



CITY OF HOUSTON

OFFICE
of

BUSINESS OPPORTUNITY

Pay or Play Program Annual Report

FY2020

July 1, 2019 – June 30, 2020



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Mayor

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Table of Contents

Executive Summary.....pg. 3

Pay or Play Program Summary: Currently Funded Initiatives.....pg. 4

Client Access Program.....pg. 4

Emergency Telehealth Navigation Program.....pg. 4

Call Crisis Diversion Program.....pg. 4

Pay or Play Program Annual Report.....pg. 5

Pay or Play Funds Collected.....pg. 5

Pay or Play Expenditurespg. 6

Options Selected by Contractors.....pg. 7

Pay or Play Participation by Departmentpg. 8



Executive Summary

OBJECTIVES

In July 2007, the Pay or Play Program was established under Article VI, Section 7a of the City Charter and City of Houston Code of Ordinance, Chapter 15 to level the playing field and defray costs associated with caring for uninsured citizens in Houston and Harris County. The program is governed by Executive Order 1-7 (EO 1-7) which mandates that contractors, on covered contracts, either contribute a prescribed amount to the “Contractor Responsibility Fund” (CRF) for their uninsured employees (Pay) or provide a minimum level of health care coverage to their employees (Play).

The Pay or Play Program (POP) is applicable to City of Houston prime contracts over \$100,000 and related subcontracts over \$200,000. However the Program is not applicable to contracts whose primary purpose is for the procurement of property, goods, supplies and/or equipment, inter-governmental contracts, intergovernmental agreements or cooperative purchasing agreements.

The POP Program Contractors provide periodic reports, supporting documentation, and required payment, if applicable, to the Contract Administrator to support their Pay or Play status. Records may be obtained for up to three years.

A contract may qualify for an exemption from the POP Program requirements if it meets one of the following criteria: 1) it is a response to an emergency that endangers public health or safety; (2) it is an essential contract to the City or public that has no other qualified responsive bidders that meet the POP requirements; (3) compliance with the program would cause an adverse impact on the City’s ability to obtain services or an adverse financial impact on the City; (4) it is a bulk purchase; or (5) it is an intergovernmental /Inter-local agreement. Requests for exemption are submitted by the contracting department for approval through the Office of Business Opportunity (OBO).

PURPOSE OF REPORT

The purpose of this report is to provide an annual update on the progress of the Pay or Play Program for fiscal year July 1, 2019 through June 30, 2020. This report submitted by the Office of Business Opportunity, is reflective of program activities and analysis. The results documented within this report are POP Program activities documented within the Pay or Play Management System by POP liaisons and Contractors to support program compliance as of June 30, 2020.

DISCLAIMER OF CONFIDENTIALITY

This report contains no confidential information. The information shared within this report is solely for the use of the recipient.

FY 2020 Pay or Play Program Summary

Currently Funded Initiatives

The funds collected through the POP Program are deposited into the Contractor Responsibility Fund. The revenue is used to support health programs such as the Client Access Program (CAP), and the Emergency Telehealth and Navigation Program (ETHAN)*as well as costs associated with administering the POP Program.

The currently funded initiatives contribute to alleviating the burden on emergency medical resources, providing subsidy to small businesses for health benefits to their employees and offering assistance with finding social and medical services for the uninsured public.

Previously funded initiative Care Houston is now referred to as Client Access Program.

Client Access Program (CAP)

The Client Access Program is a collaboration with the Houston Health and Human Services Department (HHS). HHS works in partnership with the community to promote and protect the health and social well-being of Houstonians and the environment in which they live. OBO's POP program exists to enhance fairness in completion for contracts between bidders that choose to offer a health benefit to their workforce and those that do not. The CAP is intended to impact the lives of individual and families that do not have access to health coverage by providing linkage to health services through Harris Health, Title V, Children's Health Insurance Program and etc. CAP provides access to Federally Qualified Health Centers and Community Health Centers to participants that meet eligibility requirements.

