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OFFICE OF THE CITY CLERK
OAKLAND

CITY OF OAKLAND
AGENDA REPORT

2010 APR 15 PM 3:43

TO: Office of the City Administrator
ATTN: Dan Lindheim
FROM: Department of Human Resources Management
DATE: April 27, 2010

RE: **Resolution Authorizing The City Administrator To Execute Agreements Between The City Of Oakland And (1) Merritt Peralta Institute/Summit Medical Hospital, (2) New Bridge Foundation And (3) Recovery Management Services For An Amount Not To Exceed \$50,000 Each Per Fiscal Year Covering The Period 2009-2012 For A Total Amount Not To Exceed \$450,000**

SUMMARY

A resolution has been prepared authorizing the City Administrator, through the Department of Human Resources Management, Employee Assistance Program (EAP) to execute agreements with licensed therapist and chemical dependency treatment programs to provide chemical dependency treatment and mental health counseling services for City of Oakland employees during the fiscal years 2009-2012. These benefits are contained in negotiated agreements with SEIU Local 1021, IAFF Local 55 and IFPTE Local 21.

FISCAL IMPACT

Since 1992, \$150,000 has been allocated annually from the Fringe Benefit Fund (#1300) to fund the chemical dependency and mental health treatment services, in order to comply with agreements with certain employee groups of the City. By performing the managed care role internally through the City's Employee Assistance Program and not paying a managed care company to perform this function, the City saves approximately \$250,000 per year.

Over the last three years, the average amount paid out for each fiscal year has been approximately \$106,000 for treatment services rendered (*Attachment A*). Utilization of the treatment programs and services continues to remain constant and is expected to be consistent with past utilization rates. The EAP staff will also strive to contain costs and maximize savings by taking the following measures:

- Consider utilizing Kaiser's outpatient chemical dependency treatment program whenever possible.
- Aim to utilize outpatient care over the more costly residential and day treatment programs, when it is appropriate.
- Aim to shift from residential to outpatient level of care whenever possible.

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Therefore, the staff is not requesting a change in the overall cap of this fund to manage this benefit.

BACKGROUND

In July of 1992, the City's Employee Assistance Program (EAP) was authorized by the City Council to internally manage the chemical dependency and mental health services provided for City employees. A total of \$150,000 was allocated from the Employee Benefit Fund to fund this program. To manage this benefit, the EAP established a local provider network of chemical dependency treatment programs, and therapists that have been utilized on an as-needed basis. Protocols and guidelines were established to outline how the EAP would authorize and monitor the utilization and payment for services rendered. The EAP has effectively managed this benefit by maintaining competitive rates, ensuring quality of services through evaluation and feedback from clients and maintaining close contact with the providers regarding quality of care.

By offering such benefits and making them readily accessible to the City's workforce, the City has an effective means to address psychological and behavioral issues that impacts job performance and the work environment. The services provided have enabled the City to be proactive in maintaining a safe, drug-free workplace and ensure chemical dependency treatment for employees who are in safety sensitive positions in a timely manner.

Staff has completed the RFP process and received proposal from 4 companies. It was determined that 3 of the 4 proposals submitted met the requirements for qualifications. The following chemical dependency treatment providers should be awarded three-year contracts for services (at a maximum of \$50,000 per contracts, per year, to be utilized on an as needed basis:

- Merritt Peralta Institute/Summit Hospital
- New Bridge Foundation
- Recovery Management Services

In prior years, the City has contracted with the following treatments programs for this benefit:

- The Camp Recovery Center
- Crutcher's Serentiy House
- New Bridge Foundation (selected again this year)
- MPI/Summit Medical Center (selected again this year)
- Sunrise House
- Thunder Road

Some of these programs no longer exist or have chosen not to respond to the RFP.

KEY ISSUES AND IMPACTS

The Chemical Dependency and Mental Health Benefits have been effective in helping City employees address a wide range of problems and concerns that ultimately affect their productivity and ability to perform their job. The EAP has utilized this benefit to provide services to resolve family, job stress, substance abuse, and emotional problems and prevent them from escalating into larger, long term problems.

These benefits perform an integral role in supporting the City's policies regarding the Drug Free Workplace, (AI 577 Policy Regarding Alcohol and Drug Use and AI 576 Commercial Driver's License Drug and Alcohol Testing Program) requirements for random drug screening for those in safety sensitive positions, and for addressing poor job performance and inappropriate conduct in the workplace (*Attachment B*). The chemical dependency benefit allows the EAP to make referrals for the appropriate levels of treatment, such as residential, day treatment and out patient, and clean and sober living homes and provides the flexible and timely coordination of such services. This is a critical benefit, as most health benefits do not provide access to various levels of treatment for chemical dependency.

The Memorandum of Understanding (MOU) for Local 21 specifies that represented employees and their eligible dependents receive up to a maximum of \$30,000 in total lifetime program benefits for chemical dependency treatment. The MOU for Local 1021 specifies that represented employees receive up to a maximum of \$40,000 in total lifetime program benefits for chemical dependency treatment.

