CITY OF McALLEN

NOTICE OF JOINT WORKSHOP WITH THE MCALLEN PUBLIC UTILITY BOARD
MONDAY, JUNE 10, 2024 – 3:45 PM
MCALLEN CITY HALL
CITY COMMISSION CHAMBERS; 3RD FLOOR
1300 HOUSTON AVENUE
MCALLEN TEXAS, 78501

AGENDA

"At any time during the course of this meeting, the City Commission may retire to Executive Session under Texas Government Code 551.071(2) to confer with its legal counsel on any subject matter on this agenda in which the duty of the attorney to the City Commission under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with Chapter 551 of the Texas Government Code. Further, at any time during the course of this meeting, the City Commission may retire to Executive Session to deliberate on any subject slated for discussion at this meeting, as may be permitted under one or more of the exceptions to the Open Meetings Act set forth in Title 5, Subtitle A, Chapter 551, Subchapter D of the Texas Government Code."

CALL TO ORDER

JOINT MEETING WITH McALLEN PUBLIC UTILITY BOARD OF TRUSTEES:

1. Review of the Employee Health Plan.

END OF JOINT MEETING

2. Present questions to staff relating to the June 10, 2024 Regular Meeting Agenda, to be discussed at such meeting.

3. Discussion of the expansion of Police Training Facilities and Indoor Firearms Training Center.

4. EXECUTIVE SESSION, CHAPTER 551, TEXAS GOVERNMENT CODE, SECTION 551.071 (CONSULTATION WITH ATTORNEY), SECTION 551.072 (DELIBERATION REGARDING REAL PROPERTY), SECTION 551.074 (PERSONNEL MATTERS) AND SECTION 551.087 (ECONOMIC DEVELOPMENT)

A) Consultation with City Attorney regarding legal issues related to Economic Development Contracts. (Section 551.071, T.G.C.)

B) Discussion and possible lease, sale or purchase of Real Estate Property, Tract 1. (Section 551.072, T.G.C.)

C) Consultation with City Attorney regarding legal issues related to Municipal Employment Contracts. (Section 551.071, T.G.C.)

ADJOURNMENT

IF ANY ACCOMMODATION FOR A DISABILITY IS REQUIRED (OR INTERPRETERS FOR THE DEAF), NOTIFY THE CITY SECRETARY'S DEPARTMENT AT 681-1020 FORTY-EIGHT (48) HOURS PRIOR TO THE MEETING DATE. WITH REGARD TO ANY ITEM, THE BOARD OF COMMISSIONERS MAY TAKE VARIOUS ACTIONS INCLUDING BUT NOT LIMITED TO RESCHEDULING AN ITEM IN ITS ENTIRETY FOR A FUTURE DATE OR TIME.

C E R T I F I C A T I O N

I, the Undersigned Authority, do hereby certify that the attached agenda of the meeting of the McAllen Board of Commissioners is a true and correct copy and that I posted a true and correct copy of said notice on the bulletin board in the Municipal Building, a place convenient and readily accessible to the general public at all times, and said Notice was posted on June 7, 2024 at 3:30 PM and will remain so posted continuously for at least 72 hours preceding the scheduled time of said meeting in accordance with Chapter 551 of the Texas Government Code.

/s/
Perla Lara, TRMC/CMC, CPM
City Secretary

CITY OF McALLEN

ITEM SUMMARY

BOARD: City Commission	AGENDA ITEM	1.
	DATE SUBMITTED	06/03/2024
	MEETING DATE	6/10/2024

1. Agenda Item: Review of the Employee Health Plan.

2. Party Making Request:

3. Nature of Request: Review and Discussion of Employee Health Plan

4. Routing:

Perla Lara	Created/Initiated - 6/3/2024
Jeff Johnston	Approved - 6/3/2024
Isaac Tawil	New -

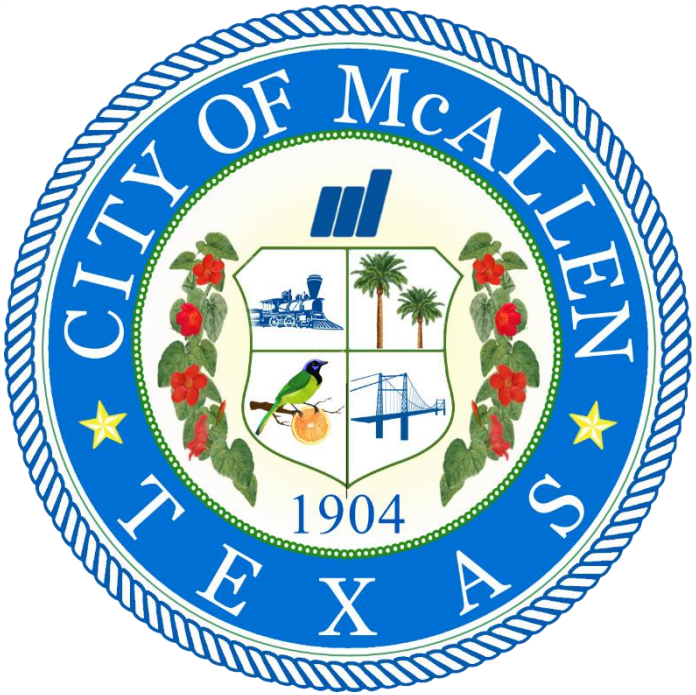
5. Staff Recommendation:

6. Advisory Board:

7. City Attorney:

8. Manager's Recommendation:

VERACITY ANALYTICS



Population Health & Financial Analysis

Important Notes & Study Background

This report gives insight into the city's DPC Program performance including its influence on key performance measures and a financial summary. Future reporting will include insight into additional measures. The analysis tends to focus on Medical Spend without pharmacy because to manage most conditions you want pharmacy scripts filled and patients compliant with taking medication as prescribed. As expected, spend is higher with prescription drug claims included but the trend story does not change.

The Study Period for this report is based on incurred dates 10/1/2021 - 3/31/2024. The report years are labeled with "BY" indicating a Benefit Year rather than a calendar year (i.e., 10/1/2022 – 9/30/2023 is labeled "2023-BY"). We also included the first 6 months of the 2024 benefit year data (10/1/2023 – 3/31/2024) which is labeled "2024-YTD".

High-Cost Members are defined as those with > $50,000 during the year.

Membership was analyzed using Member Months and cannot relate to a snapshot in time. For example, you may have had 1,000 members during a benefit year, but only 950 at the current time. Total Member Months are used to calculate Per Member Per Month rates (PMPM).

Columns often cannot be summed due to comorbidity and/or multiple risks. Totals, especially by enrollment status (Employee, Spouse, Dependent [Other]), will not match Age Gender Reports since Insured members can change enrollment status during a reporting period, and would therefore count in both (i.e., a Spouse may become an Employee).

Due to data remediation, timing issues, and claims lag some reporting may reflect revisions from previously released reports and condition reporting may differ slightly when comparing the counts and spend by conditions in each class to the All-Condition analysis. Veracity Analytics runs diagnostics on the data to remove outliers and orphans and remediate. An orphan report is available by request.

Key Highlights

Plan Medical Spend is projected to hold stable or decrease slightly by the end of the 2024 benefit year. Other evidence related to reducing risk, ER use, and managing spouses should translate into more favorable outcomes. As expected, **Plan Pharmacy Spend** was up comparing 2023-BY to 2022-BY and is projected to increase in 2024-BY. Member count was up in 2023-BY which may explain some of the spend increase for that year.

Tenure Analysis (Turnover) - Data shows that Spouse PMPM for Employees staying more than 24 months was the highest PMPM in 2023-BY and is not trending favorably in 2024, so management programs like DPC are warranted. There were 186 members in 2024-YTD who have fewer than 6 months of tenure. Of those, only 62 (about 33%) have had a visit with the DPC. Educating new members about the DPC is warranted. Of the 124 who haven't visited the DPC, only 7 have claims; one is a high-cost member.

High-Cost Members (those with > $50k in spend during the year) - In 2023-BY there were 28 HCM* who represented 58.2% of Medical Spend ($3.5m). In the first 6 months of 2024, there were 10 HCM representing 53% ($1.1m) of Medical Spend, so it looks like HCM claimants and spend are decreasing, if current trends hold true. Cancer was predominant both years among conditions from claims that contributed to members being HCM. In 2024-YTD, the 10 HCM included 6 Employees, 2 Spouses, and 2 Dependents.

Core Conditions Analysis - In 2024-YTD, there were 244 members (7.6% of claimants) with one or more Core Condition who accounted for 42.4% of the Medical Spend ($930k) and 29.8% ($813k) of the Pharmacy Spend and an average Total PMPM of $929. Members with Hypertension and Diabetes Type 2 represent the majority of the Medical and Pharmacy Spend among those with Core Conditions, which is not surprising since these conditions are prevalent in the United States. Those with Ischemic Heart Failure have the highest PMPM and PMPM increased for members with Asthma, Cerebrovascular Disease, Heart Failure, and Ischemic HD/CAD. In addition, 94 individuals with lab values indicative of diabetes were identified by the DPC.

If observations hold true, DPC appears to be favorably influencing (based on 2024-YTD and projections):

- **Medical Spend** - Spend is projected to hold stable or decrease slightly by the end of the 2024 benefit year. Other evidence related to reducing risk, ER use, and managing spouses should translate into influencing more favorable outcomes. Data suggests that new member education is needed as only a third of new members (those who have fewer than 6 months of tenure) are using the DPC. Encourage members with prescriptions for medications covered by International Rx (IRX) to fill then through IRX. Members who used IRX showed a savings of $112K when compared to members filling the same medications through OptumRx. The IRX savings compared to the estimated retail price of filled drugs is $229K.

- **Medical Events** - Inpatient Admits/k and ER Visits/k are down and lower than national norms.

- **Risk Modification** - Most members have held or decreased their risk by single health risk factors (95% of members held or decreased their risk by BMI, as did 78% for Blood Pressure, 94% for Ha1c, and 86% for LDL). Experience with data analysis usually shows that risk reduction will eventually translate into more favorable PMPM trending and savings. There appears to be a solid correlation to DPC influencing these positive outcomes.

