

# COUNTY OF YORK

## MEMORANDUM

**DATE:** June 18, 2021  
**TO:** York County Board of Supervisors  
**FROM:** Neil A. Morgan, County Administrator   
**SUBJECT:** Compensatory Time – Change in Virginia Law

Beginning July 1, 2021, a new Virginia law will determine how we pay overtime for any hours worked in excess of 40 per week.

To ensure compliance with this new law, the County's non-exempt employees must now be paid overtime for any hours worked in excess of 40 hours in a week; they may no longer be offered compensatory time in lieu of payment for hours worked.

This is true for ALPHA designated employees responding to inclement weather conditions, as well as those non-exempt employees who are working to support disaster operations.

Fire protection and law enforcement employees will continue to be compensated in the current manner - with leave for overtime hours instead of wages pursuant to Va. Code 9.1-701 (this refers to uniformed employees).

The Human Resources Department will be reviewing and updating our personnel policy and procedure manual, as well as the impacted Administrative Directives to ensure our policy is updated to clearly align with this new Virginia law. I anticipate those changes to be finalized within the next 30 days.

This change will have some budgetary impact, but we will require some experience before we understand its scale.

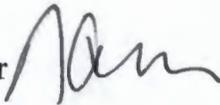
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# COUNTY OF YORK

## MEMORANDUM

**DATE:** June 14, 2021

**TO:** York County Board of Supervisors

**FROM:** Neil A. Morgan, County Administrator 

**SUBJECT:** Considerations for Establishing an Employee Health Clinic

Earlier this year I received an inquiry from one of the board members to consider establishing an employee health clinic as a potential method to slow down rising health care costs while providing easier access to health services to our employees. This is a topic that the County's Health Insurance Advisory Committee has explored with USI, our health insurance adviser, over the years. While some local governments have found employee health clinics to have value for their employees, there are also disadvantages which must be weighed against the advantages to make the right decision for each employer. The most significant reason to not jump into a decision to open a traditional employee health clinic has been in the initial upfront costs and the assumption of higher liabilities related to the operations. This risk is higher for York County as we are a relatively small employer with employees geographically spread across the County versus larger employers whose employees are centralized in one location. I have attached a white paper written by Cigna in 2016 related to on-site health centers which includes a detailed discussion on the topic and I have outlined the considerations as it relates specifically to York County.

**Considerations for Establishing a Dedicated On-Site or Near-Site Employee Health Clinic** – Services provided in on-site clinics range from basic sick care, immunizations, physicals, preventive care screenings to full primary care, pharmacies, and behavioral health services. On-site clinics, like traditional doctor's offices, are also expanding to virtual health to provide greater access. Due to York's size, the most likely services to be provided would be basic sick care, immunizations, preventive care screenings and employer required physicals.

Currently the County requires pre-employment physicals as well as yearly immunizations and physicals in the Sheriffs' Department and Fire Department. The County spends approximately \$60,000 a year for these services. This is far less than a full time doctor and overhead costs.

### **Advantages:**

- **Improved Access to Services** – The employer defines the services to be provided and ensures capacity for the services.
- **Reduction in Lost Employee Work Hours** – Rather than taking 3-4 hours off to allow for drive, waiting room and appointment time for a traditional doctor's appointment, a conveniently located employee clinic would reduce employees' time

out of the office increasing productivity. This is not as big as an advantage as it has been in the past because of the rise in telemedicine.

- **Improved Access to Services and Preventive Care** – Employees who may not take the time off for routine physicals and preventive care measures may utilize a convenient employer health clinic which may reduce the risks and costs associated with postponed detection and treatment of medical conditions.
- **Management of Chronic Health Conditions and Life Style Management Programs** – Greater employee access and convenience to on-site care will make it easier for employees with chronic conditions to monitor and manage their health conditions.

