

**SPECIAL CALL CITY COUNCIL MINUTES  
MONDAY, JUNE 1, 2009 9:30 A.M.  
CITY HALL, COUNCIL CHAMBERS, VERO BEACH, FLORIDA**

Mayor Sabin Abell, present; Vice Mayor Tom White, present; Councilmember Debra Fromang, present; Councilmember Bill Fish, present and Councilmember Kevin Sawnick, present **Also Present:** James Gabbard, City Manager; Charles Vitunac, City Attorney and Tammy Vock, City Clerk

**1. CALL TO ORDER**

Mayor Abell called the meeting to order at 9:30 a.m.

**A) Mayor explains that this meeting is being held to discuss the proposed Health Clinic**

Mayor Abell explained to the audience that if they had questions, to fill out a comment card with their questions. He said that staff will try to answer all the questions and if they cannot then he would invite anyone from the public to come to the podium to speak.

**2. STAFF PRESENTATION – Introduction by Barbara Morey, Risk Manager**

Ms. Barbara Morey, Risk Manager, explained that the City is self insured. This year they went to 117% with their claims, which shows that this has been a bad year. She said that they have excess coverage if there are a lot of claims during the year. The City uses Blue Cross/Blue Shield as their insurance carrier and pay them a fee to handle the administrative filing. It is to the City's best interest to keep an insurance company such as Blue Cross/Blue Shield on board. They can offer the best discounts to the City as far as insurance goes. She then gave the history of how all this came about (please see attached speech).

**A) Ray Tomlinson – Crowne Consulting**

Mr. Ray Tomlinson, Crowne Consulting, explained that this health clinic concept is not new. This concept is an employee sponsored medical clinic. The employer always determines who is eligible to use the clinic. The CareHere model that they will be talking about today has been in existence since 1994 and there are approximately 90 clinics operating in the United States. He said that his company is local and they have been involved with Indian River County for a number of years as they handle their insurance program. They have no ties to the City of Vero Beach. He then went over the original Power Point presentation that was given to the City Council a couple of months ago (filed in the Clerk's office). He will try to answer any questions that the Council might have.

Mrs. Fromang thought that there has been some misconception about the co-pay. She said that there is no co-pay that has to be met by the employees if they use the clinic. If they choose to go to their own doctor then they are looking at a \$200 deductible.

Ms. Morey commented that when the City had a co-pay in place they found that more employees were going to their doctors more often than if they had to meet a deductible of \$200.00.

Mrs. Fromang had some questions on how the prescriptions would be handled.

Mr. Tomlinson explained that they would look at the City of Vero Beach's utilization of medications and work with the City in developing a formula on what prescriptions need to be stocked. They will not stock every medication, but there will be a lot of different medications that meet the needs of the employees.

Mr. Fish commented that some generic drugs don't do one-hundred percent of what the other drug does. He would expect that this would be the doctor's decision and not someone looking at the finance aspect of it.

Mr. Tomlinson told him that he was exactly right. If we don't have medication stocked at our facility then the doctor will write a prescription. He agreed that there are some differences between generic medications and non-generic medications. The physician at the clinic doesn't know the cost of the medications and will not be involved in the cost side.

Mrs. Fromang disagreed with Mr. Tomlinson and said that most doctors do know the cost of the medications that they are prescribing. They will mark on the prescription pad if they don't want a generic medication used.

Mr. Tomlinson explained that the doctor may not know the cost of CareHere's price for the medication.

Mayor Abell commented that for years he has had the generic for medications that have been written by the doctor.

Mr. White asked who would be responsible for the liability and if a person chooses to sue would they sue the doctor or the City.

Mr. Tomlinson said that of course they cannot predict who will be sued. The physician chosen either has his own malpractice insurance or they have it through HereCare. The City will not be held responsible.

Mr. White asked how many employees are needed in order to make the clinic work and save the City money.

Mr. Tomlinson stated that the City has more than enough employees to make this work. The number of hours the facility will be open is scaled down to size. He knows that they will never

get one-hundred percent of all employees using the clinic. It is just an option for the employees.

Mr. White explained that the reason he was asking these questions was because recently they had their annual health fair and only had 200 people show up. He asked if they only had 200 people use the clinic will it pay for itself.

Ms. Morey explained that for the health fair they did have 200 employees and their spouses show up. But, she reminded them that it was a work day and some employees could not leave their job in order to come to the health fair. She didn't want anyone to think that the employees who didn't attend was because they didn't want to attend, it was just a bad time for them. She felt that by having the clinic do risk assessments over a period of time that they would get more responses from their employees.

