

Memorandum

To: Honorable Mayor Bill Agan and members of the Richland Hills City Council
CC: Eric Strong, City Manager
From: Jason Brown, Director of Parks and Recreation
Date: January 8, 2018
Subject: Optum Advantage Agreement

Council Action Requested: Consideration of the contract with Optum for Medicare sponsored memberships at The Link.

Background Information: Optum is contracted with United Health for its Medicare based fitness program. Like Silver Sneakers and Silver&Fit, Optum reimburses fitness facilities per use for eligible clients. United Health chose to separate itself from Silver Sneakers, and Optum will be its replacement program. This means that Optum will be an additional program and not totally replace Silver Sneakers.

Just like the two Silver programs, there is no cost to the clients or the city. In order to retain those clients who have United Health and to gain new clients, agreeing to offer Optum would benefit The Link's cost recovery directive.

We anticipate this being a significant revenue source for The Link, due to our current demographic. We also recognize the benefit this is for many senior citizens who will essentially be able to use The Link free of charge.

Finally, we should note that this program does not allow changes to their standard contract. Several other cities have already accepted their agreement as presented. However, in spite of this, we have asked our attorney's to type up the recommendations that they would make if we were allowed to implement them. Although not part of the official agreement, we will keep notes with the contract so that we are aware of any potential liabilities in the agreement that we may encounter in the future.

Board/Citizen Input: N/A

Financial Impact: Improves the likelihood of the Link securing its 75% cost recovery

Staff Contacts: Jason Brown, Director of Parks & Recreation,
jbrown@richlandhills.com

Attachments: N/A