**Disadvantages:**

- **Higher Start-Up Costs** – The County would have to locate an appropriate facility for the clinic, expend the upfront renovation costs and commit to a multi-year lease payment.
- **Higher Liabilities** – The County would select a vendor to provide the medical services and management of the clinic, but the County would assume many of the risks associated with the operations.
- **Higher Fixed Ongoing Costs** – The County would be responsible for the ongoing fixed costs of the program regardless of the utilization of the services. During the pandemic employers with employee clinics closed their doors and reduced hours. Because the employer was responsible for the clinics, the fixed costs continued despite the lower utilization.
- **Decreased Productivity** – Some employers have provided their employees with the benefit of not using leave when attending clinic appointments. Currently, York County employees use their leave for doctor's appointments so this practice could result in reduced productivity.
- **Employees' Perception of Loss of Privacy** – Employees' may have concerns that their employer would use their health information inappropriately.
- **Established relationships with doctors** – Employees who have relationships with their doctors would be hesitant to move to other doctors, therefore reducing the number of employees that would take advantage of the clinic.

**New Model:**

Additionally, over the past two years the employee health clinic industry has undergone dynamic changes. This started with the mergers of seven large providers down to four providers and has resulted in the creation of a new service delivery model the "Shared Near Site Centers" model. Under the new model the vendor owns the facility, covers the start-

up expenses and provides the services to more than just one employer thereby spreading the costs and reducing the liabilities. To make an informed long-term strategic decision, the new model must also be carefully considered in the future. Specifically, once a decision to have a traditional on-site model is made and funds have been expended for the long-term infrastructure, the ability to divest and move to the new model would become more challenging limiting the County's flexibility.

**Comparison of Clinic Delivery Models:**

If the County decided to implement an employee health clinic, one of the most important decisions is whether the County will own the business model which includes the assets, costs and risks; incur the upfront and ongoing costs or whether to share the costs and risks with others. The following summarizes the two basis models. The vendor scenario would presumably involve some type of competitive selection process with regional health care providers.

	Dedicated On-Site & Near-Site Center	Shared Near-Site Center
Ownership	County	Vendor
Start-up Costs Borne by	County	Vendor
Minimum Number of Employees	400 +/- single employer	May come from multiple employers.
Pricing	Either Flat Monthly Fee or Per Member Per Month Fee	Anchor clients (County as largest employer in community) are given a sliding pricing scale as other employers sign-up.

Given York County's modest size as an employer and the geographic diversity of where our staff live and work, I do not believe the costs and risks of a County health clinic are justifiable at this time.

Owens/3268

Attachment:

- Cigna's white paper - *On-Site Health Centers, Improving Convenience and Affordability for Employers*

# Onsite health centers

## Improving convenience and affordability for employees

### The Consumer-Driven Health Care Market

Increasing health care costs and a need for greater convenience in accessing care are driving employers and employees to demand more value out of their health care dollar and seek care that meets their individual needs. Employers are shifting an increasing share of health care costs to employees and are looking for new strategies to manage costs while ensuring that their employees have access to quality care. Employees are demanding greater transparency, decision support tools, and choice, and are looking for new ways to access affordable care. Additionally, technological innovation is making information and decision-making tools easily accessible to consumers, in some cases enabling them to access care without going to a traditional provider's office. As a result of these trends, a variety of non-traditional care models – such as telemedicine, digital wellness resources, retail health clinics and onsite health centers – have emerged to meet employer and employee demand for increased access and affordability. One such model, onsite health centers, has increased in popularity with employers in recent years due to its ability to improve access and reduce costs while also improving overall productivity.

### Onsite Health Centers

Onsite (sometimes called worksite), near-site, and shared-site health centers offer employees – and in some cases, their dependents – a wide range of health care services at or near their workplace. Onsite health centers are not new. In the past, they served primarily as urgent care centers at worksites for employers in industries with high occupational injury rates.<sup>1</sup> Today, onsite health centers are being utilized by a variety of employers, particularly larger employers, not only to treat occupational injuries but also to provide a wide range of care services, including primary care, to lower costs and improve employee wellness.<sup>2</sup>

In September 2015, Cigna released a white paper on evolving models of care delivery. Click [here](#) to access this white paper.