Mr. White asked if the clinic would be open at night and on the weekends.

Ms. Morey answered yes that they anticipate that it would.

Mr. White suggested having the health fair at a reasonable time when the employees are not working.

Ms. Morey explained that if they held the health fair on a weekend then they would have trouble getting vendors.

Mrs. Fromang felt that in order for this to work that they would need to partner with the County or the School Board to make it feasible.

Mr. Tomlinson addressed the health risk assessments. He said that they need to be done to accommodate the employees and not the clinic.

Mayor Abell asked if an employee has to go to the doctor for their health assessment then would they be docked for their time.

Mr. Tomlinson stated that the City of Port St. Lucie charges the employee the time that they go to the doctor.

Ms. Morey said that the City has not made the decision whether or not the employee will be docked time if they choose to go the health clinic.

Mr. White wanted to make sure that if the clinic doesn't carry a brand name of a prescription that the employee is able to go the pharmacy and pay for the prescription. He was told that is correct. He then asked what are some of the negative downsides of having the clinic.

Mr. Tomlinson said that he has heard in terms of objection from an employee that their health information will be made available to the City. He said that would never happen. It is illegal and they must abide by the hipa laws. The only information given to the City is if it is a workmen's comp case because they are not covered under hipa.. Another compliant that they sometimes here is that the medical staff is going to be brought in from the outside. He said that they would try to recruit the staff from people living within the City. He also noted that if there is a provider who the City does not want to have a relationship with then they will try to replace that provider.

Mr. White was looking for the reasons that have caused some of these clinics to close down or fail.

Mr. Tomlinson said that if there have been any clinics closing then it probably is because of economic times or there are not enough employees visiting the clinic. He provides a report to his clients on the financial progress of their clinic.

Mr. Kurt Gehring, Gehring Group, stated that there is an out clause from the contract if their fees are not being met. He has not been able to find a municipality in the State of Florida that uses this model that has failed.

Mr. White asked again is the City of Vero Beach big enough to handle this. He was told that the reason they asked Jim Carnicella, Human Resource Director from the City of Ocoee, here today is because he has a small city and the clinic has worked for them.

Mr. Gehring explained that they have determined that the City is large enough to self fund so the next step is to shift those dollars into a facility.

At this time, Council took a short break and reconvened at 11:18 a.m.

#### **B) Tammy Williamson – City of Port St. Lucie**

Ms. Tammy Williamson, Human Resource Director for the City of Port St. Lucie, appreciated the opportunity to come before them today to talk about the onsite medical clinic. She said that as of July 2<sup>nd</sup> their clinic will have been in operation for two years. They use the model that the City of Vero Beach is looking at and they (Port St. Lucie) were the first to use it in the State of Florida. She said that most questions and concerns were encountered while they were going through the process. They have 1,200 employees and are partially self funded. They have exceeded two million dollars in savings. They are looking at budgeting less for their medical trust fund than this year. Her experience with having an outside clinic is interesting and a labor of love for her. Since they implemented the program the Human Resource Director and the Risk Manager wear another hat in order to be assessable to the employees when they have questions regarding the clinic. In the two years since opening the doors to the clinic they have seen significant success. At this point they are exceeding one hundred percent of the appointments available and are looking at adding more staff and appointments for the clinic. It

is a voluntary clinic and they do not require employees to use the clinic except for pre-employment visits and some workman comp cases. They also do not look at the clinic as a replacement for insurance. The clinic is there for the employees if they should need it. She had plenty of stories where employees have gone to the clinic and have had to go the hospital to be treated. She said that the staff at the clinic is paid by the hour and not by how many patients they see. She said that if the City of Vero Beach chooses to go this route then have to be assessable. They will need to listen to the employees and work on answering their questions and just let them know you are there for them. The nice thing about having this benefit for their employees is that they can fine tune it. It is a work in progress. You open the doors and continue to monitor the visits, medications, etc.

Mr. Fish asked Ms. Williamson when they first opened the clinic did they have to think about the hours they were going to be opened in order to benefit their employees.

Ms. Williamson gave a brief history of their developmental stages in opening their clinic. She said that they invited employees to come in to get their feedback as to when did they want the clinic open. At that point they determined the hours that the clinic would be open. She then went over the hours that the clinic is currently open at this time. Appointments can be made on-line or by calling the clinic. There is currently approximately 160 appointments available through the week at this time.

Mr. Sawnick commented that Ms. Williamson mentioned earlier that the operation of the clinic has been “trial by error.” He asked her to elaborate as to why she said that.

