



AGENDA COVER MEMO

Memorandum Date: February 12, 2025

Order Date: February 25, 2025

TO: Board of County Commissioners

DEPARTMENT: Human Resources

PRESENTED BY: James Trujillo, Workforce Wellness Manager

AGENDA ITEM TITLE: In the Matter of Extending the Marathon Health Contract Through February 9, 2026, to Conduct a Comprehensive Request for Proposal for The Live Well Center and Delegate Authority to the County Administrator to Execute the Necessary Documents to Renew the Agreement.

I. MOTION

Move to approve order 25-02-25-XX In the Matter of Extending the Marathon Health Contract Through February 9, 2026, to Conduct a Comprehensive Request for Proposal for The Live Well Centered and Delegate Authority to the County Administrator to Execute the Necessary Documents to Renew the Agreement.

II. AGENDA ITEM SUMMARY

The Board is asked to approve this one-year extension for the Marathon Health contract. Marathon Health is the Lane County vendor partner that manages the employee health clinic called the Live Well Center. This extension will allow the County staff and our benefit brokerage, USI, to complete a comprehensive Request for Proposal process to help maximize the County's continued investment in employee health and wellness.

III. BACKGROUND/IMPLICATIONS OF ACTION

A. Board Action and Other History

The Board first approved the implementation of the employee health clinic and the partnership with Marathon Health on September 1, 2015. The clinic was implemented to support the health and wellness of Lane County's employees and

dependents while helping to control the costs of the County's self-funded insurance plan. Since that date, the County has agreed upon contract extensions with Marathon Health and notified them of the County's intent to request competitive bids for the services.

B. Policy Issues

The Live Well Center is subject to Lane Manual 20.200.100 (E) and is exempt from standard competitive bid processes as provided in ORS 243.105(1), ORS 243.125(4), ORS 243.221, ORS 243.275, ORS 243.291, ORS 243.303 and ORS 243.565. However, given the importance of this contract to employee health and the length of time since the creation of the program, the staff recommends a competitive process.

C. Board Goals

The Board's goal to invest in the health and well-being of our employees is one of the four pillars of the County's strategic plan. The County's wellness program and the employee clinic have been instrumental and will continue to be key to employee wellness and incentivizing health while controlling costs.

D. Financial and/or Resource Considerations

The renewal cost for this benefit is estimated at \$983,523 annually and includes a 4% escalation from the previous year's spend and incorporates staffing changes due to turnover at the clinic. The cost represents 1.8% of the overall annual expense budget of Lane County medical claims, insurance, and other related costs.

E. Health Implications

Oregon has a shortage of medical providers with a ratio of 1.51 physicians per 1,000 residents based on a 2022 Kaiser Family Foundation report. Lane County employees have commented on challenges in finding primary care physicians with closures of provider groups such as the Oregon Medical Group which closed a clinic in March 2024. The Live Well Center has provided vital primary care, preventive care, pharmacy care, mental health services, and laboratory services for Lane County employees and their families.

F. Analysis

The clinic's utilization for medical services has been averaging 84% (with a target of 85%) and mental health services averaging 33% (with a target of 85%). The County's health care costs are 18% lower for those employees engaged with the health clinic than non-engaged employees. These cost savings are based on redirected care, chronic disease management, and reductions in costly unnecessary procedures through coordinated care strategies.

G. Alternatives/Options

The County has incorporated private health coaching and biometric screening into our bargaining contracts to incentivize employee wellness. The Live Well Center is a vital link to this strategy and there is no compliant alternative to tracking and administering this program element.

There is no viable alternative to the extension of this contract, but the County will have options to consider after the competitive bid process is completed.

IV. RECOMMENDATION

Human Resources staff recommends approving the one-year extension of the Marathon Health contract and enabling the development of a competitive bid process for employee health clinic services.

V. TIMING/IMPLEMENTATION

Upon Board approval, Human Resources staff will provide a contract amendment to County Administrator Steve Mokrohisky for the execution of the extension and begin planning a request for proposal in partnership with USI Benefit Brokerage services.

VI. FOLLOW-UP

Human Resources staff will return to the Board with recommendations for continuity of employee health clinic services no later than Q2 of FY 2025-26.

VII. ATTACHMENTS

- A. Board Order 25-02-25-XX
- B. Marathon Health Clinic Contract Amendment

BEFORE THE BOARD OF COMMISSIONERS OF LANE COUNTY, OREGON

ORDER NO: 25-02-25-XX

IN THE MATTER OF EXTENDING THE
MARATHON HEALTH CONTRACT
THROUGH FEBRUARY 9, 2026, TO
CONDUCT A COMPREHENSIVE
REQUEST FOR PROPOSAL FOR THE
LIVE WELL CENTER AND DELEGATE
AUTHORITY TO THE COUNTY
ADMINISTRATOR TO EXECUTE THE
NECESSARY DOCUMENTS TO RENEW
THE AGREEMENT.