<b>Onsite Health Center</b>	An employer-sponsored health center located at the worksite
<b>Near-site Health Center</b>	An employer-sponsored health center located near the worksite
<b>Shared-site Health Center</b>	An employer-sponsored health center that serves multiple employers or employer locations, typically in a near-site setting

### Scope of services

Onsite health center services range greatly – from basic sick care, immunizations and preventative care screenings to full primary care services, onsite pharmacy services, and behavioral health services. Some onsite health centers are paired with other wellness services such as physical therapy, massage therapy and fitness centers as well. Service offerings are typically dependent on the center operator and the employer's priorities. Many large employers now utilize corporate-driven wellness strategies and offer incentive programs ranging from health maintenance to chronic condition management, which are increasingly supported by onsite health centers. In addition, many onsite centers are incorporating virtual health, such as telemedicine, into their models to extend care beyond the onsite location.<sup>3</sup>

In 2015, 35% of onsite health centers offered telemedicine services, and 12% said they planned to offer these services in the next two years.<sup>3</sup>

### Value of onsite health centers to employers and employees

The appeal of onsite health centers stems primarily from their ability to increase productivity through reduced time away from work, reduce health care costs, and improve access to quality care. Typically, when employees leave their worksite for a medical office visit, they spend an average of 150 minutes away from work, and that number jumps to 270 minutes for an ER visit.<sup>4</sup> Alternatively, a visit to an onsite health center reduces the amount of lost work time to 30 minutes in both cases. More than 54% of Americans have postponed visiting the doctor because it is inconvenient, and the top reason for postponing a visit is the inability to take time off from work.<sup>5</sup> Among employers who have onsite health centers, 64% are currently realizing savings, as a result of less time lost seeing external medical providers and reduced emergency room use.<sup>6</sup>

1. Royse, David, Modern Healthcare, *Business Insurance*, "Company doctoring: More employers offer on-site clinics," 8 December 2015.

2. Towers Watson, "Achieving High-Performance Employee Plans with Onsite Health Centers: Insights from the 2015 Employer-Sponsored Health Care Centers Survey," June 2015.

3. Towers Watson, "Achieving High-Performance Employee Plans with Onsite Health Centers: Insights from the 2015 Employer-Sponsored Health Care Centers Survey," June 2015.

4. Marsh & McLennan Agency, "A Second Look at Onsite Clinics," 8 June 2015.

5. MDLive, "MDLive Survey: Young 'Invincibles' Favor Mobile Healthcare," 14 May 2014.

6. National Association of Worksite Health Centers (NAWHC), "Onsite Clinics are a Key Component to a Successful Health Benefits Strategy," 6 January 2015.

In addition to savings from increased productivity, onsite centers can reduce health care costs by providing cost-effective treatment and reducing urgent care/ER visits.<sup>7</sup> Also, some employers are utilizing cost reduction strategies such as onsite pharmacies, and chronic condition and lifestyle management programs. Currently 50% of onsite health centers provide pharmacy services, which can increase medication adherence through improved employee access and convenience, as well as increase generic drug dispensing rates.<sup>8</sup> Chronic condition and lifestyle management programs are currently being utilized in a majority of onsite centers and can promote and reinforce behavior changes that can improve health.<sup>9</sup>

Onsite health centers can also improve access to quality care, which can increase utilization of preventative care. Between 40-60% of individuals who visit an onsite clinic do not have a primary care physician (PCP).<sup>10</sup> Nationally, 20% of individuals report difficulty accessing primary care as a result of PCP shortages.<sup>11</sup> For those individuals, onsite health centers can increase access to primary care and help offset the physician shortage that may exist in some local markets. In addition, onsite health centers can provide referrals to high-performing providers and centers of excellence to improve the quality of care employees receive.<sup>12</sup> Onsite health centers become an integral part of the health plan network and can assist employees in making the most of their benefits and finding high value care and treatment options.

