

**Mayor**

Joe Coviello

**Council Members**

District 1: John Gunter

District 2: John M. Carioscia Sr.

District 3: Marilyn Stout

District 4: Jennifer I. Nelson

District 5: Dave Stokes

District 6: Richard Williams

District 7: Jessica Cosden



1015 Cultural Park Blvd.  
Cape Coral, FL

**City Manager**

John Szerlag

**City Attorney**

Dolores Menendez

**City Auditor**

Andrea R. Butola

**Interim City Clerk**

Kimberly Bruns

**AGENDA  
COMMITTEE OF THE WHOLE**

March 25, 2019

4:30 PM

Council Chambers

**PLEDGE OF CIVILITY**

We will be respectful of each other even when we disagree.  
We will direct all comments to the issues. We will avoid personal attacks.

**1. MEETING CALLED TO ORDER**

A. MAYOR COVIELLO

**2. PLEDGE OF ALLEGIANCE****3. ROLL CALL**

A. MAYOR COVIELLO, COUNCIL MEMBERS CARIOSCIA,  
COSDEN, GUNTER, NELSON, STOKES, STOUT, WILLIAMS

**4. BUSINESS:**

A. CITIZENS INPUT TIME

A maximum of 60 minutes is set for input of citizens on matters concerning the City Government; 3 minutes per individual.

B. DISCUSSION

(1) Feasibility of Employee Healthcare Clinic

**5. ROUND TABLE DISCUSSION****6. TIME AND PLACE OF FUTURE MEETINGS**

A. A Regular Meeting of the Cape Coral City Council is Scheduled for  
Monday, April 1, 2019 at 4:30 p.m. in Council Chambers

**7. MOTION TO ADJOURN**

## **GENERAL RULES AND PROCEDURES REGARDING THE CAPE CORAL CITY COUNCIL AGENDA**

In accordance with the Americans with Disabilities Act and Section of 286.26, Florida Statutes, persons with disabilities needing special accommodation to participate in this meeting should contact the Office of the City Clerk at least forty-eight (48) hours prior to the meeting. If hearing impaired, telephone the Florida Relay Service Numbers, 1-800-955-8771 (TDD) or 1-800-955-8770 (v) for assistance.

Persons wishing to address Council under Citizens Input or the Consent Agenda may do so during the designated times at each meeting. No prior scheduling is necessary. All speakers must have their presentations approved by the City Clerk's office no later than 3:00 PM the day of the meeting.

Any citizen may appear before the City Council at the scheduled PUBLIC HEARING/INPUT to comment on the specific agenda item being considered. No prior scheduling is necessary.

When recognized by the presiding officer, a speaker shall address the City Council from the designated speaker's lectern, and shall state his or her name and whom, if anyone, he or she represents. An address shall only be required if necessary to comply with a federal, state or local law.

Copies of the agenda are available in the main lobby of Cape Coral City Hall and in the City Council Office, 1015 Cultural Park Boulevard. Copies of all back-up documentation are also available for review in the lobby of Council Chambers. You are asked to refrain from removing any documentation. If you desire copies, please request they be made for you. Copies are 15 cents per page. Agendas and back-up documentation are also available on-line on the City website ([capecoral.net](http://capecoral.net)) after 4:00 PM on the Thursday prior to the Council Meeting.

### **\*PUBLIC HEARINGS DEPARTMENT OF COMMUNITY DEVELOPMENT CASES**

In all public hearings for which an applicant or applicants exist and which would affect a relatively limited land area, including but not limited to PDPs, appeals concerning variances or special exceptions, and small-scale rezonings, the following procedures shall be utilized in order to afford all parties or their representatives a full opportunity to be heard on matters relevant to the application:

1. The applicant, as well as witnesses offering testimony or presenting evidence, will be required to swear or affirm that the testimony they provide is the truth.
2. The order of presentation will begin with the City staff report, the presentation by the applicant and/or the applicant's representative; witnesses called by the applicant, and then members of the public.
3. Members of the City Council may question any witness on

relevant issues, by the applicant and/or the applicant's representative, City staff, or by any member of the public.