WHEREAS, the County is required to meet the obligations it has made to its employees to provide employees and eligible dependents an employee health and wellness clinic; and

WHEREAS, employees need to have a medical resource to monitor their health conditions and apply for the County's wellness incentive program; and

WHEREAS, employees in the Lane County region encounter difficulty in securing a primary care physician; and

WHEREAS, it is in the best interest of employees and the County to complete a thorough and comprehensive request for proposals for this service; and

WHEREAS, the County must renew the agreement with Marathon Health Inc. to continue services for an additional plan year while conducting a request for proposals; and

WHEREAS, the current agreement with Marathon Health Inc. is up for renewal February 9, 2025.

NOW, THEREFORE, the Board of County Commissioners of Lane County **ORDERS** as follows:

1. That the renewal amendment with Marathon Health Inc. through February 9, 2026 is approved.
2. That the County Administrator is delegated authority to execute the necessary documents to renew the agreement.

ADOPTED this 25th day of February, 2025.

David Loveall, Chair
Lane County Board of Commissioners

EIGHTH ADDENDUM TO HEALTH SERVICES AGREEMENT

This Eighth Addendum to Health Services Agreement (the "Addendum"), dated as of the latest date of the signatures below (the "Effective Date"), is made by and between Marathon Health, LLC ("Marathon") and Lane County, Oregon ("Client").

RECITALS

WHEREAS, Marathon and Client entered into a certain health services agreement, dated as of September 1, 2015, and amended from time to time, for certain preventive, wellness, disease management, health consultation, occupational health and/or primary care services (the "Agreement"); and

WHEREAS, since the continuing Covid-19 pandemic has created major uncertainty in the competitive market for health services, Client is permitted under law to extend the Term for a period greater than the five-year period contemplated in the Agreement; and

WHEREAS, when the Covid-19 pandemic has ended, Client will be obliged by law and policy to conduct a new procurement for the scope of services of the Agreement within a reasonable time after the end of the pandemic; and

WHEREAS, Marathon and Client wish to extend the Term of the Agreement until to a time after the end of the Covid-19 pandemic;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound, the Parties agree as follows:

Renewal Term. The Parties hereby agree that the Term of the Agreement, initially set to expire on February 9, 2025, is hereby renewed until February 9, 2026 (the "Renewal Term").

1. **Competitive Bid.** The Parties mutually acknowledge that client will complete a competitive request for procurement process beginning in 2025 and will complete the process no later than three months prior to the termination of this renewal.
2. **Fees.** The Parties acknowledge that the Annual Service Fee payable for the 2025 Renewal Term shall be up to and not to exceed an estimated \$983,523. The annual Service Fee will be subject to the Performance Guarantees set forth in Exhibit D-1 of this addendum.
3. **Miscellaneous.** This Addendum is made under and incorporates the terms and conditions of the Agreement. The terms and conditions set forth in this Addendum are in addition to and not in substitution of any terms or conditions set forth in the Agreement. Except as specifically modified by this Addendum, the terms and conditions of the Agreement remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Eighth Addendum to Health Services Agreement as of the Effective Date.

CLIENT:

Lane County, Oregon

By: _____

Name: _____

Title: _____

Date Signed: _____

MARATHON:

MARATHON HEALTH, LLC

By: _____

Name: Matt Weissert

Title: SVP, Client and Care Team Experience

Date Signed: _____

Exhibit D-1
PERFORMANCE GUARANTEES

At-Risk Amount. Marathon provides performance guarantees based on achievement of key metrics covering the four dimensions of the optimization of healthcare delivery and overall health of a population (the “Quadruple Aim”). Subject to Client’s satisfaction of the client requirements set forth in this Exhibit D-1, up to ten percent (10%) of the aggregate Annual Fees remitted by Client (“At-Risk Amount”) for each 12-month period beginning on the first day of the 2024 Renewal Term (i.e., February 10, 2024), for a total of three years through February 9, 2027, assuming the Agreement is renewed beyond the 2024 Renewal Term (“Year 1”, “Year 2” and “Year 3” respectively, or each, a “Year”).

