveals the following findings.

The study revealed that 74% of organizations offering a health and wellness program experienced an improvement in absenteeism, reduction in claims and increased productivity.

FISCAL IMPACT

Funds for this contract have been approved in the FY 2016-17 adopted budget for the Human Resources Department. There are no additional impacts on the General Fund for approving this contract.

ENVIRONMENTAL IMPACT

This action is exempt from the California Environmental Quality Act (CEQA) because it is not a project which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment, pursuant to CEQA Guideline section 15378.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not applicable.

NOTIFICATION

Not applicable.

ATTACHMENTS

- Attachment 1 – First amended PSA Miscellaneous Employees
- Resolution/Exhibit A (Agreement)

CONTACT

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