The MOU for Local 51 specifies that firefighters receive up to a maximum of \$30,000 for chemical dependency treatment.

Moreover, for employees under Local 21's MOU only, the benefit is being used more to address job performance issues that contribute to absenteeism, disruptive conduct and poor job performance, by making use of referrals for such concerns as anger management, depression, and anxiety.

SUSTAINABLE OPPORTUNITIES

There are no impacts

DISABILITY AND SENIOR CITIZEN ACCESS

There are no impacts

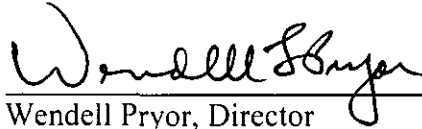
RECOMMENDATION(S) AND RATIONALE

Staff recommends City Council approval of the resolution authorizing the City Administrator to execute agreements between the City and Merritt Peralta Institute/Summit Medical Hospital, New Bridge Foundation, and Recovery Management Services for an amount not to exceed \$50,000 per fiscal year, under the City's self funded benefit for fiscal years 2009-2012, capped at \$150,000 per fiscal year.

ACTION REQUESTED OF THE CITY COUNCIL

Staff recommends that the City Council approve the resolution.

Respectfully submitted,



Wendell Pryor, Director
Department of Human Resources Management

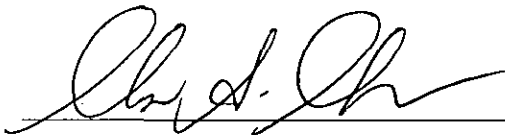
Reviewed by:

Yvonne S. Hudson, HR Manager
Retirement and Benefits

Prepared by:

Cynthia Lee
Employee Assistance Program

APPROVED AND FORWARDED TO THE
FINANCE AND MANAGEMENT COMMITTEE:



OFFICE OF THE CITY ADMINISTRATOR

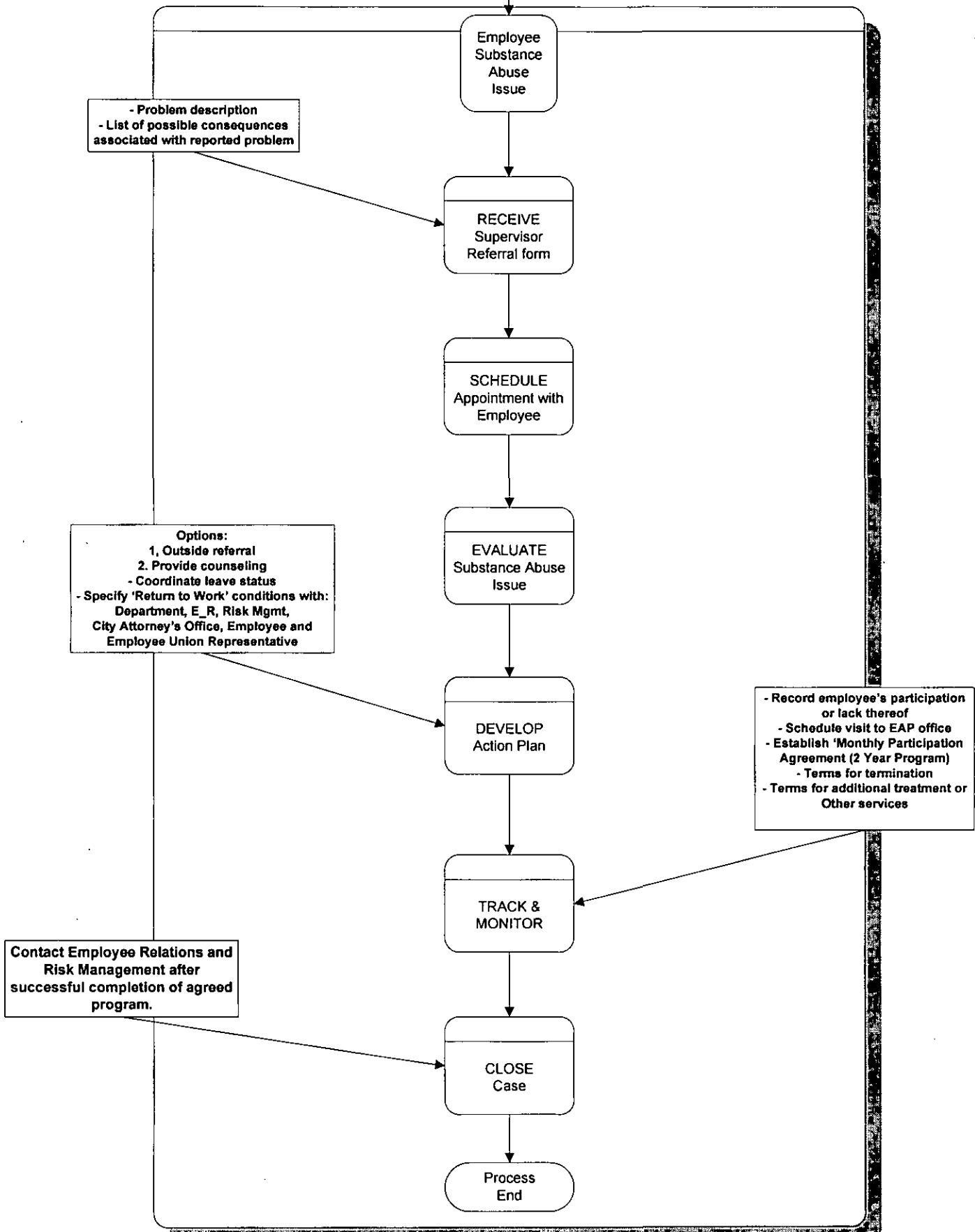
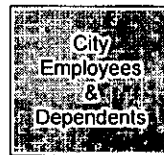
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**Utilization and Costs of Chemical Dependency and Mental Health Benefit
2006-2009**