Performance Guarantee results will be available after allowing 90 days of claims run out after the close of each Year. If a Quadruple Aim metric is not met, Marathon will issue an invoice credit up to the At-Risk Amount to Client, allocated as indicated for each year:

	At-Risk Amount - Percentage of Annual Fee		
	Year 1	Year 2	Year 3
Member Engagement	3.5%	2.5%	2.5%
Member Experience	3.5%	2.5%	2.5%
Quality Measures		2.5%	2.5%
Client Savings	3.0%	2.5%	2.5%
Total At-Risk	10%	10%	10%

MEMBER ENGAGEMENT

Marathon’s Performance

Following each of Year 1, Year 2 and Year 3, Marathon will calculate the Engagement Targets set forth in the table below as indicated in the table.

Category	Definitions	Measurement ¹	Engagement Target
Utilization	Unique eligible employees that have used any of the following services in person or via telephonic or virtual means: visit with a medical assistant, nurse, health coach (RD, CDE, RN) (“Health Coach”) or provider (physician, advanced practitioner, physical therapist, behavioral health specialist) (“Provider”).	Numerator: Unique eligible employees with any visit type during the applicable 18-month period Denominator: Unique eligible employees with at least 6 months eligibility during the applicable 18-month period and eligible at the end of such period	50%

Acute Care Engagement	Unique eligible employees that have an acute appointment with a Health Coach or Provider in person or via telephonic or virtual means ("Appointment"). Excludes occupational health Provider visits.	Numerator: Unique eligible employees having an acute appointment (excluding occupational health visits) Denominator: Unique eligible employees with at least 6-months eligibility during the applicable 18-month period and eligible at the end of such period	25%
High-Chronic Provider Engagement	Unique eligible employees who are identified as high-chronic that have an Appointment with a Health Coach or a Provider. Excludes occupational health Provider visits.	Numerator: Unique eligible employees who are identified as high-chronic having an Appointment (excluding occupational health visits) Denominator: Unique eligible employees who are high-chronic (Marathon Health Proprietary High-Risk Algorithm) with at least 6-months eligibility during the applicable 18-month period and eligible at the end of such period	60%

¹ Year 1 metrics are calculated based on a 12 month look-back period instead of 18-months.

Fee Credits

The portion of the At-Risk Amount attributable to Increasing Member Engagement (indicated in the table above) will be credited back to the Client in accordance with the following scale:

# of Engagement Targets Met	% of At-Risk Amount
2 of 3	0% credited to Client
1 of 3	50% credited to Client
0 of 3	100% credited to Client

MEMBER EXPERIENCE

Marathon's Performance

Following each of Year 1, Year 2 and Year 3, Marathon will calculate the Experience Targets set forth in the table below as indicated in the table.

Category	Definitions	Measurement ¹	Experience Target
Patient Satisfaction	% of survey respondents who rated Marathon Health's services as 'good' or 'excellent' after a provider or health coaching visit with a 5 point response scale – excellent, good, average, fair, and poor – during each annual measurement period.	Respondents who rated services as 'good' or 'excellent' – minimum sample size of 50 responses	90%

Net Promoter Score (NPS)	Survey respondents on a scale of 0-10 answering the question – how likely is it that you would recommend Marathon Health to your friends, family or business associates	NPS calculation – minimum sample size of 50 responses	75
Repeat Patient Utilization Rate	Repeat employee Utilization	Numerator: Unique eligible employees who had at least two instances of Utilization during the preceding 18-month period Denominator: Unique eligible employees who had at least one instance of Utilization, with at least 6-months eligibility during the applicable 18-month period and eligible at the end of such period	70%

¹ Year 1 metrics are calculated based on a 12 month look-back period instead of 18-months.

Fee Credits

The portion of the At-Risk Amount attributable to Member Experience (indicated in the table above) will be credited back to the Client in accordance with the following scale:

# of Experience Targets Met	% of At-Risk Amount
2 of 3	0% credited to Client
1 of 3	50% credited to Client
0 of 3	100% credited to Client

QUALITY MEASURES

Marathon's Performance

Following Year 1, Year 2 and Year 3, Marathon will calculate the measurements indicated in the table below for Members with at least 6 months of eligibility during the applicable calendar year who have had at least one preventive provider visit during such period (note exception for mental health screening which requires a physical or comprehensive health review). Measurements in Year 1 will be used to establish the clinical baseline upon which targets in Year 2 or 3 will be determined. Year 2 and Year 3 performance will be measured as percentage annual improvements for non-compliant Members over the preceding year's results. Notwithstanding the foregoing, Marathon will be deemed in compliance with a performance target if it meets the HEDIS 67th percentile for compliance or, where no HEDIS benchmark applies, Marathon will satisfy the performance target if it attains the benchmark indicated in the table below.

