

The City of Ocoee is located in one of the fastest growing areas of Florida, adjacent to the northwest boundary of Orlando. Ocoee is home to approximately 38,000 residents served by 325 full-time employees including police, fire, public utility, public works and other traditional municipal services.

Ocoee has grown in population and has doubled in size over the previous seven (7) years. The City suffers the same growing pains as other Florida municipalities and struggles to balance the needs of the community, infrastructure concerns, and the anticipated revenue shortfalls, all the while attempting to recruit and retain a high quality of public safety, professional and skilled employees.

The City administration is committed to providing a competitive benefit package in an effort to compete for employees with several adjoining county and large city (Orlando) organizations, within the same geographic location. As with any employer committed to recruiting and retaining a high quality work force, the cost of the benefit package, especially the cost of a high level health care plan creates a serious financial impact.

The "medical trend" which is the term used by healthcare insurance companies to determine part of the premium paid by the employer from one year to the next, has been running at about 15% per year for the last few years (2004-2007). Coupled with actual claims incurred by the plan participants (employees/dependents) and the administrative costs of the insurance company, the City of Ocoee was faced with increases of approximately \$450,000.00 per year. The primary factor for the above increases was the "medical trend" which could be defined as the profit margin the insurance companies create from year to year.

One of the components of the medical trend is the utilization of the health care plan or the actual claims incurred by employees and their dependents. The City realized that a reduction in the actual claims, but especially a reduction in the cost of claims would have a substantial impact on future premium increases. Several alternatives were analyzed to reduce costs, including a different funding arrangement with the insurance carrier, a cost shifting arrangement from the employer to employee (HRA) and opening an on-site health center.

This project located on a site and within a facility owned by the City, was the result of a public-private partnership involving the City of Ocoee, the Crowne Consulting Group, CareHere Inc., and other for profit and not-for-profit agencies. This health center model was designed to provide primary medical care services directly to employees and their dependents covered by the City's health care plan. These primary care services would not be invoiced through the health care plan but through an independent contractor responsible to operate the facility. The costs for this facility would be based on a flat fee with items such as supplies and medications charged as a pass through, to the City, without a profit margin included. The cost per visit to the health center is approximately 50% less than the health plan cost for a similar visit.