Financial Foundation

Insured Summary	
Enrollment Status	**2024-YTD**
Employee	1,987
Dependent	1,009
Spouse	203
Total Insured Population	**3,199**
Gender Count & %	
Female	1,179
Male	2,020
Female	36.9%
Male	63.1%
Aggregate Payment Distributions	
Medical Spend	$2,129,677
Pharmacy Spend	$2,725,544
Total Medical + Pharmacy	**$4,855,221**
Annual Cost Change	**-26.7%**

At this point in time, Plan Medical Spend is projected to hold stable or decrease slightly by the end of the 2024 benefit year. Other evidence related to reducing risk, ER use, and managing spouses should translate into influencing more favorable outcomes.

As expected, Plan Pharmacy Spend was up comparing 2023-BY to 2022-BY and is projected to increase in 2024-BY.

Member count was up in 2023-BY which may explain some of the increase in spend for that year. Employee counts are based on the total Employee Member Months/12. All plans and coverage tiers are aggregated.

Future analysis will determine if current trends hold true.

Medical and Pharmacy Spend by Fund						
	2022-BY		2023-BY		2024-YTD	
	Medical Plan Paid	Rx Plan Paid	Medical Plan Paid	Rx Plan Paid	Medical Plan Paid	Rx Plan Paid
Active	$5,671,641.51	$3,336,092.59	$5,784,441.08	$4,008,091.64	$2,041,100.29	$2,272,653.85
Retirees	$514,285.56	$444,617.76	$249,738.60	$409,845.91	$88,577.04	$206,462.23
Total	**$6,185,927.07**	**$3,780,710.35**	**$6,034,179.68**	**$4,417,937.55**	**$2,129,677.33**	**$2,479,116.08**

VERACITY ANALYTICS

High-Cost Member Analysis

In 2023-BY there were 28 HCM* who represented 58.2% of Medical Spend ($3.5m). In the first 6 months of 2024, there were 10 HCM representing 53% ($1.1m) of Medical Spend, so it looks like HCM claimants and spend are decreasing, if current trends hold true.

Table 1 shows the conditions from claims that contributed to members being HCM; Cancer is predominant both years. In the 6-month period of 2024, the 10 HCM included 6 Employees, 2 Spouses, and 2 Dependents. The members with breast cancer both had a screening mammogram. As data builds, future reporting will include information on cancer screenings for those with prostate, breast, and colorectal cancer, and how many are being supported through their DPC physician.

Table 1: High-Cost Members Primary Reason	
2023-BY (10/1/22 – 9/30/23)	**2024-YTD** (10/1/23 – 3/31/24)
Cancer (breast, brain, skin, colorectal, kidney, lung)	Cancer (brain, prostate, endocrine, multiple sites)
Heart disease (cardiomyopathy)	Broken arm
End stage renal disease	Sepsis
Ileostomy (diverticulitis)	Fallopian tube inflammation
Developmental disorder	Hernia
Osteomyelitis, diabetes	
Multiple bone fractures	
Heart attack	
Scoliosis	

	Insured		% Insured		Medical Spend		% Medical Spend		PMPM (Medical)		Total Population		
	Not HCM	HCM	Not HCM	HCM	Not HCM	HCM	Not HCM	HCM	Not HCM	HCM	Insured	Medical Spend	PMPM Med
2022-BY	**2,085**	**25**	**98.8%**	**1.2%**	**$3,445,642**	**$2,740,286**	**55.7%**	**44.3%**	**$178.95**	**$10,419.34**	**2,110**	**$6,185,927**	**$316.93**
Employee	1,306	20	98.5%	1.5%	$2,232,615	$1,947,438	53.4%	46.6%	$185.77	$9,142.90	1,326	$4,180,053	$341.76
Dependent	618	3	99.5%	0.5%	$859,508	$442,443	66.0%	34.0%	$152.04	$17,017.05	621	$1,301,952	$229.26
Spouse	161	2	98.8%	1.2%	$353,518	$350,404	50.2%	49.8%	$223.18	$14,600.18	163	$703,922	$437.76
2023-BY	**3,420**	**28**	**99.2%**	**0.8%**	**$2,524,187**	**$3,509,993**	**41.8%**	**58.2%**	**$74.68**	**$12,145.30**	**3,448**	**$6,034,180**	**$177.02**
Employee	2,067	19	99.1%	0.9%	$1,626,117	$2,569,654	38.8%	61.2%	$80.45	$12,658.39	2,086	$4,195,771	$205.50
Dependent	1,126	6	99.5%	0.5%	$634,371	$633,739	50.0%	50.0%	$56.09	$10,562.32	1,132	$1,268,110	$111.54
Spouse	227	3	98.7%	1.3%	$263,699	$306,600	46.2%	53.8%	$115.86	$11,792.29	230	$570,298	$247.74
2024-YTD	**3,189**	**10**	**99.7%**	**0.3%**	**$1,001,703**	**$1,127,975**	**47.0%**	**53.0%**	**$41.85**	**$21,691.82**	**3,199**	**$2,129,677**	**$88.79**
Employee	1,981	6	99.7%	0.3%	$624,791	$858,524	42.1%	57.9%	$42.52	$33,020.15	1,987	$1,483,315	$100.76
Dependent	1,007	2	99.8%	0.2%	$281,672	$108,370	72.2%	27.8%	$36.55	$6,773.12	1,009	$390,041	$50.51
Spouse	201	2	99.0%	1.0%	$95,240	$161,081	37.2%	62.8%	$62.17	$16,108.09	203	$256,321	$166.23

*High-Cost Members (HCM) had claims in a benefit year ≥ $50,000 in Medical Spend. Non-high-cost Claimants (Non-HCC) had claims < $50k in Medical Spend during a benefit term. Percentages displayed in this table are calculated based on the row, not the column.

Core Conditions (claims based)

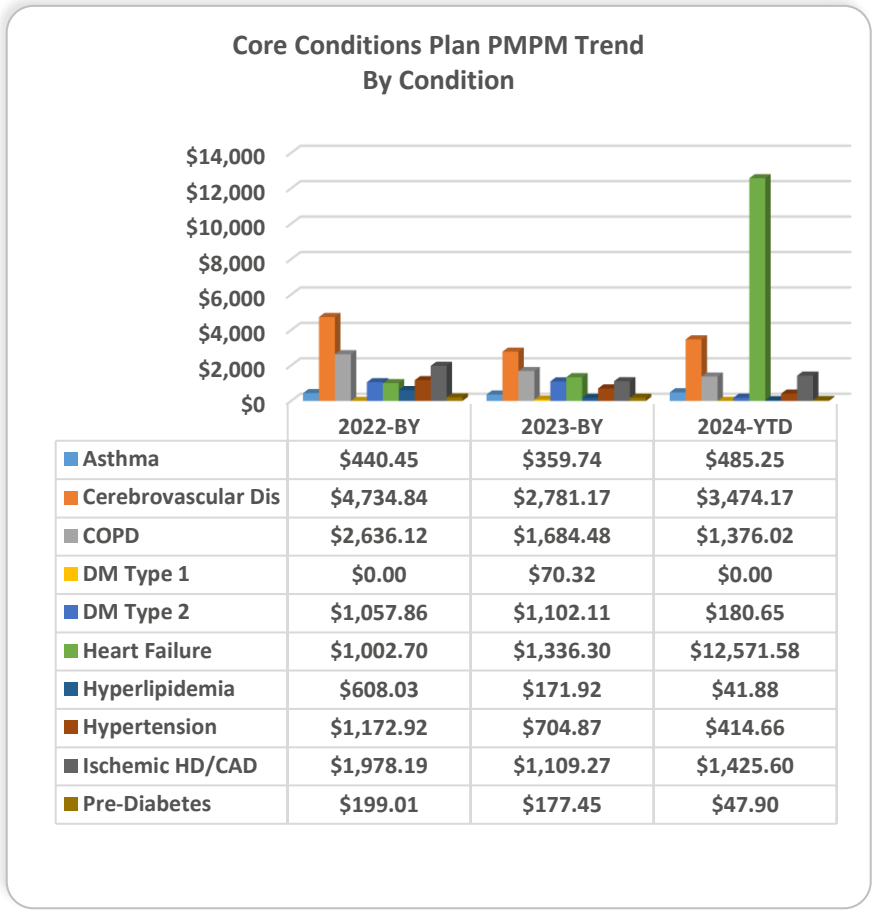
Condition	Claimants	% Claimants	Medical $	% Med	Rx $	% Rx	Med+Rx$	Medical PMPM	Pharmacy PMPM	Med+Rx PMPM
Asthma	11	0.3%	$42,702	2.0%	$16,342	1.4%	$59,043	$485.25	$185.70	$670.94
Cerebrovascular Dis	5	0.2%	$118,122	5.5%	$11,890	1.0%	$130,012	$3,474.17	$349.71	$3,823.88
COPD	9	0.3%	$85,313	4.0%	$34,626	3.0%	$119,940	$1,376.02	$558.49	$1,934.51
DM Type 1	3	0.1%	$0	0.0%	$16,951	1.5%	$16,951	$0.00	$706.28	$706.28
DM Type 2	73	2.3%	$101,884	4.8%	$431,602	37.7%	$533,486	$180.65	$765.25	$945.90
Heart Failure	6	0.2%	$490,292	23.0%	$33,923	3.0%	$524,215	$12,571.58	$869.82	$13,441.41
Hyperlipidemia	71	2.2%	$22,780	1.1%	$73,848	6.4%	$96,628	$41.88	$135.75	$177.63
Hypertension	103	3.2%	$325,505	15.3%	$362,289	31.6%	$687,794	$414.66	$461.51	$876.17
Ischemic HD/CAD	33	1.0%	$356,400	16.7%	$153,173	13.4%	$509,573	$1,425.60	$612.69	$2,038.29
Pre-Diabetes	21	0.7%	$7,425	0.3%	$10,514	0.5%	$17,939	$47.90	$67.83	$115.74
Has Condition	**244**	**7.6%**	**$903,199**	**42.4%**	**$812,517**	**29.8%**	**$1,715,715**	**$489.01**	**$439.91**	**$928.92**
No Condition	2,955	92.4%	**$1,226,479**	**57.6%**	**$1,913,027**	**70.2%**	**$3,139,505**	**$55.40**	**$86.41**	**$141.82**
Total	**3,199**	**100.0%**	**$2,129,677**	**100.0%**	**$2,725,544**	**100.0%**	**$4,855,221**	**$88.79**	**$113.64**	**$202.43**

In 2024-YTD, there were 244 members (7.6% of claimants) with one or more Core Condition. These members accounted for 42.4% of the Medical Spend ($930k) and 29.8% ($813k) of the Pharmacy Spend. The average Total PMPM for these members was $929. (A member may be captured in more than one condition.)