### ***Near-site and shared-site health centers***

While there is evidence that onsite health centers can reduce costs and improve productivity and health outcomes, there are instances where they are not feasible for certain employers. For example, some employers may not have the space to open a health center or lack the employee population necessary to realize savings and justify the onsite clinical staff required. Near-site health centers can offer a solution for employers who lack the space to open an onsite health center at their worksite, and shared-site centers can make these solutions affordable for employers with smaller employee populations, since costs are shared among multiple participating employers.

### ***Onsite health center trends***

Onsite and near-site health centers are expanding, with nearly 30% of companies with more than 5,000 employees offering health services through a near-site or onsite center in 2015, up from 24% in 2013.<sup>13</sup> Of the employers who currently have onsite centers, about two-thirds are planning to expand them.<sup>14</sup> Employers are increasingly looking to partner with national and regional vendors, payers and health systems to operate onsite centers. Benefit consultants are also partnering with vendors, payers, and providers to integrate onsite centers directly into wellness strategies.

Also becoming increasingly popular is the use of health coaches to support clinicians and their care plans. During a visit, if a clinician recognizes a possible need for lifestyle management they can refer the patient to an in-house health coach, to ensure patients get the time and attention they need to support whole health improvement.<sup>15</sup>

As onsite centers become more common, they are being tailored to create a more convenient, quality patient experience. Many centers offer virtual services such as health coaching and treatment, making onsite center services and resources available to other employer locations. Virtual services are especially valuable to employers who have employees who work out of or visit multiple worksites.

Many onsite centers are also digitizing the patient experience by incorporating a "virtual waiting room" experience into their health offering. This technology makes it easier to electronically schedule appointments and simplifies the process of filling out forms through the use of an electronic clipboard that prepopulates fields based on the patient's last visit. These digital solutions can streamline the check-in process and allow the clinician to focus on patient care.

### ***Challenges with onsite health centers***

Onsite health centers have proven to be an effective way to reduce costs, and employers are expected to continue expanding their centers. The start-up costs for launching an employer-sponsored onsite health center can be significant in a standalone employer site. However, depending on the budget needs, a shared near-site health center or virtual health center can be better solutions to affordability without having to sacrifice access for employees. No matter what model is chosen, the majority of employers (85%) consider the centers to be successful, particularly in terms of employee utilization and satisfaction, reduction of lost work days, and improving management of chronic conditions.<sup>16</sup>

Another challenge is around employee perception of privacy. Some employees are concerned that their employer would be able to access, and potentially use, their health data inappropriately.<sup>17</sup> Employers can overcome this barrier by clearly communicating that the onsite center is subject to HIPAA and privacy laws and reassuring employees that these policies

7. National Association of Worksite Health Centers (NAWHC), "Results of 2014 National Survey of Onsite Clinic Operation and Policies," December 2014.

8. Towers Watson, "Achieving High-Performance Employee Plans with Onsite Health Centers: Insights from the 2015 Employer-Sponsored Health Care Centers Survey," June 2015.

9. Towers Watson, "Achieving High-Performance Employee Plans with Onsite Health Centers: Insights from the 2015 Employer-Sponsored Health Care Centers Survey," June 2015.

10. Roysse, David, Modern Healthcare, "Company doctoring: More employers offer on-site clinics," 8 December 2015.

11. National Association of Community Health Centers (NACHC), "Access is the Answer," March 2014.

12. Towers Watson, "Achieving High-Performance Employee Plans with Onsite Health Centers: Insights from the 2015 Employer-Sponsored Health Care Centers Survey," June 2015.

13. Roysse, David, Modern Healthcare, *Business Insurance*, "Company doctoring: More employers offer on-site clinics," 8 December 2015.

14. Roysse, David, Modern Healthcare, *Business Insurance*, "Company doctoring: More employers offer on-site clinics," 8 December 2015.

15. Towers Watson, "Achieving High-Performance Employee Plans with Onsite Health Centers: Insights from the 2015 Employer-Sponsored Health Care Centers Survey," June 2015.

16. Mercer 2015 Survey on Worksite Clinics, "Employers Continue to Launch Worksite Clinics Despite ACA Uncertainties," 8 September 2015.