The minimum sample size for inclusion of a metric is 20 members. In the event one or more metrics are not included in the total points calculation due to insufficient sample

size, the total achievable points for such year shall be decreased by the number of excluded categories and the target points pro-rated accordingly.

Category	Guidelines	Class	Measurement	Targets Years 2-3	Weighting
Top Cost Drivers					
Cancer	Breast Cancer Screening (Mammogram)	Adult Preventive Care Guidelines	Measure identifies women 50 through 74 years of age during the reporting period who had a mammogram to screen for breast cancer within the past 24 months, with a 3 month grace period	15% year over year improvement, or HEDIS 67 th percentile	0.33
	Cervical Cancer Screening 21-64	Adult Preventive Care Guidelines	Measure identifies female patients 21 through 64 years of age who have had a cervical cancer screening – look-back period varies with test type	15% year over year improvement, or HEDIS 67 th percentile	0.33
	Colorectal Cancer Screening	Adult Preventive Care Guidelines	Measure identifies patients 45 through 75 years of age who received a colorectal cancer screening – look-back period varies with test type	15% year over year improvement, or HEDIS 67 th percentile	0.33
Musculoskeletal	Low Back Pain – Exercise / PT Referral	Orthopedic Guidelines	Measure identifies patients 18+ who were treated for neck and back pain with strength and endurance exercise or referred to physical therapy	15% year over year improvement, or 50% compliance	0.75
	Knee Osteoarthritis – Weight Management	Orthopedic Guidelines	Measure identifies overweight patients with hip osteoarthritis who received nutrition counseling	15% year over year improvement, or 50% compliance	0.75
Circulatory	Controlling High Blood Pressure	Hypertension Guidelines	Assesses adults 18-85 years of age who had a diagnosis of hypertension and whose blood pressure was adequately controlled (<140/90 mm Hg).	15% year over year improvement, or HEDIS 67 th percentile	0.50
	TC : HDL Ratio – Improvement of High / Very High Risk	Adult Preventive Care Guidelines	Percent of patients who are high or very high risk for TC : HDL ratio who had two measurements and were eligible for at least 75% of the measurement period and improved to a lower risk category	10% year over year improvement, or 30% compliance	0.50
Key Comorbidities / Risk Factors					
Mental Health	Depression in Adults: Screening and Follow-up	Adult Preventive Care Guidelines	Measure identifies patients 12 years of age and older who have been screened for clinical depression using a standardized depression screening tool, and if positive, a follow-up plan is documented. Only patients with an annual physical or comprehensive health review are included in this metric.	15% year over year improvement, or 60% compliance	1.50
Diabetes	Percent at SOC – at least 5 of 8 met			15% year over year improvement, or 70% compliance	2.00
	BP Control in Diabetes (140/90)	Diabetes Guidelines	Measure identifies patients 18 years of age or older with diabetes whose most recent		

			blood pressure is less than 140/90		
	HbA1c Screening	Diabetes Guidelines	Measure identifies patients 18 years of age and older with diabetes who have had a hemoglobin A1C screening in the past 6 months.		
	HbA1c Control <8%	Diabetes Guidelines	Measure identifies patients 18 years of age or older with diabetes whose most recent hemoglobin A1c value is less than 8%		
	Moderate or High-Intensity Statin Use	Diabetes Guidelines	Measure identifies patients 40 through 75 years of age with diabetes who have an active statin prescription		
	Comprehensive Diabetic Foot Exam	Diabetes Guidelines	Measure identifies patients 18 years of age or older with diabetes who received a diabetic foot exam		
	Lipid Profile Screening in Diabetes	Diabetes Guidelines	Measure identifies patients satisfying any of the following criteria: <ul style="list-style-type: none"> • Patients 18 years of age and older with diabetes who had a active statin medication with lipid profile lab result in the past 12 months • Patients 18 to 40 years of age with diabetes who had a lipid profile lab result in the past 5 years • Patients 41 years and older of age and older with diabetes who had a lipid profile lab result anytime in the history 		
	Albumin/Creatinine Ratio (ACR)	Diabetes Guidelines	Measure identifies patients 18 years of age and older with diabetes who have a albumin/creatinine ratio (ACR) greater than 300 mg/g recorded TWICE in the last 12 months OR less than or equal to 300 mg/g recorded ONCE in the past 12 months.		
	Pneumonia Vaccination	Diabetes Guidelines	Measure identifies patients 18 years of age or older with diabetes who received 23-Valent Pneumococcal Polysaccharide Vaccine		
Tobacco Cessation	Tobacco Cessation Counseling	Adult Preventive Care Guidelines	Measure identifies patients 18 years of age or older who are identified as current tobacco users and received tobacco cessation counseling or therapy	15% year over year improvement, up to 67 th HEDIS	1.00

The Healthcare Effectiveness Data and Information Set (HEDIS®) is a registered trademark of NCQA.