4. The Mayor may impose reasonable limitations on the offer of testimony or evidence and refuse to hear testimony or evidence that is not relevant to the issue being heard. The Mayor may also impose reasonable limitations on the number of witnesses heard when such witnesses become repetitive or are introducing duplicate testimony or evidence. The Mayor may also call witnesses and introduce evidence on behalf of the City Council if it is felt that such witnesses and/or evidence are necessary for a thorough consideration of the subject.
5. After the introduction of all-relevant testimony and evidence, the applicant shall have the opportunity to present a closing statement.
6. If a person decides to appeal any decision made by the City Council with respect to any matter considered at such meeting or hearing, he or she will need a record of the proceedings, and that, for such purpose, he or she may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based.

Item Number: B.(1)  
Meeting Date: 3/25/2019  
Item Type: DISCUSSION

**AGENDA REQUEST FORM**  
CITY OF CAPE CORAL



**TITLE:**

Feasibility of Employee Healthcare Clinic

**REQUESTED ACTION:**

Staff Direction

**STRATEGIC PLAN INFO:**

1. Will this action result in a Budget Amendment? No
2. Is this a Strategic Decision? Yes  
If Yes, Priority Goals Supported are listed below.  
If No, will it harm the intent or success of the Strategic Plan? No

**ELEMENT B: ENHANCE FINANCIAL SUSTAINABILITY DURING ALL ECONOMIC TIMES**

**Planning & Zoning/Staff Recommendations:**

**SUMMARY EXPLANATION AND BACKGROUND:**

In its continuing effort to reduce operational costs staff has been in discussion with the Gehring Group, the City's Healthcare Consultant, surrounding a concept to expand the level of current services provided at the City Employees' Health Clinic. The Gehring Group has successfully guided numerous Florida governmental entities in this process that have produced favorable returns on investment and overall cost savings to these organizations. The various options will be explored with the City Council at this time to allow for an informed discussion and direction prior to the publication and advertising of a Request for Proposals.

**LEGAL REVIEW:**

**EXHIBITS:**

Presentation prepared by the Gehring Group

**PREPARED BY:**

Jay Murphy      Division- Administration      Department- City Manager's Office

**SOURCE OF ADDITIONAL INFORMATION:**

Connie Barron, Assistant City Manager  
Jay Murphy, Business Manager  
Lisa Sonogo, Human Resources Director

ATTACHMENTS:

Description	Type
▫ Presentation prepared by the Gehring Group	Backup Material

# Executive Summary

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**Outcome:** Gain a general sense of direction to issue a Request for Proposal for enhanced health care clinic.

**Savings:** The Gehring Group estimates a \$4 million savings in employee health care costs over the next three years compared to maintaining the status quo.

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# Employee Health Center Overview

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**March 25, 2019**

*Presented by:*

Anna Maria Studley  
Director of Client Development



# Gehring Group Clients with Clinics:

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City of Oviedo	City of Sarasota
City of Lakeland	City of West Palm Beach
City of Stuart	City of Boynton Beach
Charlotte County	Martin County Sheriff's Office
Martin County	St. Lucie County Sheriff's Office
Palm Beach County Sheriff	St. Lucie County
City of Clearwater	Pasco County Clerk
Lee County Sheriff	Pasco County
City of Delray Beach	City of Port St. Lucie
Pasco County Sheriff's Office	



