



ORC OPERATIONS 3RD QUARTER RESULTS

Presented by:

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Introduction

The City of Plano Occupational Health Clinic known as the ORC began operations on November 01, 2007. Announcements of the clinic operations were sent to City employees via Email, Internet and Written flyers. The purpose of this clinic and claims office was to deliver medical services and claims administration in a prompt, cost effective and customer driven matter. We are pleased to report that this model has been a success for the City. Medical costs have been greatly reduced as evidenced in sections 3 and 4 of this report. Customer satisfaction has also been ranked very high by customer surveys that were completed during the month of June. The Risk Management staff has been very pro-active in promoting the medical treatment capabilities of the clinic and the availability of Occupational Wellness activities.

Claims administration staff at the clinic has been equally pro-active in seeking ways to improve customer service and reduce claims costs. The results are evidenced in section 5 of this report. Claims adjusters are on-call and available to conduct on scene accident investigations. Claims adjusters have also been available to meet with City personnel on a regular basis either through department meetings, health fairs, or other scheduled presentations. Overall customer satisfaction with the on site claims staff has been greatly improved over previous claims administrators.

Scope of Services

The Risk Managers' vision for the ORC was to provide not only medical care and claims adjusting of City workers compensation claims but to take a pro-active and holistic approach to the employees well being as it pertained to their work activities. As a result of this vision the ORC has embarked on a bold, pro-active Occupational Wellness program. Health Fairs have been conducted at several departments. Healthy eating lunches have been conducted at a number of departments including police and fire. Ergonomic assessments have also been conducted at a number of work stations in an effort to resolve issues before they become claims.

These efforts have been well received by employees with much positive feedback received for these efforts. Risk Management has offered and delivered a truly cost effective immunization program for the Police and Fire Departments. Immunization costs and administration are over 50% less than previous charges from an outside clinic. We believe the cost savings achieved during the first 9 months of operation are only the tip of the iceberg. As utilization of this clinic increases costs will continue to decrease.

The ORC model as developed by Risk Management has a lot of other public entities looking at this program as the future of workers compensation.

Client Visits

The following graph indicates that visits to the ORC are increasing not due to increased workers compensation claims but rather as a result of pro-active wellness activities such as the previously discussed immunization program. Attached to this report is a group of reports that the Physician Assistant at the ORC prepares on a monthly basis.

A simple graph is included which illustrates clinic visits for the past three months. The spike in visits during the month of June is the result of the Hepatitis B vaccination program for the Police and Fire Departments.

Medical Cost Savings

In an effort to provide an accurate picture of medical cost savings we have compared costs for services at one of the primary care physicians that the City currently uses versus the actual costs incurred at the ORC. As you can see in the attached graphs medical costs per visit are over 50% less than costs incurred at the outside clinic.

Workers Compensation Cost Savings

We are pleased to report that medical costs per workers compensation claim have been reduced by over 52% in the first nine months of operation. The period of this analysis was 11/01/07 to 07/31/08 versus 11/01/06 to 07/31/07. During this period there were 167 medical only claims in the 07/08 period versus 170 medical only claims in the 06/07 period. We believe this is a very accurate comparison, the apples to apples comparison. The results are for the period 11/01/07 to 07/31/08 medical costs per claim were \$273.63. Medical costs for the period 11/01/06 to 07/31/07 were \$526.40. The operation of the ORC has reduced these medical costs by 52%.

Summary

We believe the City of Plano made a very wise business decision by implementing the Occupational Health Clinic. The clinic will very easily pay for its operations through direct medical cost savings. However, the cost savings don't end there. Wellness activities, immunization programs, ergonomic assessments, job safety analysis, health fairs, occupational health profiles, and other safety activities will all contribute to driving down workers compensation costs for the City.

In a time when rising health care costs are an important issue in the Presidential campaign of 2008 we believe the cost savings generated by this Occupational Health Clinic are impressive. We also believe that increased utilization of this facility will further decrease medical costs for the City of Plano.