**Utilization Rates and Average Cost for
Chemical Dependency and Mental Health Benefit**

Mental Health Benefit	2006-07	2007-08	2008-09
Number of Cases	46	36	48
Total Amount Paid Out	\$17,110	\$11,750	\$16,070
Average Cost Per Case	\$391	\$326	\$334
Residential Treatment			
Number of Cases	10	3	6
Total Amount Paid Out	\$46,225	\$21,500	\$44,810
Average Cost Per Case	\$4,622	\$7,166	\$7,468
Day Treatment			
Number of Cases	6	4	5
Total Amount Paid Out	\$18,900	\$39,600	\$17,725
Average Cost Per Case	\$3,150	\$9,900	\$3,545
Out Patient			
Number of Cases	15	4	4
Total Amount Paid Out	\$39,609	\$18,085	\$10,635
Average Cost Per Case	\$2,640	\$4,521	\$2,658
Drug Testing			
Number of Cases	30	19	9
Total Amount Paid Out	\$8,760	\$5,358	\$2,628
Average Cost Per case	\$292	\$292	\$292
Total Amount Paid Out for the			
Fiscal year	\$130,604	\$96,293	\$91,868

Employee Assistance Program



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OAKLAND CITY COUNCIL

RESOLUTION NO. _____ C.M.S.

Introduced by Councilmember _____

RESOLUTION AUTHORIZING THE CITY ADMINISTRATOR TO EXECUTE AGREEMENTS BETWEEN THE CITY OF OAKLAND AND (1) MERRITT PERALTA INSTITUTE/SUMMIT MEDICAL HOSPITAL, (2) NEW BRIDGE FOUNDATION AND (3) RECOVERY MANAGEMENT SERVICES FOR AN AMOUNT NOT TO EXCEED \$50,000 EACH PER FISCAL YEAR COVERING THE PERIOD 2009-2012 FOR A TOTAL AMOUNT NOT TO EXCEED \$450,000

WHEREAS, The City of Oakland authorized the Employee Assistance Program to establish and use a preferred provider panel to meet the needs of its employees for chemical dependency treatment and mental health counseling at present benefit levels; and

WHEREAS, the City of Oakland has agreed to provide coverage of chemical dependency treatment for employees of SEIU Local 1021, IAFF Local 55 and IFPTE Local 21; and

WHEREAS, the City of Oakland has completed the RFP process and has selected the following chemical dependency treatment programs to provide services to City employees (1) Merritt Peralta Institute/Summit Medical Hospital, (2) New Bridge Foundation and (3) Recovery Management Services and

WHEREAS, each agreement shall be for an amount not to exceed \$50,000 per year for fiscal years 2009-2010, 2010-2011 and 2011-2012; and

WHEREAS, the City Council finds that these agreements are for services of a professional nature and shall not result in the loss of employment or salary by any person having permanent status in the competitive service; now therefore, be it

RESOLVED: That the City Administrator is authorized to execute contracts with the aforementioned service providers for an amount not to exceed \$50,000 each per fiscal year for the period 2009-2012 for the purpose of providing chemical dependency treatment and mental health counseling to City employees; and be it

FURTHER RESOLVED: That the City Administrator is authorized to conduct all negotiations, execute and submit all documents, including but not limited to applications, agreements, amendments, modifications, payment requests, and related actions which may be necessary in accordance with its basic purpose; and be it

FURTHER RESOLVED: That the contracts will be paid from the Fringe Benefit Fund (#1300), non-project; and be it

FURTHER RESOLVED: That said agreements shall be approved as to form and legality by the Office of the City Attorney and placed on file in the Office of the City Clerk.

IN COUNCIL, OAKLAND, CALIFORNIA,

PASSED BY THE FOLLOWING VOTE:

AYES - BROOKS, DE LA FUENTE, KAPLAN, KERNIGHAN, NADEL, QUAN, REID, and PRESIDENT BRUNNER

NOES -

ABSENT -

ABSTENTION -

ATTEST: _____
LaTonda Simmons
City Clerk and Clerk of the Council
of the City of Oakland, California