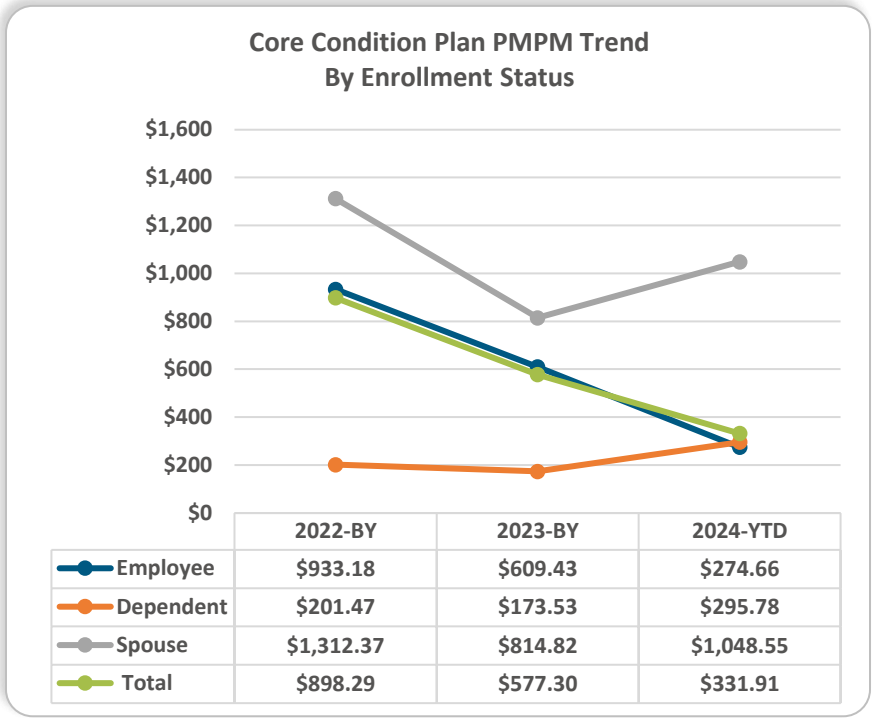
- **Members with Hypertension and Diabetes Type 2 represent the majority of the Medical and Pharmacy Spend among those with Core Conditions. This is not surprising since these conditions are prevalent in the United States. Those with Ischemic Heart Failure have the highest PMPM. In addition, 94 individuals with lab values indicative of diabetes were identified by the DPC.**

- Management of cardiovascular risk factors such as diet, physical activity, and not using tobacco products, along with management of Diabetes Type 2, Hypertension, and Hyperlipidemia can help lower the risk of a cardiac event. Consider campaigns related to identifying risk factors for stroke (Cerebrovascular Disease) and actions to take when signs occur to mitigate costs and improve prognosis.

Core Condition Trend by Condition & Relationship



	2022-BY	2023-BY	2024-YTD
Asthma	$440.45	$359.74	$485.25
Cerebrovascular Dis	$4,734.84	$2,781.17	$3,474.17
COPD	$2,636.12	$1,684.48	$1,376.02
DM Type 1	$0.00	$70.32	$0.00
DM Type 2	$1,057.86	$1,102.11	$180.65
Heart Failure	$1,002.70	$1,336.30	$12,571.58
Hyperlipidemia	$608.03	$171.92	$41.88
Hypertension	$1,172.92	$704.87	$414.66
Ischemic HD/CAD	$1,978.19	$1,109.27	$1,425.60
Pre-Diabetes	$199.01	$177.45	$47.90



	2022-BY	2023-BY	2024-YTD
Employee	$933.18	$609.43	$274.66
Dependent	$201.47	$173.53	$295.78
Spouse	$1,312.37	$814.82	$1,048.55
Total	$898.29	$577.30	$331.91

Core PMPM Rate Changes (Spouse)			
Year	PMPM	Yr to Yr	Over SP
2022-BY	$1,312.37		
2023-BY	$814.82	-37.9%	
2024-YTD	$1,048.55	28.7%	-10.1%

Core PMPM Rate Changes (Employee)			
Year	PMPM	Yr to Yr	Over SP
2022-BY	$933.18		
2023-BY	$609.43	-34.7%	
2024-YTD	$274.66	-54.9%	-35.3%

- In 2024-YTD, PMPM has increased for members with Asthma, Cerebrovascular Disease, Heart Failure, and Ischemic HD/CAD.
- In the first 6 months of 2024, PMPM was up for Spouses 28.7% but down -10.1% over the Study Period; down for Employees -54.9% and down -35.5% over the Study Period; up for Dependents.

VERACITY ANALYTICS

DPC Influence on Spend

Overall, DPC appears to be favorably influencing outcomes. Plan Medical Spend is projected to hold stable or decrease slightly by the end of the 2024 benefit year. Other evidence related to reducing risk, ER use, and managing spouses should translate into influencing more favorable outcomes. The data suggests that new member education is needed as only a third of new members (those who have fewer than 6 months of tenure) are using the DPC. Encourage members with prescriptions for medications covered by International Rx (IRX) to fill then through IRX. Members who used IRX showed a savings of $112K when compared to members filling the same medications through OptumRx. The IRX savings compared to the estimated retail price of filled drugs is $229K.

	Office Visits/Encounters	Patients	Estimated Billed Amt*
2023-BY	12,686	1,966	$1,515,089
2024-YTD	8,587	1,731	$1,025,545
Total	**21,273**	**2,358**	**$2,540,634**
*If a 99215 office visit claim had been filed with United Healthcare			

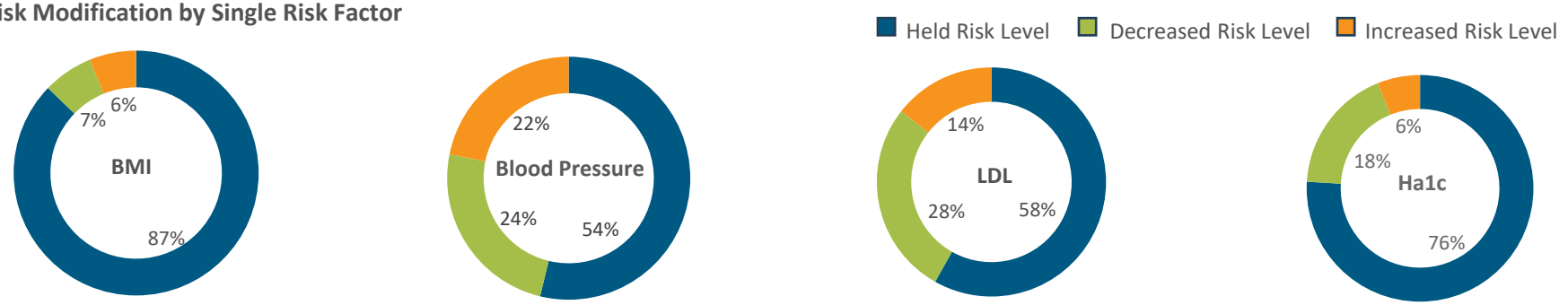
	2022-BY	2023-BY	2024-YTD
Medical Plan Paid	$6,185,927.07	$6,034,179.68	$2,129,677.33
Rx Plan Paid	$3,780,710.35	$4,417,937.55	$2,479,116.08
Membership Fees		$2,017,600.00	$1,140,660.00
Physicals		$36,284.88	
Ancillary		$803,991.97	$683,035.19
Total Spend	**$9,966,637.42**	**$13,309,994.08**	**$6,432,488.60**
Potential Savings from office visits		$1,515,088.98	$1,025,545.41
Savings from International Rx YTD			$112,872.60

VERACITY ANALYTICS

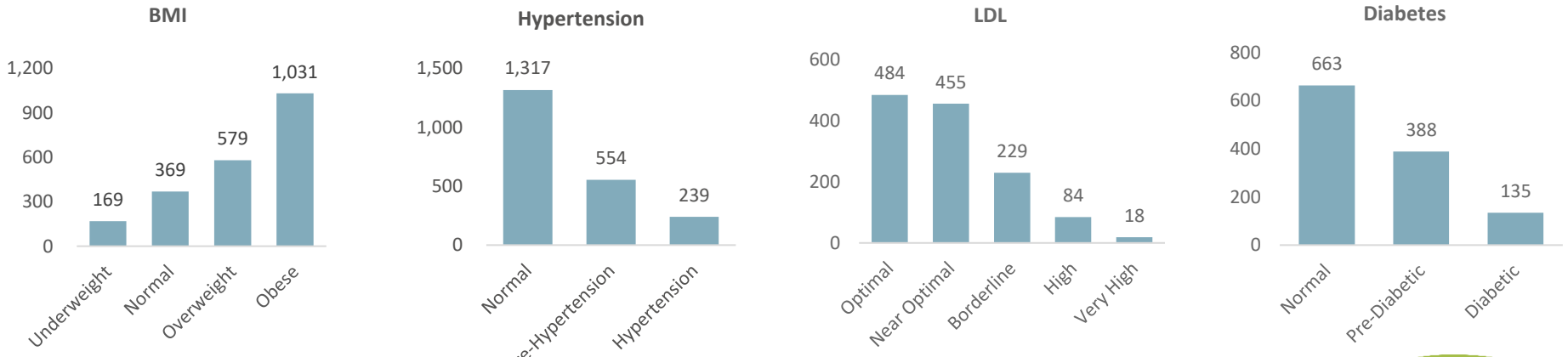
Health Risk Modification by BMI & Blood Pressure

In 2024-YTD 95% of members held or decreased their risk by BMI, 78% for Blood Pressure, 94% for Ha1c, and 86% for LDL. Experience with data analysis usually shows that risk reduction will eventually translate into more favorable PMPM trending and savings. There appears to be a solid correlation to DPC influencing these positive outcomes (more detail available by request). Calculations are based on first and most recent values.