Marathon may update guidelines within the clinical areas above to remain current with evolving care standards.

Annual Fee Credits

The portion of the At-Risk Amount attributable to Quality Measures will be credited back to the Client in accordance with the following scale:

# of Points Achieved	% of At-Risk Amount
< 2	100% credited to Client
2.0-2.99	75% credited to Client
3.0-3.99	50% credited to Client
4.0-6.00	No refund

CLIENT SAVINGS

Marathon's Performance

Marathon will perform a cost outcomes analysis to determine savings for engaged versus non-engaged Members. Analysis will be limited to Members enrolled in Client's self-insured health plan.

Following each of Year 1, Year 2 and Year 3, Marathon will analyze 12 months' worth of medical claims data for both engaged and non-engaged Members who are continuously eligible for services during each annual measurement period. "Engaged Members" are Members with 2+ visits with a provider in previous 18 months. "Non-engaged Members" are Members with 0 visits in that time frame. The analysis will be limited to members with a claim on the plan during the measurement year and exclude high-cost claimants with at least \$200,000 in claims spend in the measurement period.

To determine savings for engaged versus non-engaged Members, Marathon will compare the risk-adjusted spending per year per Member for engaged versus non-engaged Members. Adjustments for risk will be made using the Johns Hopkins ACG System or similar nationally recognized risk-scoring tool.

The following is an illustration of Marathon's savings comparison methodology:

	Non-Engaged (0 Visits)	Engaged (2+ Provider Visits)	Delta
Average Paid PMPY Cost	\$ 5,352.00	\$ 4,380.00	-18%
Average JH ACG Risk Score	1.65	1.78	1.08
Average Risk-Adjusted PMPY Cost	\$ 5,352.00	\$ 4,060.00 ¹	-24%

¹ Average PMPY Cost for the engaged Members is adjusted by the ratio of the risk scores for non-engaged versus engaged members.

Based on the above risk-adjusted costs, engaged Members achieved a 24% savings in per Member per year plan costs on average.

Marathon's success under this performance guarantee will be measured by its achievement of savings targets. The portion of At-Risk Amount attributable to Client Savings will be credited back to the Client in accordance with the following targets and scale:

	Savings Achieved	% of At-Risk Amount
Year 1 Target: 20%	Less than 9%	100% credit
	9-11.99%	75% credit
	12-14.99%	50% credit
	15%+	No credit
Year 2 Target: 23%	Less than 12%	100% credit
	12-14.99%	75% credit
	15-17.99%	50% credit
	18%+	No credit
Year 3 Target: 25%	Less than 14%	100% credit
	14-16.99%	75% credit
	17-19.99%	50% credit
	20%+	No credit

CLIENT REQUIREMENTS

Notwithstanding the above, if the following requirements are not met during a given year, then no fee credit will be due to the Client for such year:

1. A minimum of 40% of the eligible employee population must participate in a biometric screening or annual physical during each contract year. If an outside vendor is utilized for biometric screening, Client will ensure that the patient data is provided to Marathon.
2. For use of the Health Center, if Client requires high Health Center fees (>\$50 per visit), limits employee access during work hours, locates the Health Center in a difficult to access location, or has other significant restrictions on Health Center use, then a minimum of 50% of the eligible population must have at least one provider visit in the Health Center during each contract year.
3. Client must utilize Marathon branded or co-branded material in the development and execution of Member communications as described in Exhibit A-2. Client will adopt Marathon's outreach and communications strategies to support Member engagement at launch and throughout the Term.

4. Client must provide an annual incentive program which promotes meaningful utilization and engagement to the Health Center. Incentive programs utilizing the elements of Marathon's incentive design templates satisfy this requirement.
5. Client must provide Marathon Health with eligibility files as outlined in Section 6.6 and Exhibit C. Client must provide at least one of the following for at least 90% of employee population: home mailing address, email address, or phone number.
6. The medical claims, pharmacy claims and membership data referred to in Section 6.6 and Section 6.7 of the Agreement must be received as scheduled.
7. Client must provide information on PMPM medical and pharmacy claims cost and high-cost claimants of \$200,000 or above on a 12-month basis for at least the last 2 years immediately preceding Year 1 of the Agreement and within 90 days of the end of each contract year.