# The Concept:

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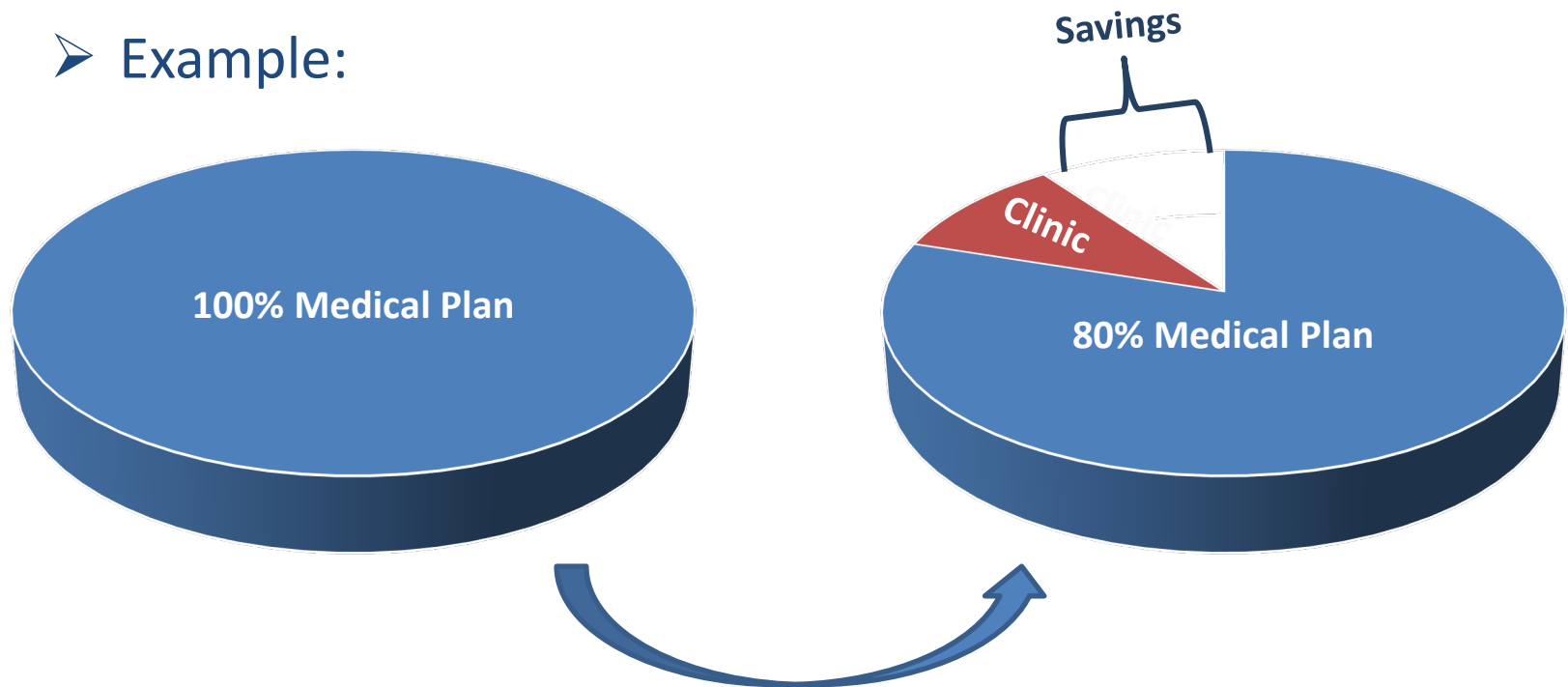
- Shift costs from the medical plan to the employee health center by:
  - Engaging employees, retirees and family members of the plan
  - Changing employee and dependents' attitude toward healthcare
  - Consistently focusing on prevention & wellness integration
  - \$0 copay for health center visits
  - Identifying potentially catastrophic issues as early as possible
  - Chronic disease identification and compliance
  - Medical plan design changes to incentivize utilization
- Reduce claims utilization in the short term
- Enhance wellness program
- Reduce high dollar claims in the long term
- Reduce Worker's Comp and Occupational Health Claims

# Cost Shift:

## ➤ The Goal:

- Shift costs from Medical plan (8% inflation) to health center (< 3% increase) at a lower price