Risk Modification by Single Risk Factor



Member Count by Condition Category

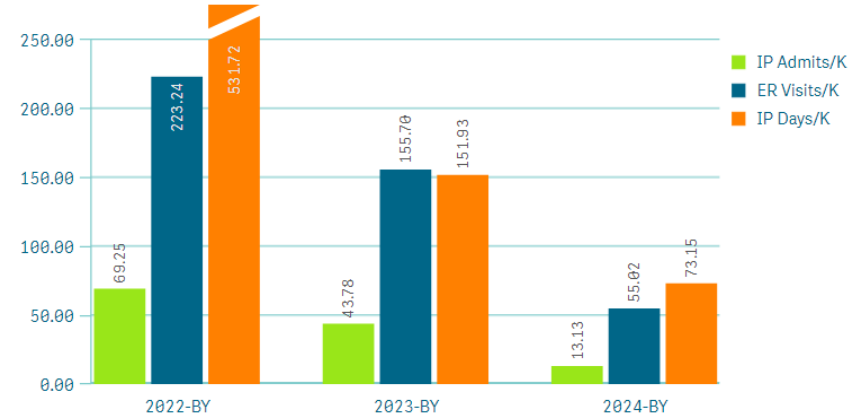


VERACITY ANALYTICS

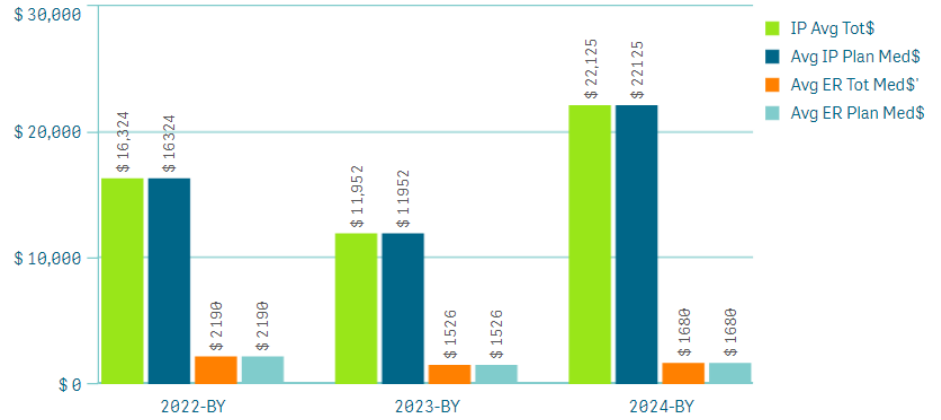
Medical Events – Utilization Rates

In 2024-YTD and projections for the full 2024-BY, data indicates Inpatient Admits/k and ER Visits/k will be favorable, if current trends hold true. There appears to be a correlation that DPC is influencing favorable medical event outcomes. Compared to national norms, ALOS is higher than the norm of 4.3 days, but Inpatient Admits/k is lower than the 49.4 norm, and ER Visits/k is also lower than the norm of 236.4. Calculation of Total Medical Spend because UHC did not provide Member Spend.

Medical Events - Utilization (Days)



Medical Events - Utilization (Dollars)



Medical Events - Utilization (Days & Dollars)

Period	IP Admits/K	ER Visits/K	IP Days/K	IP ALOS	Avg IP Plan Med$	Avg IP Tot Med$	Avg ER Plan Med$	Avg ER Tot Med$
2022-BY	69.25	223.24	531.72	7.68	$16,324	$16,324	$2,190	$2,190
2023-BY	43.78	155.70	151.93	3.47	$11,952	$11,952	$1,526	$1,526
2024-BY	13.13	55.02	73.15	5.57	$22,125	$22,125	$1,680	$1,680

VERACITY ANALYTICS

FRONTIER HEALTH

CITY OF MCALLEN

2024

WHAT IS THE PROBLEM?

Misaligned Incentives

Destroys Customer Experience

⬆ Increased Cost

Cost = Extract Max Dollars

- More pills, more procedures, more tests = more money
- No transparency
- Bad outcomes = no consequences
- No incentive to change

⬇ Decreased Quality

Quality = Bureaucratic Control

- 3,500:1 patient to provider ratio
- Providers are controlled by the system driving more claims
- Bad outcomes = more money
- Care is reactive

⬇ Decreased Access

Access = Antiquated & Siloed

- Limited availability, long wait and short visits
- Limited/no access to data
- Complicated systems & antiquated tech
- No navigation or negotiation support

58%

Increase in Employer Premiums Over 10 Years

81%

Americans Unsatisfied With Healthcare System

34%

Decreased Employee/Family Access Over 10 Years

2024

WHAT IS THE OPTIMAL STATE?

Aligned Incentives

Restores Customer Experience

Increased Access

Access = Tech Enabled

- Same day availability, no wait, long visits (30min avg.)
- 100% data/price transparency
- Simple & modern tech platform
- Equal & unlimited access for all

Improve Outcomes

Quality = Human Powered

- 800:1 patient to provider ratio
- Healthcare to workers = largest and most important asset
- Good outcomes = satisfied employees.
- Care is Proactive

Decreased Cost

Cost = Savings Focused

- Less Admissions
- Transparent pricing
- Procure Care For Less
- Each party rewarded for good outcomes

104%

Primary Care Increase

94

Net Promoter Score

87% CMS

Cost of Primary Care

Leading & Lagging Indicators

Leading	Lagging
• Increase Primary Care Visits • Increase Chronic Disease Engagement • Increase Health Plan Utilization • Increase Transparency	• Decrease Emergency Room Admissions • Decrease In Patient Admissions • Decrease Need • Decrease Costs

2024

INCREASING ACCESS

ESTABLISHING THE PCP / PATIENT RELATIONSHIP

	BY-22	BY-23	BY-24
TOTAL TELEMEDICINE (Calls + Texts)	370	73,586	94,145
UNIQUE MEMBERS TELEMED	370	1,839	2,281
% MEMBERS USING TELEMED	**10%**	63%	**71%**

Unique Utilization
Increasing Efficiency

FRONTIER IS THE FIRST CALL.
FRONTIER HAS BROKEN DOWN THE BARRIER TO ACCESS.

2024

MEMBER SATISFACTION

94 NPS

Net Promoter Score

2024

INCREASING UTILIZATION

EMPLOYER JOURNEY

	BY-22	BY-23	BY-24
Total Members Enrolled	3,519	2,940	3,224
Members w/ Apt	No Data	1,621*	1,611*
Unique Utilization %	No Data	55%	62%
Total Appointments	8,434	14,601	16,473
In Person Apt	8,064	12,275	12,636
Virtual Apt	370	2,326	3,837
PMPY AVG Apt	**2.4**	**4.97**	**5.11**
% Increase Apt	**BM**	**81%**	**104%**

Normalizing:
2.93% Increase
in In Person Apt

Gaining Efficiency:
64.96% Increase in
Virtual Apt

Proactive Delivery

FRONTIER HAS INCREASED UTILIZATION.
FRONTIER HAS DELIVERED PROACTIVE CARE.

2024 DELIVERING COORDINATED CARE & MITIGATING NETWORK CLAIMS

UHC
Referral Rate 34%

FRONTIER
Referral Rate 7%
Keeping Primary Care Primary.

	BY-22	BY-23	BY-24
Total Claimants	1,894	1,662	1,262
UHC Outpatient	**8,064**	6,253	**4,912**
Primary Care	5,532	3,723	2,884
UHC Specialist	2,023	1,945	1,666
FDC Specialist	ND	505	837
OBGYN	509	435	363
FRONTIER	ND	8,348	11,561
TOTAL VISITS	**8,064**	**14,601**	**16,473**
% Increase Apt	**BM**	**81%**	**104%**
UHC Carve Out	**BM**	**22%**	**39%**
% FDC vs UHC Specialist	**0%**	**21%**	**33%**

17.65% Reduction in Network Specialist

Regaining Control of the Referral.

2024

IMPROVING OUTCOMES

Leading Indicators

Diabetics Engaged	BY-20	BY-21	BY-22	BY-23	BY-24
UHC Identified	356	375	382	**378**	ND
UHC % Engaged	**22%**	**21%**	**21%**	**23%**	ND
UHC % Maintain / Improve	ND	81%	80%	**82%**	ND
FDC Identified	ND	ND	ND	**542**	**556**
FDC % Engaged	ND	ND	ND	**100%**	**100%**
FDC % Maintain / Improve	ND	ND	ND	**95%**	**97%**

178 New Pre Diabetic and Diabetic Members Engaged.

Cost drivers now being cared for.

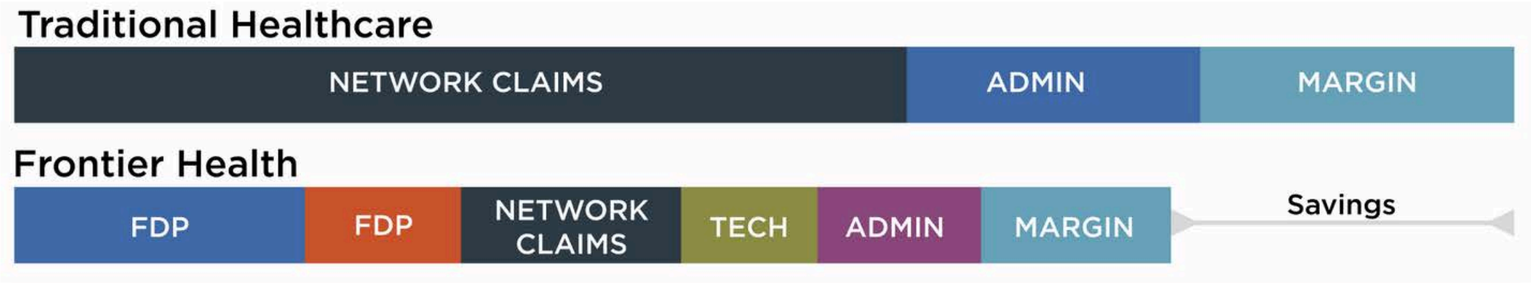
The Average Annual Cost for a Diabetic is $12-19k (NIH.gov)

