



The City of Mesquite, TX Develops the Mesquite Employee Health Center (MEHC)

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The Medical Plan Advisory Task Force proposed the idea of an on-site medical clinic concept in 2004. In 2005, the Mesquite City Council recommended approaching Mesquite ISD with the concept of an on-site medical

venture. The City of Mesquite HR Director George Mones and MISD Assistant Superintendent Lanny Fr investigate the possibility of an Employee Medical Clinic joint venture. The two began by meeting with co advise businesses on how to develop a clinic as well as others whose business is to establish and mana clinic.”

The primary rationale for the on-site clinic is to focus on wellness, disease prevention and teaching. Pati scheduled every 15 minutes to allow more time for interaction and teaching between the provider and th low cost and convenience of the clinic encourage employees and dependents to take care of problems b more serious. Another objective is the close monitoring of employees with chronic diseases.

The medical clinic is an integral part of the City’s larger wellness initiatives. The rationale for including a pharmacy with the medical clinic was the obvious realization that drugs can be purchased at a savings t the City. Furthermore, the lower costs to employees further insures compliance with doctors' orders. Phy that many patients do not comply with needed medication due to the cost of drugs.

Both the City and MISD self-insure their employee medical plans. Therefore, any cost reduction experie of the clinic result in direct savings for employees and the employer. The 58% of employees that are hea free expend only 8% of total healthcare dollars. Employees with chronic diseases result in costs that are as for healthy employees.

MEHC is a WIN-WIN proposition. Employees love it and the employer provides a great employee benef money.

From 2000 to 2006 the City experienced increases in its self-insured medical plans which ranged from 1 annually. Since establishing MEHC in February 2007, the City’s self-insured medical plan has experienc increases. The medical plan costs have remained essentially flat. Therefore, the City and employees ex premium increases in 2007, 2008 and 2009.

The savings to the City can be speculated based on the current trend of “flat medical costs” versus the p experiencing 10 – 15 % increases. Given our total self-insured medical plan costs of \$10 million we can our savings were between \$1 million and \$1.5 million. Two year savings, 2007 and 2008 are around \$2

Successes:

- MEHC with its “fixed costs” allows the City to lower the costs for a medical office visit from \$80 - \$90 in market to \$48 at MEHC.
- MEHC can purchase and dispense drugs from our MEHC pharmacy at a savings of 10 – 15%.
- MEHC increased our use of generic drugs versus brand drugs. Currently 60 – 70% of drugs dispensed

The average cost of a generic drug is \$24 while the average cost of a branded drug is \$80 – 90.

- MEHC in conjunction with the City wellness programs focused on weight management and tobacco cessation realized significant results for employees, retirees and dependents.
- MEHC has encouraged more employees to get appropriate medical treatment and preventive exams. Large dividends. In 2007 and 2008 over 90 percent of employees received a preventive physical exam.
- MEHC enables employees to reduce absence due to doctor visits and ill days from work with prompt treatment and appropriate medication.

Lessons Learned:

- Employers should probably have at least 2 - 3000 employees in close proximity.
- Employers are generally not interested in investing and managing medical personnel due to lack of familiarity and experience.
- Not all employers have bought into the concept of “wellness and disease prevention” as a cure for high employee medical insurance.
- Employers are probably concerned about employee and dependent acceptance of an employer sponsored clinic. Will they use it if we build it?

Benefits to employees:

- \$10 co-pay per office visit. Includes lab tests.
- No calendar year deductible applied to clinic visits.
- Dependents covered on the medical plan are also eligible to use the clinic.
- Employees may fill any prescription written by any physician at the clinic pharmacy.
- Co-pays are one-half or less compared to retail under the medical plan. At the clinic pharmacy employees pay \$5 co-pay for generics, \$10 Brand drugs, \$20 for non-formulary drugs.
- Clinic providers are able to be the primary care provider if the employee so chooses.
- Employees are free to choose at any time between a private physician through our medical plan or to use our staff.
- Employees with chronic diseases are regularly seen by the clinic staff to ensure they are adhering to their treatment and that positive results are realized.

Benefits to employer:

- Preventive medicine is practiced at the clinic. Providers are a great advocate for the City's Wellness Program.
- Employees able to visit the clinic and return to work within one hour.
- Savings on drug costs.
- Overall savings on Self-insured medical plan.

- Improved medical management for chronic diseases.
- The clinic is a much appreciated benefit. Employee survey demonstrates great satisfaction with the clinic and pharmacy. 93% rate the clinic as good to excellent. 99% rate the pharmacy as good to excellent.
- Healthy employees are more productive and have less absences.

The clinic is staffed by a physician, a physician assistant, an LVN, three medical assistants and a clinic nurse. The pharmacy is staffed by two pharmacists and three pharmacy technicians. Health professionals can come to work and practice their profession without the hassles of filing insurance or of being rushed to see as many patients as possible in a day.

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