## ➤ Example:



# Typical Scope of Services:

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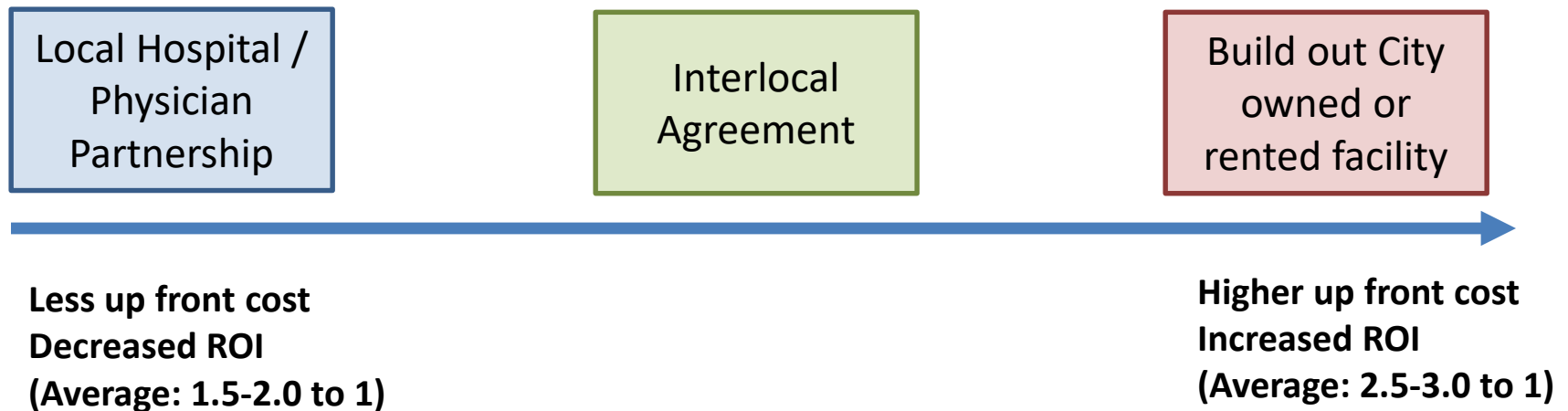
- Primary Care, Acute, & Chronic Care
- Labs
- X-rays
- Prescription Dispensing
- Biometric Screenings & Health Risk Assessments
- Wellness Programs
- Pre & Post Employment Physicals
- Occupational Health & Workers Compensation
- Hearing and Drug Tests

# Eligibility & Hours of operation:

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- Members enrolled in the City's health insurance plan:
  - Full time employees (excluding Fire)
  - Dependents
  - COBRA participants
  - Retirees
- Hours of operation example:
  - Monday, Wednesday, Thursday from 7:00 a.m. to 6:00 p.m.
  - Tuesday, Friday from 7:00 a.m. to 3:30 p.m.
  - Saturday from 9:00 a.m. – 1:00 p.m.
- Custom hours based on utilization, shifts, capacity, etc.

# Employee Health Center Models



*Return on investment (ROI) varies based on scope of services, utilization, expenses, and engagement.*