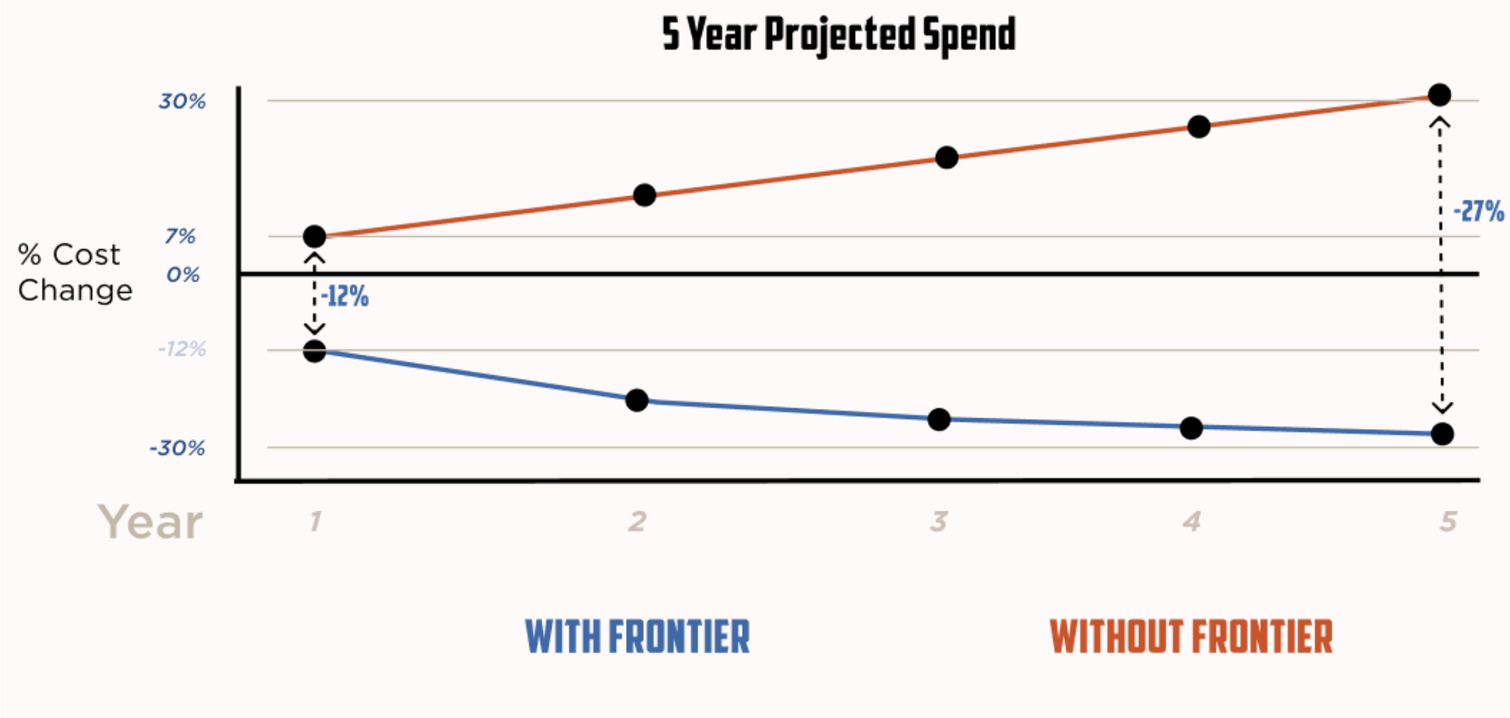
178 x $12,000 = $2.13M

2024

WORKING TOWARDS THE GOALS

Cost Breakdown:





GOALS:

- Improve Access
- Drive Utilization
- Improve the Customer Experience
- **Improve Population Health**
- **Procure Care Needs for Less**
- Mitigate Network Claims
- CHANGE THE MODEL
- INCREASE VALUE

2024

PROCURING PRIMARY CARE FOR LESS

Frontier Membership as CMS Primary Care Appointments

	BY-23	BY-24	ALL TIME
Membership Cost	**$2,018,080**	**$1,303,220**	$3,321,300
# of Appointments	**8,211**	**7,747**	15,958
100% Medicare Rate	$198	**$193**	$196
Cost Per In Person Appointment	$245	**$168**	$208
% of Medicare	124%	**87%**	**106%**
CMS Appt Value	$1,632,147	**$1,492,445**	$3,124,593

32% Reduction
The more its used, the more value is created.

Positive ROI Achieved

The City has procured Primary Care for less than the Federal Government allowable rate.
National Network Rates Avg. 140-220% for Primary Care Services.
Frontier pays for itself.

2024

WHAT IS THE OPTIMAL STATE?

Leading & Lagging Indicators

Leading

- Increase Primary Care Visits
  - +104%
- Increase Chronic Disease Engagement
  - 178 New Diabetics Engagd
- Increase Health Plan Utilization
  - 71% Utilizing FDC
- Increase Transparency
  - Veracity Analytics
  - Frontier Direct Pay

Lagging

- Decrease Emergency Room Admission Rate
  - -75%
- Decrease In Patient Admission Rate
  - -81%
- Decrease Need
  - -18%
- Decrease Costs
  - 87% of Medicare for Services
  - 7% Referral Rate vs 34% UHC

2024

HOW DOES FRONTIER HEALTH WORK?

104% Increase in Primary Care

75% Decrease in ER Admission

178 New Diabetics Engaged

81% Decrease IP Admission

7% Frontier Referral Rate

34% UHC Referral Rate

	BY-23	BY-24-YTD	ALL TIME-YTD
Membership Cost	**$2,018,080**	**$1,303,220**	$3,321,300
-CMS Appt Value	**(**$1,632,147)	**($1,492,445)**	($3,124,593)
% of Medicare	124%	**87%**	106%
Savings vs CMS	$385,932	**($189,225)**	**$196,706**

	BY-23	BY-24 - PRJ	ALL TIME-YTD
Membership Cost	**$2,018,080**	**$2,018,080**	$3,321,300
UHC IP Admission Carve Out	**37%**	**81%**	
Est. IP Carve Out Impact	($1,942,971)	**($2,687,794)**	($4,630,765)
UHC ER Carve Out	30%	**75%**	
ER Carve Out Value	($804,151)	**($1,268,678)**	($2,072,829)
Savings vs. Estimated Impact	($730,722)	**($1,940,072)**	($2,670,794)

	BY-23	BY-24-PRJ	ALL TIME
BM - 2021/22 Medical Claims	**($9,891,579)**	**-**	-
21/22 Medical Claims + 5% Trend	($10,386,158)	($10,905,466)	($21,291,624)
Actual Network Medical Claims	**$8,959,850**	**$8,842,227**	$17,802,076
Network Carve Out	**($1,426,308)**	**($2,063,239)**	**($3,489,548)**

- **Frontier Pays for itself**
- **Frontier Reduces IP/ER Need**
- **Frontier Mitigates Downstream Costs**
- **Frontier Delivers a Higher Value of Primary Care**

International RX & Frontier Direct Pay Totals are procured at discount and have not been factored into any figures.

2024

PER MEMBER PER MONTH (PMPM)

PMPM	BY-22	BY-23	BY-24-YTD
Insured	**2,110**	**3,448**	**3,199**
Primary Care Increase	**-**	**81%**	**104%**
MEDICAL CLAIMS	**$316.93**	**$177.02**	**$88.79**
FDC COSTS	$0	$68.45	$89.63

THANK YOU

FRONTIER HEALTH

OPTIONS TO BUILD SURPLUS OR PROTECT FROM SURPRISE CLAIMS

A. Premium Adjustments

METHODOLOGY	MONTHLY RATES BY TIER	Base Plan EE Only	Base Plan EE + SP	Base Plan EE + CH	Base Plan EE + Fam	ANNUAL REVENUE	INCREASE TO REVENUE
CURRENT PREMIUMS	**EE Subsidy Percentage**	93%	93%	93%	93%		
	Dep Subsidy Percentage	N/A	44%	47%	45%		
	EE / EE Participation Contribution	$ 40	$ 40	$ 40	$ 40		
	EE / Dep Participation Contribution	N/A	$ 278	$ 220	$ 304	$17,067,048	
	City / EE Participation Contribution	$ 565	$ 565	$ 565	$ 565		
	City / Dep Participation Contribution	N/A	$ 216	$ 198	$ 244		
	TOTAL PREMIUM	**$ 605**	**$ 1,099**	**$ 1,023**	**$ 1,153**		
CITY ADJUSTMENT ONLY $10 INCREASE	**EE Subsidy Percentage**	93%	93%	93%	93%		
	Dep Subsidy Percentage	N/A	44%	47%	45%		
	EE / EE Participation Contribution	$ 40	$ 40	$ 40	$ 40		
	EE / Dep Participation Contribution	N/A	$ 278	$ 220	$ 304	$17,287,128	$220,080
	City / EE Participation Contribution	$ 575	$ 575	$ 575	$ 575		
	City / Dep Participation Contribution	N/A	$ 216	$ 198	$ 244		
	TOTAL PREMIUM	**$ 615**	**$ 1,109**	**$ 1,033**	**$ 1,163**		

B. Plan Adjustments

1) **Increase ER Copayment from $250 to $500**
   SAVINGS PROJECTION $50,000

2) **Increase Urgent Care Copay from $50 to $100**
   SAVINGS PROJECTION $10,000

TOTAL ADDITIONAL FUNDING:

$280,080

CITY OF McALLEN

ITEM SUMMARY

BOARD: City Commission

AGENDA ITEM 2.
DATE SUBMITTED
MEETING DATE 6/10/2024

1. Agenda Item: Present questions to staff relating to the June 10, 2024 Regular Meeting Agenda, to be discussed at such meeting.

2. Party Making Request:

3. Nature of Request:

4. Routing:
   Diana Silva Created -

5. Staff Recommendation:

6. Advisory Board:

7. City Attorney:

8. Manager's Recommendation:

CITY OF McALLEN

ITEM SUMMARY

BOARD: City Commission

AGENDA ITEM 3.
DATE SUBMITTED
MEETING DATE 6/10/2024

1. Agenda Item: Discussion of the expansion of Police Training Facilities and Indoor Firearms Training Center.

2. Party Making Request: Victor Rodriguez

3. Nature of Request: Discussion regarding required firearms training for McAllen Police Department sworn personnel, required firearms training facilities and expansion of the the Northwest Police Training Facilities to add an indoor firearms training center.

4. Routing:
   Maria Guerrero Created -

5. Staff Recommendation: Recommend expansion of the Northwest Police Training Facilities to Design and/or Build an indoor firearms training center.

