



## DISTRICT SCHOOL BOARD OF PASCO COUNTY

Kurt S. Browning, Superintendent of Schools

7227 Land O' Lakes Boulevard • Land O' Lakes, Florida 34638

Department of Purchasing Services  
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November 5, 2013

### MEMORANDUM

**TO:** Honorable School Board Members

**FROM:** Michael J. Woodall, CPPO, Purchasing Agent *MJW*

**SUBJECT:** Transition of Administration for Employee Assistance Program (EAP) and Behavioral Health Programs  
New Directions Behavioral Health

Since January 2009, the District has contracted with Horizon Health (Horizon) for administration of its EAP and Behavioral Health programs. In 2011, Horizon was purchased by Aetna Behavioral Health, LLC (Aetna). Since that time, there has been a documented decrease in the quality of customer service provided to our employees. Please see the attached memo from Mary Tillman, Director of Employee Benefits, for detailed information.

The District is permitted to negotiate for provision of these types of services by Florida Administrative Rule 6A-1.012(15). Accordingly, Florida Blue, the District's current medical insurance provider, was contacted to determine if they could provide these services with minimal disruption to District employees. The Office for Employee Benefits and Risk Management (EBARM) is recommending transitioning, effective January 1, 2014, to New Directions Behavioral Health, a Florida Blue company. The information in Ms. Tillman's memo has been provided to the District's Insurance Committee and EAP Committee, and has been approved by both groups.

Cost for the behavioral health plan is already included in the per employee per month (PEPM) fee we pay to Florida Blue for our medical program. As we currently pay Aetna \$0.73 PEPM, this represents a savings of over \$65,000 per year. To administer the EAP, New Directions will charge the District \$3300 per year. As we currently pay Aetna \$0.34 PEPM, this is an additional savings of approximately \$30,000 per year.

We are requesting permission to begin the transition process to New Directions, for the contract period January 1 – December 31, 2014, and permission to execute the necessary operational documents to effect this transition in a timely manner. Please contact Mary Tillman or me at your earliest convenience if you have any questions or concerns.

MJW/az  
Attachment

Date/Time: October 30, 2013 08:42:00



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7227 Land O' Lakes Boulevard • Land O' Lakes, Florida 34638

Employee Benefits, Assistance & Risk Management

Mary Tillman, Director

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DATE: November 5, 2013

TO: Mike Woodall, Purchasing Agent

FROM: Mary Tillman, Director of Employee Benefits

RE: 2014 Agreement for New Directions - Behavioral Health Services

We are recommending a change in the administrator for the District's Employee Assistance Program (EAP) and Behavioral Health programs. The District originally contracted with Horizon in 2009 and service was satisfactory at that time. Aetna purchased Horizon in 2011 and the quality of the customer service has decreased since then. The main issue is that Aetna outsources their call center so when employees call they get people all over the country some of which are working from home. There is supposed to be a screen that comes up on their computer that has our plan information but it is clear that not all of the customer service reps read it closely, therefore incorrect information is given to employees. We do not receive a lot of complaints from employees, but the ones that we have received have been disturbing. Of course we have no idea how many employees have received bad information or bad service and do not report it. Because of the fragile nature of employees seeking these types of services, we are very protective of this program.

Working with Purchasing staff, I was able to discuss this service with Florida Blue (formerly BlueCross Blue Shield - BCBS) since the District already has a contract with them and they were actually the runner up on our bid for these services back in 2008. At the time, the BCBS model was not selected because the network, payment schedule and plan design were all different depending on the medical plan that the employee had selected. Now Florida Blue has one company, New Directions that provides all of their mental health services. The change should be invisible to employees. New Directions has checked their network and there are only 2 providers out of 90+ on the behavioral health side that are not already on the plan. They have committed to adding all of the current EAP providers to the plan. Therefore, provider disruption for employees should be almost nonexistent. Also, New Directions has an in-house call center in Jacksonville and there will be a limited number of people answering District employee calls. And finally, Patty Nguyen, the onsite Florida Blue rep, will be able to assist with behavioral health issues. I think this is a great improvement because the fewer people involved in the customer service calls, the more knowledgeable they will be about the District plan.

As for cost, the behavioral health plan is already included in the per employee per month (PEPM) fee that we pay to Florida Blue for the medical program. We currently pay Aetna \$0.73 (PEPM) to administer the behavioral health program. That is a savings of over \$65,000 per year



to the plan. To administer the EAP, New Directions will charge a total of \$3,300 per year. The District is currently paying Aetna \$0.34 PEPM to administer the EAP. This is an additional savings of around \$30,000 per year to the plan. The EAP will operate exactly as it does now, in that employees will call the District EAP secretary, to get approval for EAP visits.

This information has been provided to both the District Insurance Committee and the EAP Committee and has been approved by these two groups.

I am requesting the Board's approval for this contract for calendar year 2014. Please request permission from the Board to approve this contract. If you have any questions or need any additional information, please call me. As always, I appreciate the assistance that I have received from you and your staff during this process.