# Case Study

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## City of Port St. Lucie

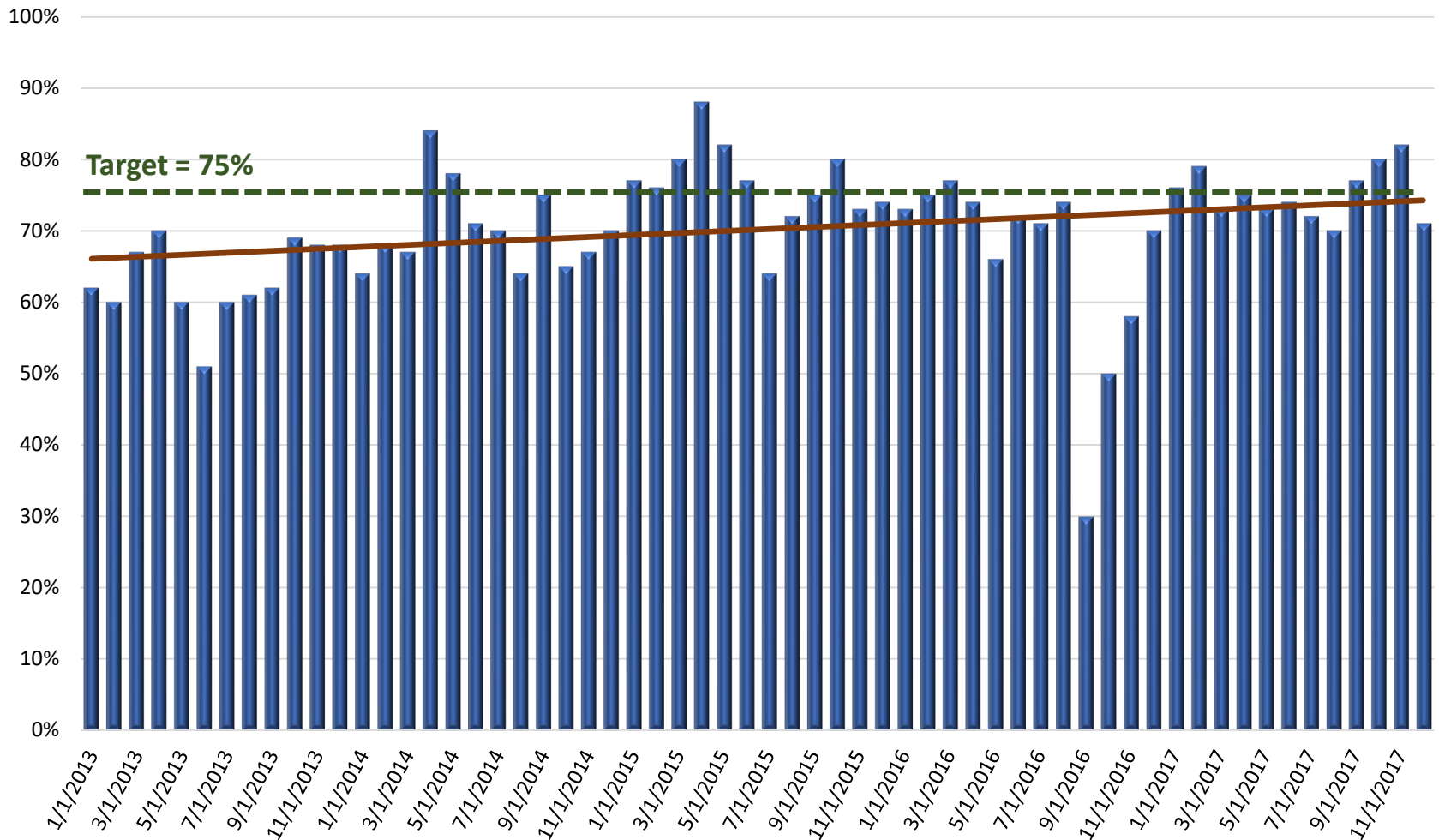
1,057 Insured Employees

2,460 Insured Members

(Includes Police)

Health Center Opened in 2013

# Case Study – EHC Utilization



# Case Study

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- Average Capacity:
  - 2013: 63%
  - 2014: 70%
  - 2015: 77%
  - 2016: 66% (Clinic shutdown temporarily for maintenance)
  - 2017: 75%
  - 2018: 75%
- Average prescription utilization: 755 per month
- Average appointment utilization: 739 per month
- Average annual EHC Spend: \$1,047,621 (\$991 / EE)
- Mature Average ROI: 2.67 to 1.00 (\$2,797,149 claims reduction)