6. Advisory Board:

7. City Attorney:

8. Manager's Recommendation:

McAllen Police Department

INTRA-DEPARTMENTAL COMMUNICATION

TO: ROY RODRIGUEZ, CITY MANAGER

FROM: VICTOR RODRIGUEZ, CHIEF OF POLICE

SUBJECT: WORKSHOP AGENDA ITEM – EXPANSION OF POLICE TRAINING FACILITIES – INDOOR FIREARMS TRAINING CENTER

DATE: 5/15/2024

GOAL:
The goal of this agenda item is a workshop discussion regarding required firearms training for McAllen Police Department sworn personnel, required firearms training facilities and expansion of the Northwest Police Training Facilities to add an indoor firearms training center.

BACKGROUND:
The City of McAllen Police Department, at authorized strength of 316 Sworn (Police Officer) Positions is largest municipal police department in South Texas. State law requires firearms training and qualification on and after licensing police officers and as part of required continuing education including annual firearms training. Currently, we use outdoor facilities located at Palmhurst, Texas.

BID ANALYSIS: N/A.

FUNDING: N/A.

OPTIONS: Approve or Not Approve recommendation.

RECOMMENDATION:
Recommend expansion of the Northwest Police Training Facilities to Design and/or Build an indoor firearms training center.

McAllen
Police Department

Indoor Firearms Training Facility
City Commission Workshop Discussion

Victor Rodriguez, Chief of Police

2024

Introduction

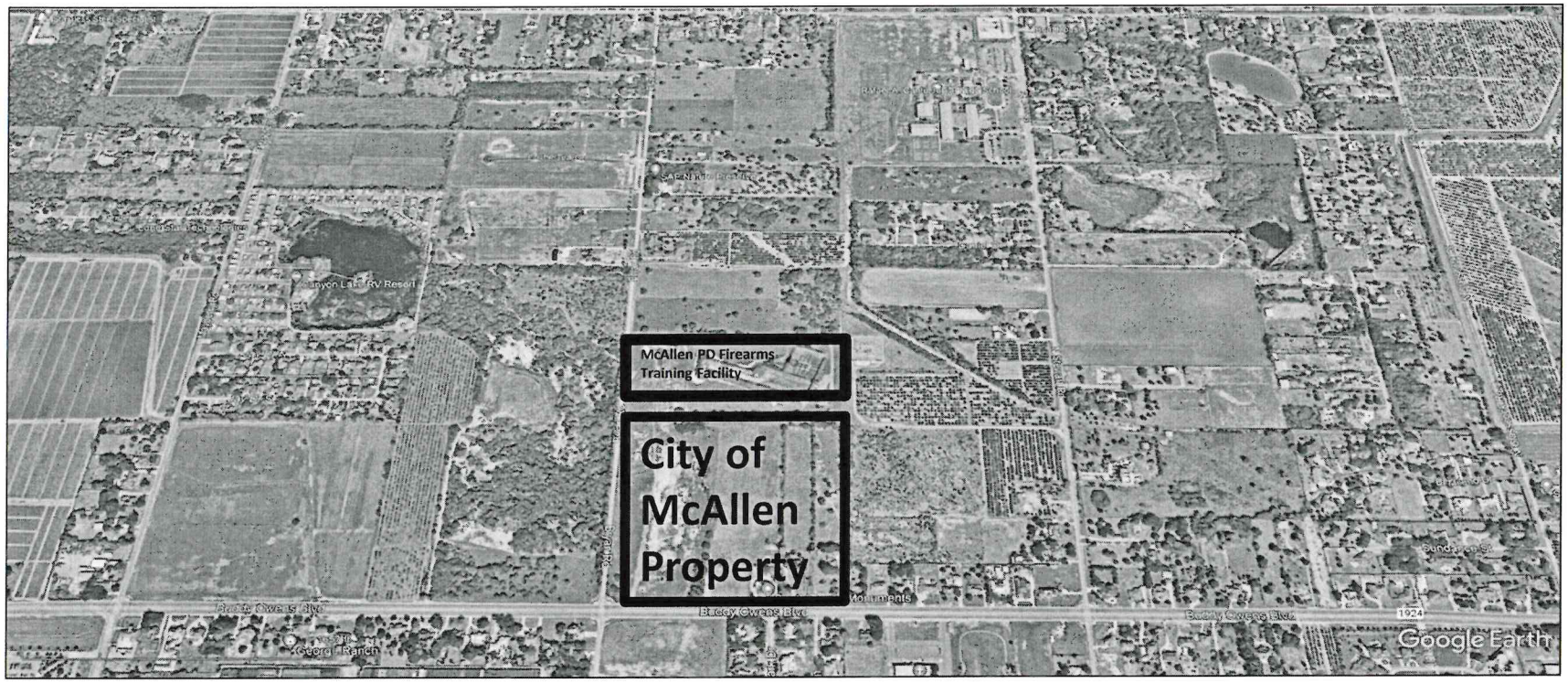
- Objective:
  - Determination #1: Expand McAllen Training Facilities to add indoor Firearms Training Facilities.
  - Determination #2: Design/Build McAllen Police Department Indoor Firearms Training Facility.
- Proposed Site:
  - City of McAllen Police Department Northwest Training and Community Network Center.
    - 2800 Oxford
    - McAllen, Texas.
- Expected Result: Expanded McAllen Police Department Training Campus.

Need or Want?

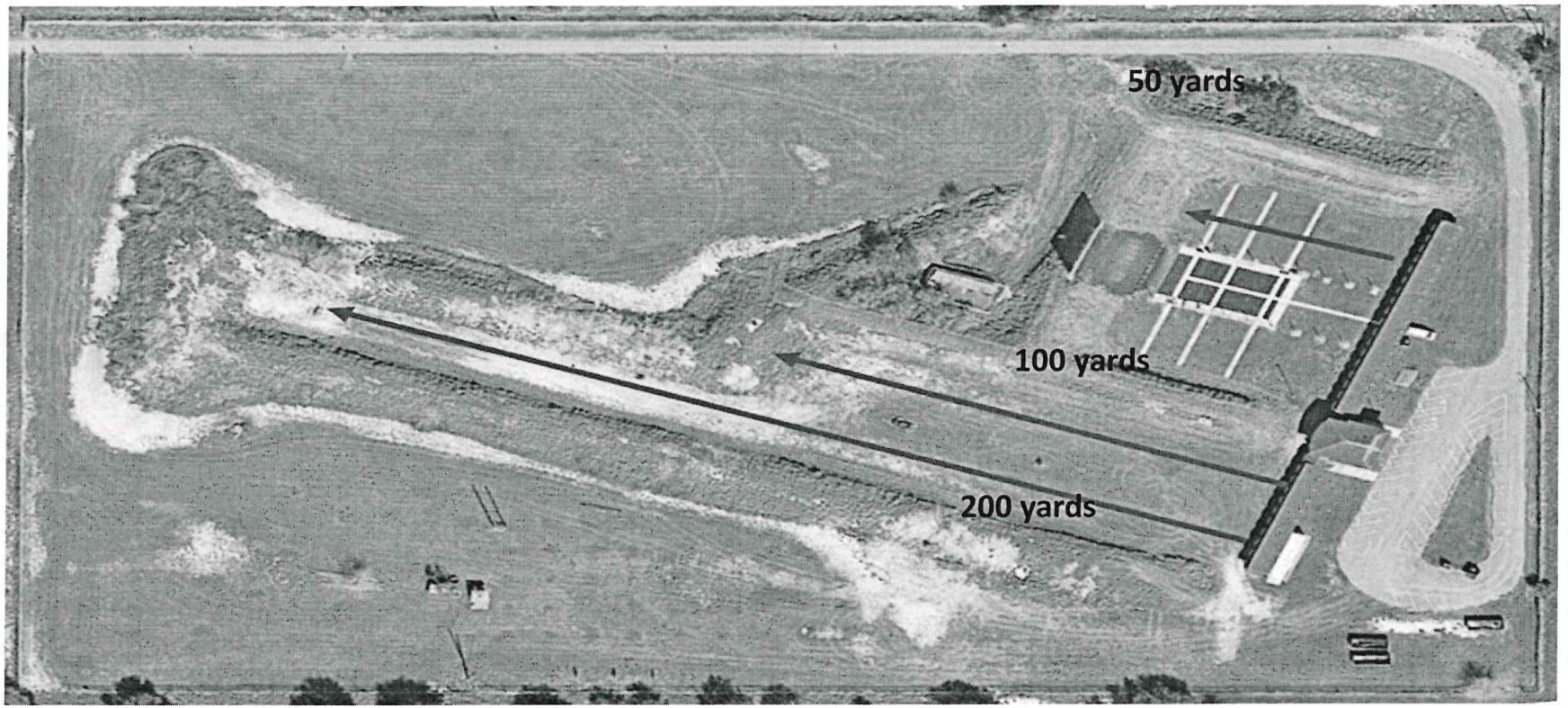
- Firearms Training Facilities for McAllen PD is a **NEED**.
- **WHY**:
- McAllen PD is authorized 316 Sworn (Police Officer) Positions.
- McAllen PD is largest municipal police department in South Texas.
- State law requires firearms training and qualification upon and after licensing police officers.
- State law requires all police officers to complete annual firearms training and qualification as part of continuing education.
- Where a firearms training facility serves for multi-faceted training, firearms training and qualification activity result in:
- McAllen PD Average Annual Ammunition Firing: 160,000 rounds.
- McAllen PD Average Monthly Ammunition Firing: 13,330 rounds.
- McAllen PD Average Weekly Ammunition Firing: 3,076 rounds.

