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Employee clinics: Central Florida governments' Rx for rising health costs

By Martin E. Comas

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LEESBURG — If Carol Janik feels she has a scratchy throat or a fever coming on while she's at work, she may soon not even bother calling her doctor for an appointment.

She could take a short trip from City Hall, where she works in the human-resources department, to a nearby clinic the city expects to have set up for its employees in October.

"It would save me so much time," said Janik, of Fruitland Park, who is in her 40s. "It would have me see a physician quickly and I wouldn't even have to worry about a co-payment or having to [go to a pharmacy] to get medicine."

Leesburg is the latest in a small but fast-growing group of Florida governments fed up with soaring health-care costs — and facing a steep drop in revenue from the miserable economy — that have started government-operated medical clinics for employees. Ocoee, Apopka, Titusville, and Palm Bay have clinics in place, and several other cities are considering following suit, including DeLand and Mount Dora.

For employees, the clinics mean the convenience of seeing a doctor right away without being charged a co-payment or suffering through long waits. They also would have access to basic lab work and a variety of prescription drugs, either at no charge or at a reduced cost.

For governments, it means trimming health-insurance costs by hundreds of thousands of dollars at a time of slumping property-tax revenues and tight budgets. The clinics also encourage employees to see doctors more frequently, thereby catching potentially serious and costly medical problems early.

"The two primary reasons? We want healthy employees, but we also need to save money on our group health plan," said Dann Herrin, Leesburg city government risk manager. "And the key to success will be getting employees to use it. Because every time an employee uses a clinic rather than Blue Cross, we save money."

'A wonderful phenomenon'

Leesburg hopes to have its health clinic operating by October in a 1,500-square-foot space inside a

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city-owned building on Dixie Avenue. The city projects to spend about \$100,000 converting the area with examination rooms and offices, along with bringing in medical equipment and supplies.

Initially, the clinic would be open 24 hours a week. Leesburg plans to contract with CareHere to operate the clinic. About 1,100 city employees, retirees and dependents would be eligible to use the clinic.

Herrin figures Leesburg will save as much as \$1.3 million during the next three years in traditional health-insurance expenses. The savings would come from the relatively small costs of operating the clinic, including hiring part-time medical staff, efficient managing of the hours of operation and purchasing pre-packaged generic prescriptions in bulk.

But one of the primary savings would come from employees using the facility. Typically, each visit by an employee to a family physician costs Leesburg, which is self-insured, about \$150. But a trip to the employee clinic would cost the city about half of that, Herrin said.

Last year, Leesburg paid about \$4.1 million in claims.

Reducing claims also motivated Ocoee to open a clinic for employees and families in April 2008 in a city-owned building near City Hall. Employees get free office visits, along with medical tests, X-rays and prescription medicine.

The clinic has been such a financial success that Ocoee plans to spend less on employee medical expenses in the coming budget year than it did four years ago, according to James Carnicella, the city's human-resources director.

"In the long haul, we're going to continue to see a reduction in our costs because our employees will be a healthier group," Carnicella said. "It's been a wonderful phenomenon. We never expected it to be as successful as it has been."

Making it even more convenient for its workers, Ocoee also networks its medical clinic with nearby Apopka, which opened its clinic in December 2008. Employees and their dependents from either city can use either clinic.

Titusville opened an employee clinic in November in leased space at Parrish Medical Center as an effort to lower the \$3.7 million medical claims it forecasts to pay this year.

Farther north, DeLand is looking to partner with Florida Hospital DeLand for a medical clinic for its more than 550 employees and dependents.

'Good for our employees'

The Lake County School District, the county's largest employer with about 5,400 workers, is researching opening its own medical clinic by the end of the year. The district already has space for a clinic, according to officials, and eventually could open two other ones after the first one is set up.

Mount Dora, Tavares and Eustis officials are talking about setting up a centrally located clinic for employees of the three cities and partnering with Leesburg.

Lynn Tipton of the Florida League of Cities in Tallahassee said her organization does not have a database of governments throughout the state that opened employee clinics. However, she estimated about a dozen have done so and the number is growing.

"Last year at our conference it was certainly a popular topic of discussion, and I fully expect it to be even more popular this year," Tipton said.

But city officials quickly point out that employees would not lose their current health-care benefits and could continue seeing their personal doctors and specialists.

"We are not trying to create a substitute for their primary care physician," said Ken Bloom, Mount Dora human-resources director. "What we're trying to do is create a situation where employees have an accessible alternative and the long-term benefit is a wellness program. It could be that when someone comes into the center for the first time they would be given a health assessment so as to prevent a catastrophic and costly condition down the road."

Mount Dora Mayor Melissa DeMarco said she is urging her city to move forward.

"It will be good for our employees," DeMarco said. "And it will mean a cost savings for the city."

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