Ms. Williamson explained that the City did change providers last year. They used the opt-out clause in the agreement. They now are using CareHere and have seen major improvements.

Mr. Sawnick asked Ms. Williamson if she talked to the employees about the health clinic.

Ms. Williamson told him that she made herself available to the employees. She has received more positive feedback then negative feedback.

Mr. Fish asked Ms. Williamson how big was her facility (the clinic).

Ms. Williamson said that it is 2,000 square feet at the present time and they are looking at expanding the square footage to 4,000 square feet.

Mr. Tomlinson explained that the Port St. Lucie clinic is sponsored by the City, but the City does not operate the clinic. He said for the City of Vero Beach it would be no different from the business that they now do with Blue Cross/Blue Shield.

### **C) Jim Carnicella – City of Ocoee**

Mr. Jim Carnicell, Human Resource Director of the City of Ocoee, was at today's meeting. He thanked Council for allowing him the opportunity to speak to them. He has been involved with Crowne Consulting for many years. He said when they opened their clinic that Crowne Consulting did all the leg work and he was there to answer questions that the employees had. In the City of Ocoee there are 320 employees. The question that he gets asked most often is how does the clinic work so well with just having a small number of employees. He said that they have been successful with the clinic since opening it in 2007 and the number of employees really has not mattered. When they first opened the clinic they were hoping that between 20% to 25% of the employees would use it and they chose to be open for 16 hours a week. He said by December 2008 that had to increase the number of hours to 20 hours a week. He said that they are running right at 95% capacity, and over the last six months they were well over 100% capacity. They are now proposing to go to 24 hours per week. Their claims have dropped since opening with the clinic. He reported that the city of Apoka opened their health center in 2008 and the City of Ocoee has partnered with them. He said that the City of Apoka is still fully insured. There are two health clinics (Ocoee and Apoka) and the employees are allowed to use either clinic.

#### **D) Kurt Gehring – Gehring Group**

Ms. Morey formally introduced Mr. Gehring and explained that he is the Agent of Records who receives the City's claims and makes sure that the City is moving in the right direction when paying them. He was hired when the City became self-insured. He has been doing employee benefits for different cities for over thirty years. Employees know if they have problems with their claims or have any questions that he is always there for them. They will always be open to all of their employees and ask for their feedback.

Mr. Gehring thanked Council for taking the time to have this meeting today. He said that the number one growing concern is the increasing cost of health coverage. He went over some of the projections in what the savings would be if the City decides to open their own health clinic. He went over the cost of a normal office visit versus a visit to the clinic. The numbers that he uses are a conservative approach of what they are looking at. He anticipates that once the contract has been signed that the hours for the administrative costs to Blue Cross/Blue Shield will be reduced. He said that it was hard to predict what kind of savings they would have with workman's comp. He told Council that with everything that he has seen that the City of Vero Beach is large enough to be successful. He said that if they choose not to do this then they will be looking at a 22% increase in health coverage and that is if there are no new claims filed.

**3. PUBLIC COMMENTS** – (Comment Cards are available for anyone wishing to write their questions down and have them answered by staff)

**4. Mayor and Council Comments**

Ms. Morey has heard that the Council would really like to have the County partner with them for the health clinic. She said that if the County decides not to do it at this time or they choose to go with someone else, that down the road they can always join them.

Mr. Fish felt that Sebastian, Indian River County and the School Board were all looking at the City to take the leadership in opening the clinic.

Mr. White commented that the taxpayers are probably looking at this as being an expense. He did not think that the timing was good.

Ms. Morey made it clear that they were not asking for additional money today. She said that the money is there if Council chooses to approve the health clinic.

Mr. White said that they have to make sure that the public is properly educated.

Mayor Abell asked if the County decides to put out a Request for Proposal, how long does the process take.

Mr. John Obrien, Purchasing Director, said that they would be looking at a ninety-day process.

Mayor Abell asked Ms. Williamson how long it took to get their clinic open and operating once approval was given.

Ms. Williamson said that approval was given in March and they opened the clinic in July.

Mr. Carnicella said that it was pretty much the same in Ocoee. They were given approval in October and the clinic opened in April.

Mr. Tomlinson added that in both of those cities they had to renovate buildings for the clinics to operate, which took some time.

Mayor Abell asked if it was possible to get a board certified doctor for \$125.00 an hour.

Mrs. Fromang said that was a good salary.

Mr. Tomlinson added that the average doctor for this area is making about \$100.00 an hour. He said that they will be looking for the best doctor that they can get so they have set the maximum at \$125.00 an hour.

Mayor Abell wondered if this would be a doctor who has practiced for some time or a recent medical graduate.