# City of Cape Coral 3 Year Projection

	Scenario #1	Scenario #2
	No Clinic	Clinic Implementation
<b>2018 Claims Experience</b>	\$16,706,048	\$16,706,048
<b>2019 Projected Claims Experience (8% increase)</b>	\$18,042,532	\$18,042,532
<b>2020 Projection</b>		
Status-Quo Claims	<b>\$19,485,934</b>	<b>\$19,485,934</b>
Estimated Clinic Spend	N/A	\$1,042,334
Claims Saving	N/A	(\$1,563,500)
<b>Total 2020 Claims + Clinic Cost</b>	<b>\$19,485,934</b>	<b>\$18,964,767</b>
<b>2021 Projection</b>		
Status-Quo Claims	<b>\$21,044,809</b>	<b>\$21,044,809</b>
Estimated Clinic Spend	N/A	\$1,216,056
Claims Saving	N/A	(\$2,432,112)
<b>Total 2021 Claims + Clinic Cost</b>	<b>\$21,044,809</b>	<b>\$19,828,753</b>
<b>2022 Projection</b>		
Status-Quo Claims	<b>\$22,728,394</b>	<b>\$22,728,394</b>
Estimated Clinic Spend	N/A	\$1,737,223
Claims Saving	N/A	(\$4,343,057)
<b>Total 2022 Claims + Clinic Cost</b>	<b>\$22,728,394</b>	<b>\$20,122,559</b>
<b>2020-2022 (3-Year Start-Up)</b>		
Status-Quo Claims	<b>\$63,259,137</b>	<b>\$63,259,137</b>
Estimated Clinic Spend	N/A	\$3,995,613
Claims Saving	N/A	(\$8,338,669)
<b>3-Year Total Claims + Clinic Cost</b>	<b>\$63,259,137</b>	<b>\$58,916,079</b>
<b>Projected 3-Year Savings:</b>		<b>\$4,343,058</b>

## Assumptions:

- No upfront clinic implementation/build out costs
- 8% increase to claims / year with no plan changes
- 1,753 employees / 2,942 members eligible

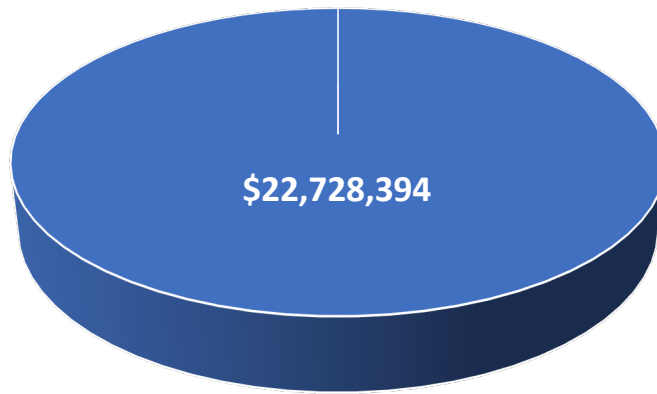
## Per Employee Per Year Clinic Spend: Return on Investment:

- Year 1 @ 60% Capacity: \$594.60
- Year 2 @ 70% Capacity: \$693.70
- Year 3 @ 75% Capacity: \$991.00
- Year 1: 1.5 to 1
- Year 2: 2.0 to 1
- Year 3: 2.5 to 1

# City of Cape Coral 3 Year Projection

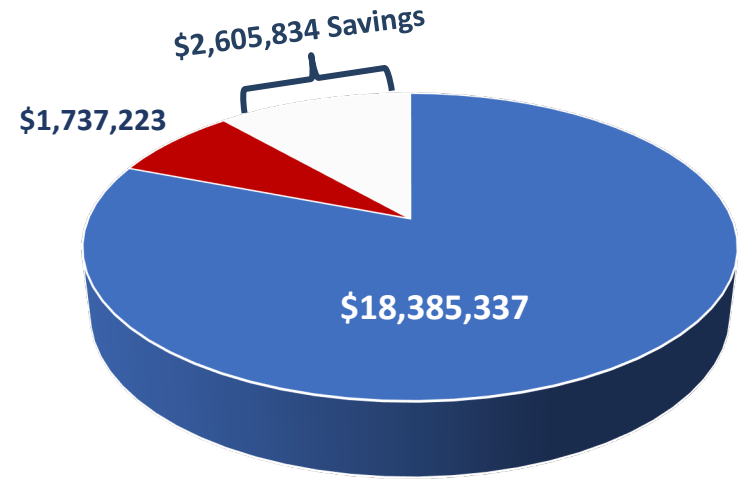
## ➤ Year 3 Projected Cost:

Scenario #1 (No Clinic)