The Emergency Telehealth and Navigation Program (ETHAN)

ETHAN is a collaboration between Harris County Healthcare Alliance, HFD, HHS, Harris County RIDES, Greater Houston HealthConnect, The Clinton Foundation and Community Health Centers. This program provides non-emergent 911 callers with the option of a no-cost taxi ride to an emergency room or a community health center. It also provides the option of scheduling an appointment at a community health center at no charge to the caller. ETHAN focuses on diverting from the emergency medical system those patients who do not need emergency care and can benefit more from primary care services.

*Formally known as Alternative Transportation Program.

Call Crisis Diversion

The City of Houston is the home of the first of its kind Crisis Call Diversion (CCD) program in the United States. This innovative program co-locates Crisis Phone Counselors from The Harris Center for Mental Health and Intellectual and Developmental Disabilities inside the Houston Emergency Communication Center (HEC) to work alongside Houston Police and Houston Fire Department Dispatchers with the intention of diverting non-imminent risk mental health related calls away from first responders and toward a more appropriate mental health response. The goals of the program include providing an opportunity to be more effective and efficient with City of Houston first responder resources as well as linking Houstonians with mental health concerns to an appropriate and meaningful experience with a Crisis Phone Counselor and possible long-term mental health resources.

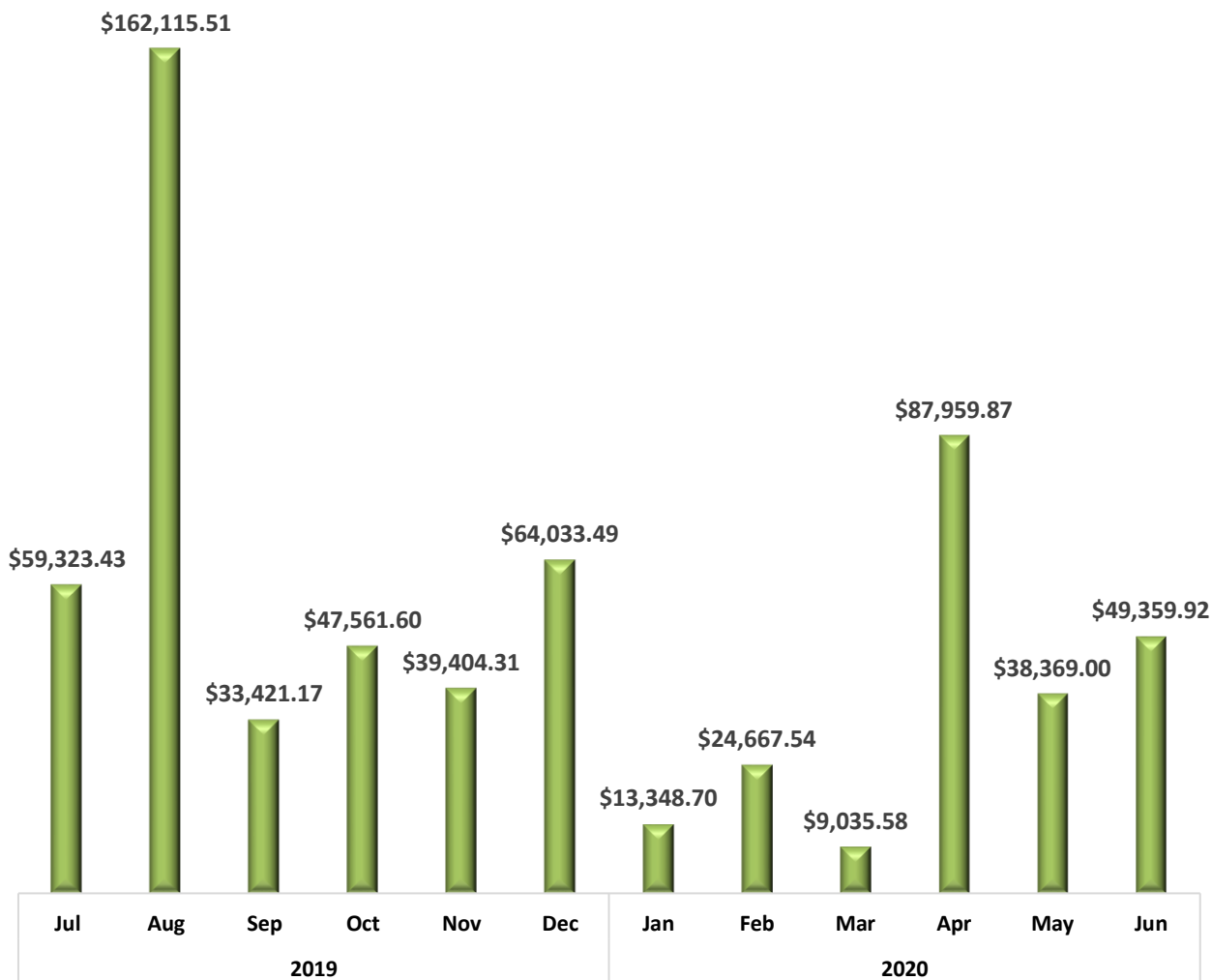
Pay or Play Program

Annual Report FY 2020

The City of Houston utilizes *Systems, Applications, and Products in Data Processing (SAP)* software for financial accounting and real-time budget management. SAP provides a month-to-month breakdown of revenue and expenditure for various programmatic budget items. This summary provides a financial analysis of the Pay or Play Program for fiscal year 2020 using SAP data. In FY 2020 the total revenue of the Pay or Play Program was \$628,600.12.