Mr. Tomlinson stated that they require them to be active physicians and have at least three years experience. He said that in one of their cities they have a doctor working for them who

retired at age 52, but has decided to work for the clinic. He said that most locations have physicians who have their own practice and they like this model. Many have hired additional staff to do their practice so they can do this.

Mayor Abell asked how the liability insurance was handled.

Mr. Tomlinson said that most physicians have their own insurance when they are hired. If they do not then Crowne Consulting will provide it and bill it back to the physician.

Mayor Abell asked how are employees encouraged to visit the clinic.

Mr. Carnicella commented that once their employees understood how the model was going to work they embraced it. Word of mouth was the best motivator for the employees. They also had to raise their co-pay for their health plan, which encouraged the employees to go to the clinic. He said now they have been able to reduce what the employees have been paying for health care by 10%.

Ms. Williamson said that when they implemented the clinic the City didn't make any health plan changes. It was strictly up to the employees on how they chose to utilize the clinic. They had a big grand opening and invited all the employees to the clinic for a cook-out and they were given a tour of the clinic and able to meet the staff. The City is now looking at putting money back into the General Fund, which will help their taxpayers. She said that perception of the concept of having a clinic is the hardest part, but their clinic has proven to be a benefit to the taxpayers.

Mr. Tomlinson would recommend that City staff for Vero Beach set up presentations so that their employees could come to a meeting where they could hear the concept and ask questions involving the health clinic.

Mayor Abell asked how to answer someone who says exclusive benefits will be to the employees and are not being made available to the public.

Mr. Tomlinson said that it would be one thing if by having the clinic it would cost the taxpayer. The taxpayer must be educated that this is a benefit because there will be a net savings to the City on the costs that will be saved.

Mr. Carnicella added that if they choose to use this model then they will be able to see the savings that all of the different jurisdictions using it have had.

Mayor Abell received the comment cards (on file with the original minutes) and went over the first question. The first question states "Checking RX after the fact? Why not do it at the time of dispensing? Dr. should make discussion for RX." This was the first question on the comment card.

Mr. Tomlinson answered it by saying that when patients see the physician then their medical records will be updated.

Mayor Abell continued with the second question on the same card which read "It was clearly stated that you contacted the Hospital District. I am a member of the District and was told that was not the case. I was told there was no communication. Explain..."

Ms. Morey stated that she talked to Jeff Susi and they had no problem with the clinic and they thought it was a great idea. She also talked to Dr. McCrystal and another member of the Hospital Taxing District.

Mr. Gabbard added that discussion of this health clinic has been going on since July. He cannot believe that there is a person in this County who has not read something about it in the newspaper. He reiterated that the City Council has not voted to finalize anything.

Mr. Michael Weis (person asking the questions on the first comment card) clarified that they (Hospital District) communicated with the City and the City never called them back. The Hospital District and not the Hospital Board voted to send a letter to the Mayor asking for a presentation on the clinic.

Mr. Gabbard recalled a conversation that he had with Mr. Jeff Susi last Friday.

Mr. Weis was concerned about prescriptions being dispensed. He said that it was important that someone checks and double checks the prescriptions.

Mr. Gabbard was confident that the employees will be given the right prescription. He said that their employees make a contribution every month for healthcare. They are strictly trying to do the right thing. He told Mr. Weis if he still had questions that he needed to be answered to please come and see him.

Mr. Weis continued with his questions and asked what the projected cost would be.

Mr. Tomlinson made it clear that the cost was not based on the number of visits. The medical staff is paid on an hourly basis. They will not bill or charge on a per person visit and they don't charge the patients for the number of times they come to the clinic for follow up visits.

Mr. Weis asked Mr. Tomlinson if he had the figures for an average office visit per patient including laboratory, radiology, etc.

Mr. Tomlinson said that it was difficult to do on a per patient basis and it was not relevant.

Mr. Weis asked if generics drugs were being prescribed now for the employees under their current coverage.

Mr. Morey explained that Blue Cross/Blue Shield will automatically do a generic drug unless a doctor says it has to be a brand name and not generic.

Mr. Tomlinson added that generic prices are not the same for everyone. He said that Blue Cross/Blue Shield probably has the best cost for generic prescriptions in this area.

Mayor Abell read another question, which was "How will it be decided if services provided would be by physicians or mid level practitioners."

Mr. Tomlinson said that the facility would have a physician and that this is a physician based model.

Mayor Abell referred to another comment card, which asked how a work site clinic could provide continuing care for an employee. He said what about hospital care and nights and weekends.