Current Facilities

McAllen Firearms Training Facility



McAllen Firearms Training Facility

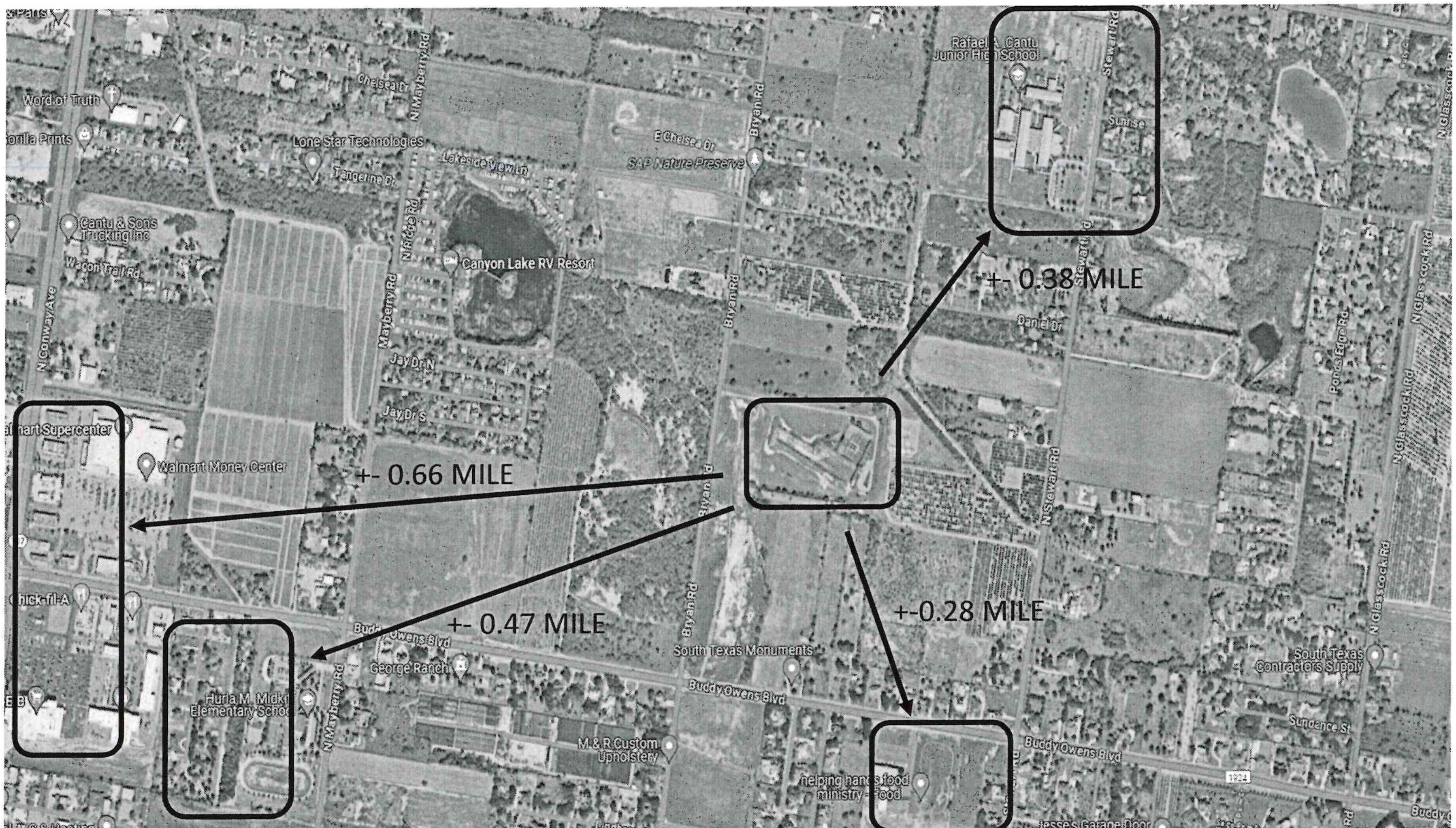


McAllen Firearms Training Facility

- Current facility is an outdoor facility.
- Current facility is approaching 40 yrs.
- Current facility is in the City of Palmhurst.
- Palhmhurst development has encroached and continues to encroach into the vicinity of the current facility.
  - This variable has accelerated the end-of-life of this facility.

McAllen Firearms Training Facility

- Palmhurst growth in and around the McAllen PD Firearms Training Facility became the focus of concerns of City of Palmhurst Officials.
  - July 2000: Palmhurst City Officials complained of "more problems …understood the range [Firearms Training Facility] would be closed down until further notice".
  - The City of McAllen agreed to make certain improvements to the Firearms Training Facility.
  - February 2002: The McAllen City Commission approved award of contract for improvements to the Firearms Training Facility totaling $220,200.
    - Improve errant round trapping.
    - Reduce bullet ricochets.
    - Contain lead.
  - March 2002: Additional exterior improvements totaling $24,600.
  - August 2002: Palmhurst City Officials toured completed improvements, "satisfied" with improvements.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Rafael A. Cantu Junior High School
Word of Truth
Lone Star Technologies
Lakes de View Ln
Tangerine Dr
Chelsea Dr
N Mayberry Rd
E Chelsea Dr
SAP Nature Preserve
Bryan Rd
Stewart Rd
Sunrise
Cantu & Sons Trucking Inc
Wagon Trail Rd
N Rice Rd
Canyon Lake RV Resort
Mayberry Rd
N Conway Ave
Daniel Dr
Jay Dr N
Jay Dr S
Walmart Money Center
N Stewart Rd
N Glasscock Rd
Ponce Edge Rd
Chick-fil-A
Buddy Owens Blvd
George Ranch
Hurla M. Midkiff Elementary School
N Mayberry Rd
South Texas Monuments
South Texas Contractors Supply
Sundance St
M & R Custom Upholstery
helping hands food ministry - Food
Jesse's Garage Door

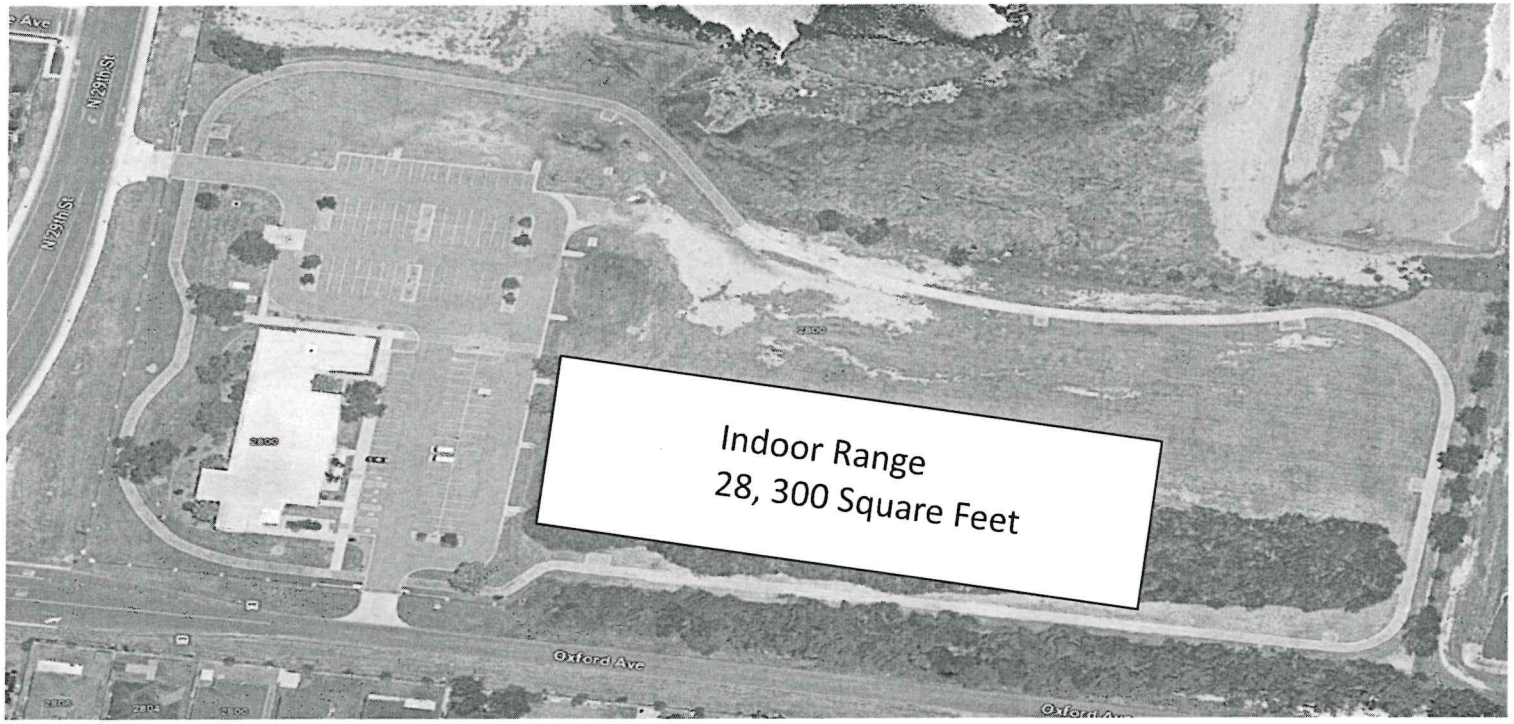
McAllen Firearms Training Facility

- Palmhurst growth and development has tightly encircled the McAllen PD Firearms Training Facility.
  - Private property contiguous to the McAllen Firearms Training Facility is now developed.
  - The McAllen Firearms Training Facility is 1000 feet to Bryan Rd.
  - The McAllen Firearms Training Facility is 1200 feet to residential area.
  - The McAllen Firearms Training Facility is 2000 feet to Sharyland Rafael A. Cantu Junior High School and other educational facilities.
  - Other proximities.