17. Marsh & McLennan Agency, "A Second Look at Onsite Clinics," 8 June 2015.

are being followed. Additionally, having appropriate door and window coverings or frosted glass at the onsite center can help ensure privacy for employees who visit the center.

Some providers have voiced concerns that onsite health centers are a substitute for primary care. Onsite centers can complement community-based primary care services by offering vaccinations as well as treatment of minor acute conditions, allowing community-based PCPs to focus on more complex cases. Additionally, onsite centers can serve as an extension of the primary care physician's office, supporting PCPs' care plans through health coaching and wellness services. Onsite centers can also serve as a referral source to traditional and non-traditional providers. For example, an onsite center could refer employees to retail clinic sites for overflow or after-hours care, to community-based PCPs if an employee does not have a PCP, or to specialists for care outside the scope of clinic services.

Another challenge for onsite health centers is the fragmented experience patients may have due to lack of communication between traditional and non-traditional providers. To ensure care continuity and efficacy, data exchange and care coordination between onsite centers and traditional and non-traditional providers are required to help prevent care fragmentation and to achieve accepted standards of care quality.

## **Cigna & Cigna Onsite Health, LLC\***

As a company, Cigna is committed to driving better health, affordability, and experience through optimized relationships that connect care between patients and providers. Cigna Onsite Health, a fully owned subsidiary of Cigna, helps clients achieve their health benefits strategies by customizing health center solutions at the workplace. Cigna Onsite Health offers a range of services, from preventative and wellness through full primary care services. Cigna Onsite Health also has services to meet the unique needs of an employee population, including wellness and lifestyle management coaching and chronic, high-risk condition management programs. Cigna Onsite Health creates health centers with patient-centered design principles and digital tools that maximize patient engagement with their health services.

*The future of worksite health solutions will need to continue to evolve to deliver a more personalized health care experience. When building a health center, by leveraging patient-centered design principles and a digitized experience, employers can achieve a higher level of patient engagement and a healthier workforce.*

*- Michele Paige, Vice President and General Manager of Cigna Onsite Health*

Cigna Onsite Health uses an integrated model with a 360 degree view of employees' health based on their medical history as part of the health benefit plan. Providers and coaches use predictive modeling and the Cigna Health Matters<sup>SM</sup> score to close gaps in care, and acting as a practice extender, share encounters with the patient's primary medical provider. Cigna is the first national health services company to earn recognition in the new National Committee for Quality Assurance (NCQA) Patient-Centered Connected Care<sup>TM</sup> Recognition program.<sup>18</sup> This recognition applies to seven Cigna onsite health centers: two that serve employees of Cigna clients in Arlington, VA, and Council Bluffs, Iowa and five that serve Cigna employees in Hartford, CT, Chattanooga, TN, Philadelphia and Scranton, PA, and Plano, Texas. The NCQA Patient-Centered Connected Care Recognition Program evaluates a number of factors, such as how sites connect with primary care and other providers, the type of patient care and support provided, and electronic system capabilities and quality measurement. Sites that demonstrate they follow certain protocols in these areas are positioned to earn an NCQA seal, reflecting their commitment to quality and a patient-centered approach to care delivery.

Currently, Cigna Onsite Health has 50 health centers in 23 states and Washington, D.C., including two virtual treatment centers. The innovative virtual treatment center model allows employers without a full onsite health center to offer their employees a way to conveniently access care without leaving the worksite and provides employers another option to meet the needs of their unique employee population.

As employers' goals and employees' health care needs change, Cigna Onsite Health will adapt its delivery model and services to meet those needs using a patient-centered, coordinated approach. Moreover, we will continue to help facilitate the exchange of care information between onsite providers and employees' other providers to deliver an affordable, convenient, and connected experience for our customers.

18. NCQA is a private, nonprofit organization dedicated to improving health care quality. It also recognizes clinicians and practices in key areas of performance. For more information, visit NCQA website ([www.NCQA.org](http://www.NCQA.org)).



**Together, all the way.®**



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