Mr. Tomlinson stated that they do have a chronic management care program that they can provide. He said that with hospital care if the physician has hospital privileges then he would be able to attend to the employee at the hospital, otherwise he will give the referral to another physician. As far as nights and weekends goes it will depend on what the City decides their operation hours will be. He added that as far as sick children go, most organizations decide they don't want to get into pediatric care. He said that they are currently recruiting physicians to make sure that they are comfortable seeing children. He reiterated that the clinic is not operating in order to replace any physician that someone already has.

Mayor Abell said that the last comment card that they received was from Mr. Ken Daige who wanted to stand before the Council to go over his concerns on the health clinic.

Mr. Ken Daige stated that they have a wonderful medical community here and have some great clinics. He hoped before Council voted on the proposed clinic that they would explore some other options. His prepared statement is attached to the minutes.

Mr. Ted Robinson, Indian River Shores, felt that the proposed clinic was a financial gain for government personnel at the benefit of the taxpayers.

Mayor Abell explained to him that they already pay benefits for employees and this is a way that they are trying to lessen the cost for their taxpayers, which should save approximately one million dollars a year.

Mr. Robinson said that the cost to the taxpayers is unlimited and uncapped and the tax meter is running. He asked how much money will need to be invested in this clinic.

Mr. Gehring explained that they provide a benefit package to the employees and the cost of the clinic will be shifted from the costs that are already there. He said that the numbers they are using are conservative about utilization.

Mr. White suggested bringing back the proposed clinic contract at either their June 16<sup>th</sup> or June 22<sup>nd</sup> meeting for a vote.

Mr. Gabbard wanted to be able to instruct his staff to work on the contract, finalize it and get a copy to Council and for Council to come back to him with any questions or concerns that they might have.

Mrs. Fromang did not feel that it was necessary for staff to spend any more time on the contract. They needed to wait and see what the County is going to do.

Mayor Abell brought up the fact that they would be having their quarterly budget meeting on June 22<sup>nd</sup> and then in July they would be having their budget hearings. He did not think it was necessary to wait to see what the County decides to do. He said that the representatives from the County were invited to today's meeting. He wanted to have a motion that they address this at the quarterly budget meeting scheduled for June 22<sup>nd</sup>.

Mr. White made a motion to move this to the June 22<sup>nd</sup> meeting and pursue the contract and bring everything back and vote on it. Mr. Fish seconded the motion.

Mrs. Fromang asked what happens if they have a contract in place and the County decides to partner with them.

Ms. Morey commented that the only money spent on this process has been their time. She has been working on the contract and could have a copy to Council very soon. She said that there would not be any changes in the contract if the County joins them because it would be a separate contract. The City would have a contract with the County on how to separate the costs.

Mrs. Fromang foresees some huge ramifications if they start to get into the medical field. She understands they are trying to save money and appreciates that.

Ms. Williamson noted that Port St. Lucie is now in their second year of having their clinic open and she has personally experienced the benefits that the clinic offers. The last thing that she wants anyone to think is that this is a fly by night practice. The physicians treating their employees are top notch. They have now changed the name of their clinic to the "Employee Family Clinic Health Center."

Mr. Carnicella added that the questions that are being asked today are the same questions that he has heard over and over. He agreed that this was not easy to do, but what they are contemplating doing is moving towards a way to spend taxpayers money as wisely as possible.

This is the most expensive item other than salaries that they deal with every year. The history is going to show you as long as your employees continue to utilize the clinic it will save them money. However, if the employees don't use the clinic then it will cost money.

Mrs. Fromang had some concerns with long term chronic care for certain patients. She said that pediatrics was also a concern of hers. She reiterated that getting into the health care business is serious.

Mayor Abell suggested to Mrs. Fromang that she write her questions down on a piece of paper and present them to Ms. Morey to get the answers.

Mr. Gabbard commented that he spoke to the City Manager from Palm Bay who informed him that their first anniversary for their clinic was this March and they realized that there has been a \$500,000 benefit. He said that their local paper is doing an article on the clinic and that getting it started was "rocky."

Mr. White called the question.

Mr. Fish noted that both the City of Port St. Lucie and the City of Ocoee renovated houses for their clinics. He said that the City of Vero Beach is talking about renovating a building.

Ms. Morey explained that the building they are talking about renovating already looks like a clinic (Recreation Administration Building) and there is room to expand.

Mr. White repeated his motion. The motion passed unanimously.

## **5. Adjournment**

Mayor Abell thanked everyone for being at their meeting today.

Mr. White made a motion to adjourn the meeting at 1:22 p.m. Mr. Fish seconded the motion and it passed unanimously.

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