■ Claims Cost

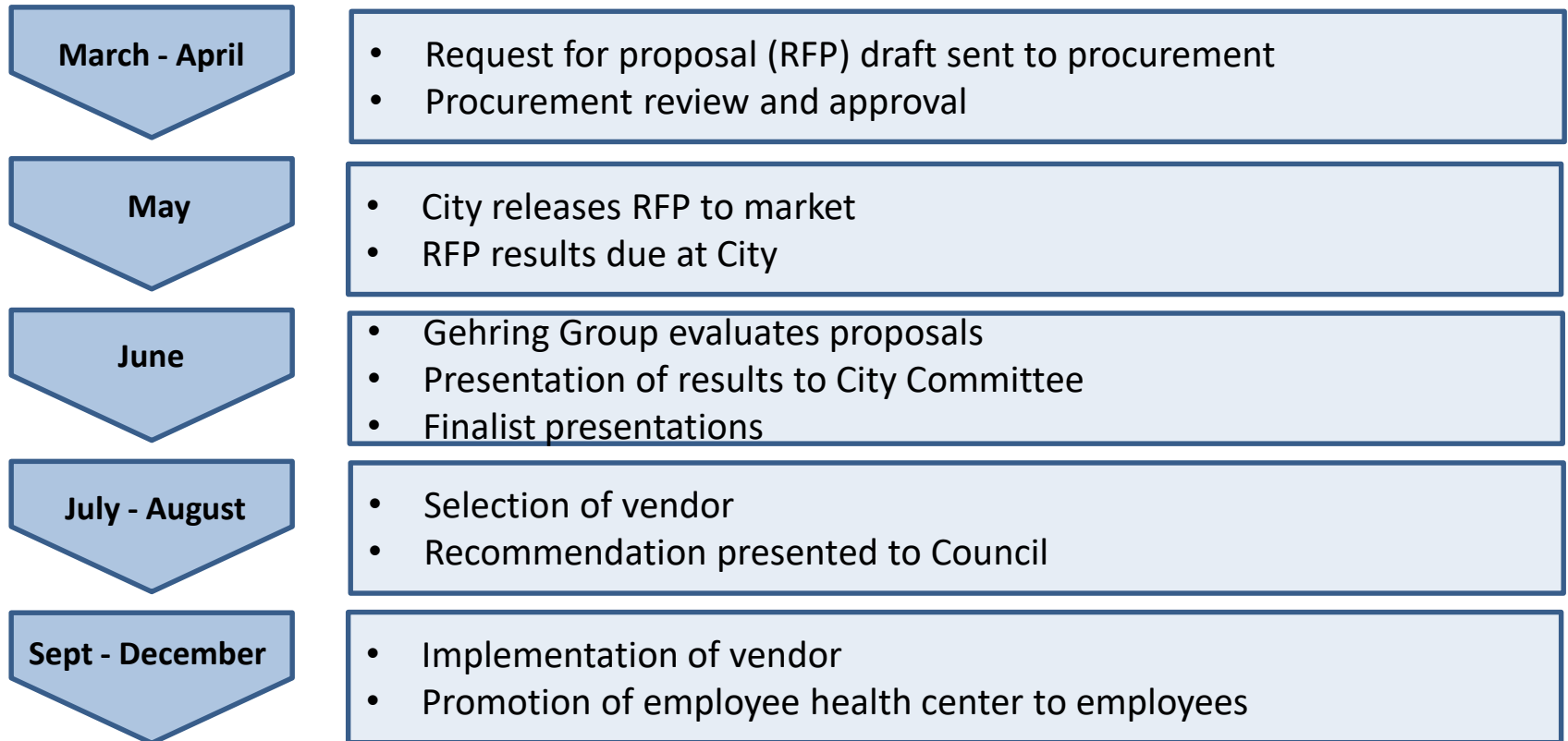
Scenario #2 (With Clinic)



■ Claims Cost ■ Clinic Cost

# Timeline for Implementation

## Example:



➤ **January 1<sup>st</sup> 2020 Grand Opening**

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# Questions?