Pay or Play Funds Collected by Month

Data provided by City of Houston Financial Management System (SAP)



Pay or Play Program

Annual Report FY 2020

Expenditures

In FY 2020 \$160,000 was expended to the Emergency Telehealth Navigation Program, followed by \$230,000 to the Call Crisis Diversion Program and \$400,000 to the Client Access Program, that totaled \$790,000 of disbursed funds for these three programs.

Client Access Program (CAP)

In FY2020, the Client Access Program provided services to 46,556 uninsured individuals at Houston Health Department (HHS) service sites. CAP conducted 35,315 interview with individuals and families seeking connection to medical coverage. CAP realized \$2,351,670 of savings on emergency transport services. **Data provided by HHD*

ETHAN

In FY 2020, more than 3,300 City of Houston residents and visitors were served by the Houston Fire Department Emergency Telehealth and Navigation Program (ETHAN). Of those, 92% were dispositioned by Emergency Medical ETHAN Physicians for non-Houston Fire Department ambulance transportation. In a recent study that began on December 1, 2014 by UTHealth School of Biomedical Informatics, significant differences in the cost of care and productivity were discovered when ETHAN was utilized, with 44-minute median reduction in total response time per incident. This equates to approximately 2x greater utilization (turns) per day for the EMS unit than the standard EMS control group. Improving the unit's productivity can lead to a great financial savings to the city and its residents. To date, it is estimated the overall healthcare savings by program cost avoidance utilizing ETHAN is over \$32 million dollars. Since inception, ETHAN has served over 26,000 clients and has become an integral component within the City of Houston's healthcare delivery system. **Data provided by HFD*