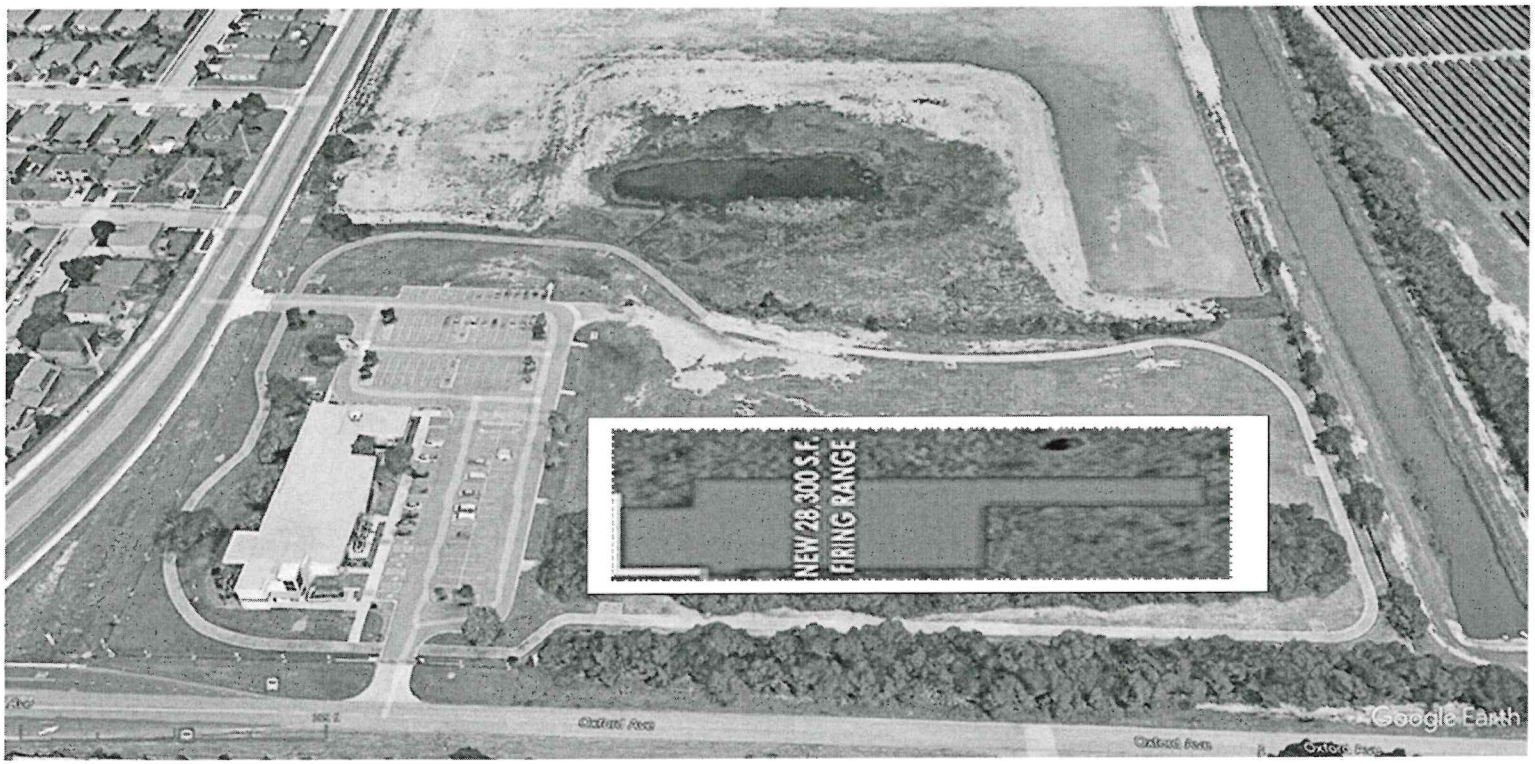
Proposed Goals

- Replace current McAllen PD Firearms Training Facility with an INDOOR Firearms Training Facility.
- Defer use of City of McAllen property at Bryan Road for City of McAllen purposes.
  - Previous consideration included sale of the site.
- Design/Build and add an indoor Firearms Training Facility to the Northwest (Oxford) Police Training Center.

Proposed Site:
2800 Oxford McAllen, Texas



Proposed Site:
2800 Oxford McAllen, Texas



Project Goal

- The proposed indoor firearms training facility is a 15-lane facility:
  - Five (5) dual use 100/50 Yard Lanes.
  - Ten (10) 50 Yard Lanes.
  - Flexible use.
  - Precision firearms.
  - Required qualification.
  - Reactive exercises.
  - Tactical training capable with downrange and multiple targets.
  - Lighting
  - Control room.
- Classroom space.
- Staging stations.
- Cleaning station.
- Armory.

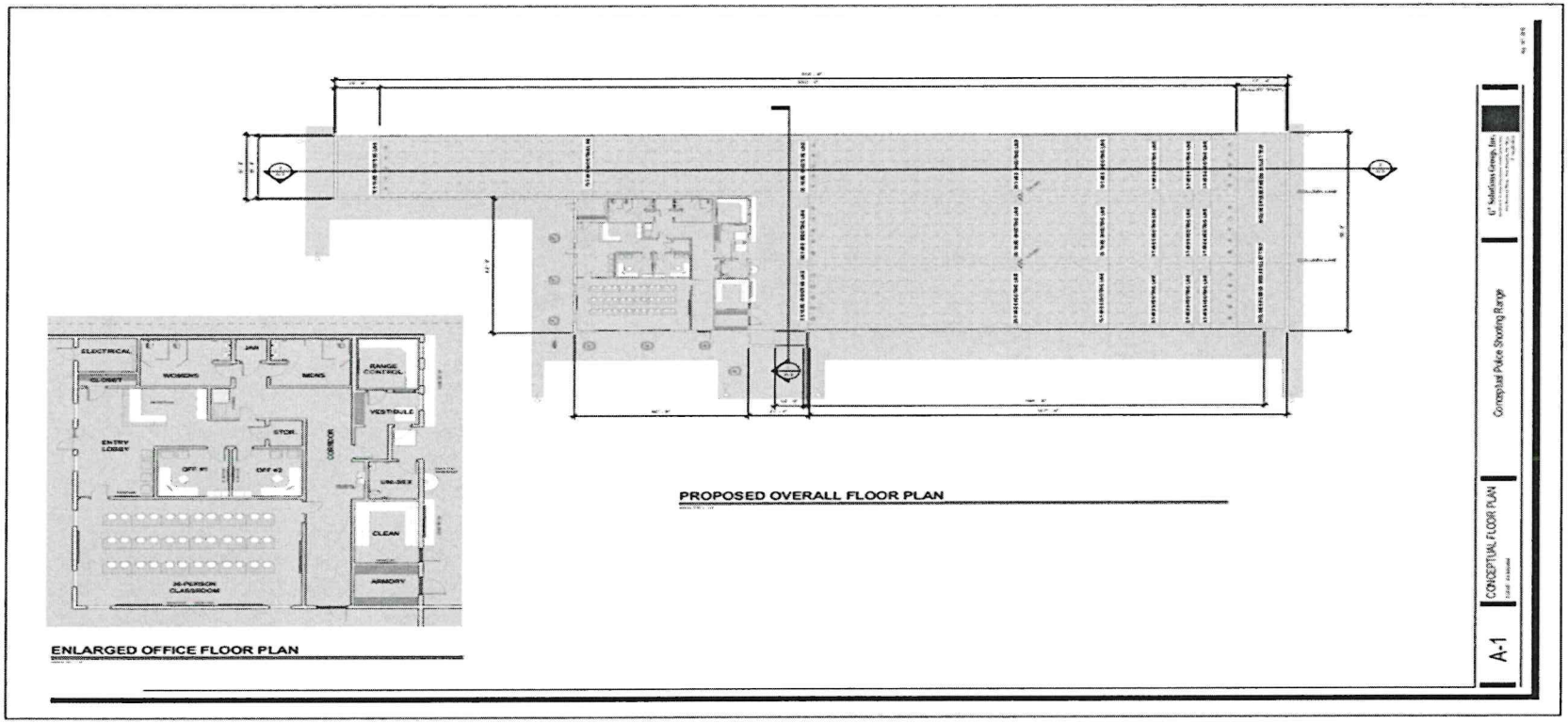
Reference Model

Denton (TX) PD

28,300 Sq Ft

5-100 yard lanes

15 - 50 yard lanes



(*Indoor Firing Range | Denton, TX,*)

Project Estimate

- Design: $850,000.
- Build: $8,483,430.

Project Outcome

Our current firearms training facility has reached end-of-life for reasons including encroaching residential development, projectile and noise mitigation requirements.

Construction of the proposed Police Indoor Firearms Training Facility will provide replacement facilities for current firearms training facilities.

Post Construction Maintenance Considerations

- Air Filtration/Circulation Units (roof).
  - Filters/Monitoring.
- Floor/Surface Cleaning.
  - Daily/monthly
- Trap upkeep
  - Keep round count
- Washing station
  - Hand wash
  - Clothes wash??
- Lead testing
  - Instructors/Students/Staff.
- Annual Cost Estimate (post construction):
  - $60K Maintenance.
  - $30K Supplies.


Buddy Owens Blvd
1924
Google Earth

CITY OF McALLEN

ITEM SUMMARY

BOARD: City Commission

AGENDA ITEM 4.A.
DATE SUBMITTED
MEETING DATE 6/10/2024

1. Agenda Item: Consultation with City Attorney regarding legal issues related to Economic Development Contracts. (Section 551.071, T.G.C.)

2. Party Making Request: Isaac Tawil

3. Nature of Request: Consultation with city attorney regarding legal issues related to economic development contracts. (Section 551.0071, T.G.C.)

4. Routing:
   Amy Gonzalez Created -

5. Staff Recommendation:

6. Advisory Board:

7. City Attorney:

8. Manager's Recommendation:

CITY OF McALLEN

ITEM SUMMARY

BOARD:	AGENDA ITEM	4.B.
	DATE SUBMITTED	
	MEETING DATE	6/10/2024

1. Agenda Item: Discussion and possible lease, sale or purchase of Real Estate Property, Tract 1. (Section 551.072, T.G.C.)

2. Party Making Request: Isaac Tawil

3. Nature of Request: Discussion and possible lease, sale or purchase of Real Estate Property, Tract 1. (Section 551.072, T.G.C.).

4. Routing:
   Amy Gonzalez Created -

5. Staff Recommendation:

6. Advisory Board:

7. City Attorney:

8. Manager's Recommendation:

CITY OF McALLEN

ITEM SUMMARY

BOARD: City Commission

AGENDA ITEM 4.C.
DATE SUBMITTED
MEETING DATE 6/10/2024

1. Agenda Item: Consultation with City Attorney regarding legal issues related to Municipal Employment Contracts. (Section 551.071, T.G.C.)
2. Party Making Request: Isaac Tawil
3. Applicant:
4. Nature of Request:
5. Fiscal Impact Summary:
6. Budgeted:
   Bid Amount: _____ Budgeted Amount: _____
   Under Budget: _____ Over Budget: _____
   Amount Remaining: _____
7. Routing:
   Cindy Zuniga Created -
8. Staff Recommendation:
9. Advisory Board:
10. City Attorney: None. IJT
11. Manager's Recommendation: None. RR