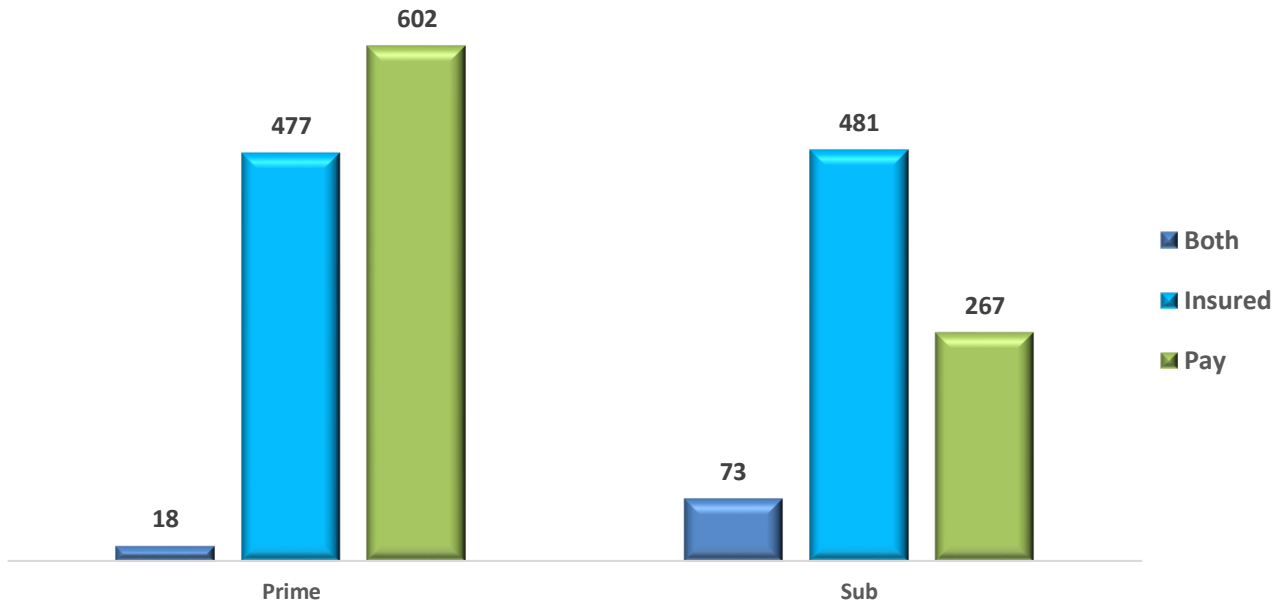
Crisis Call Diversion

In FY 2020, The Crisis Call Diversion Program counselors were able to divert 2,028 calls away from first responders and toward a more appropriate and cost-effective mental health resource. 1,372 of those calls were referred to Community Providers and 394 calls were referred to the Harris Center Crisis Line. Through the Call Crisis Diversion program, the City of Houston realized \$937,309 of savings on Emergency First Responder resources. **Data provided by The Harris Center for Mental Health and IDD*

FY20	CAP	ETHAN	CCD	Total
July	\$ -	\$ -	\$ -	\$ -
August	\$ -	\$ -	\$ -	\$ -
September	\$ -	\$ -	\$ -	\$ -
October	\$ -	\$ -	\$ -	\$ -
November	\$ -	\$ 80,000.00	\$ -	\$ 80,000.00
December	\$ -	\$ -	\$ -	\$ -
January	\$ -	\$ -	\$ -	\$ -
February	\$ -	\$ -	\$ -	\$ -
March	\$ -	\$ -	\$ -	\$ -
April	\$ -	\$ 80,000.00	\$ -	\$ 80,000.00
May	\$ -	\$ -	\$ 230,000.00	\$ 230,000.00
June	\$ 400,000.00	\$ -	\$ -	\$ 400,000.00
Total	\$ 400,000.00	\$ 160,000.00	\$ 230,000.00	\$ 790,000.00

Pay or Play Program Annual Report FY 2020

FY 2020 Pay or Play Options Selected by Prime Contractors and Subcontractors



POP Options Selected

According to the Pay or Play Management System, FY 2020 data indicated that overall participants chose the “play” option (to provide insurance) rather than the “pay” option (to contribute to the CRF). Which is consistent with historical data trends.

This data illustrates the impact of the program’s efforts to promote a workforce that is offering healthcare options to reduce the number of uninsured citizens in the covered areas.

A total of 14 City of Houston contracts have been approved by OBO for waiver from the program. The chart below illustrates the contracts that were approved for waiver in FY 2020.

Department	Foreign Company	Non-Revenue Generating	Essential	Property	Interlocal Agreement	Emergency
HAS	1					
HCD				3	1	6
HHD			1			
MYR		1				
PRD		1				
Total	1	2	1	3	1	6

Pay or Play Program

Annual Report FY 2020

POP Participation

In FY 2020, 1,918 COH POP contracts were recorded in the Pay or Play Management System

City of Houston Department	POPMS Contracts
Administration and Regulatory	7
Controllers Office	4
Department of Neighborhoods	4
Finance	16
Fleet Management	7
General Services	285
Houston Airport Systems	104
Houston & Community Development	47
Houston Fire	6
Houston Health & Human Services	61
Houston Information Technology Services	9
Houston Police	10
Houston Public Library	7
Human Resources	38
Municipal Court	2
Mayor's Office	7
Office of Business Opportunity	6
Planning	5
Parks & Recreation	4
Houston Public Works	1,286
Solid Waste	2
TOTAL	1,918



Educate. Connect. Grow.

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