
THE DEVELOPMENT AND IMPLEMENTATION OF AN INNOVATIVE “OUT OF THE BOX” WELLNESS PROGRAM

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Presented by:

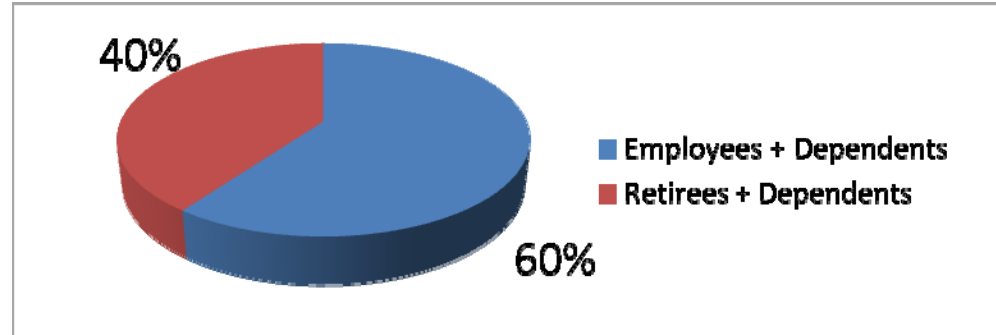
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CITY OF SARASOTA - BACKGROUND

- Plan composition
(Approx. 2,000 covered lives)



- Formerly in self-insured consortium with local network
- Health plan consisted of four plan options ranging in cost

MITIGATING CIRCUMSTANCES

- Declining revenues
 - Legislative action
 - Housing market collapse
 - Recession
- Higher than average self-insured program claims growth
- City re-organization
 - Pay freezes
 - Layoffs / Workforce reduction
- Partnered with Gehring Group to restructure group health care plan

APPROACH TO CURBING MEDICAL INFLATION

- Prior activity-based wellness program
 - Aerobic conditioning incentives
 - Health fairs
 - Free flu shots
 - Weight Watchers
 - Smoking Cessation
 - Voluntary health risk assessments
- Well received, but not linked to measurable outcomes
- Identification of the need for self-initiated behavior modification
- Utilized multi-faceted approach
 - Examine cost sharing provisions
 - RFP to expand network access and seek out deeper discounts (formerly part of a local consortium)
 - Wellness incentives for outcomes rather than activities

DESIGNING AN “OUT OF THE BOX” WELLNESS PROGRAM

How do we encourage plan members to adjust their lifestyles so that they live longer, healthier lives and the City realizes reduced costs?

- *Benefit Focus Group* explored integrating Wellness into medical plan
- Aware of the emergence of outcome-based programs
- Opted to implement voluntary outcome-based incentive program linked to new plan design
- Selected outcome measures directly linked to long-term health
- Optional program for employee, retirees and covered dependents over age 19

DESIGNING AN “OUT OF THE BOX” WELLNESS PROGRAM

- The program’s goals included:
 - Incentivize personal responsibility
 - Build financial incentives for participants to maintain better health
 - Construct a medical plan that encouraged wellness exams and health tracking
 - Use of in-network providers for member use of free or discounted services
 - Long term – Attempt to prevent members from incurring avoidable claim costs that are due to poor behavior or lack of medical/rx compliance

DESIGNING AN “OUT OF THE BOX” WELLNESS PROGRAM

WELLNESS TARGETS
Either: Waist to hip ratio Or: Body Mass Index (BMI)
Tobacco Use
Blood Sugar
Triglycerides
Blood Pressure
HDL

**Maximum 5 targets*

DESIGNING AN “OUT OF THE BOX” WELLNESS PROGRAM

INCENTIVE OPTIONS

Option 1: **Deductible Buy-down**

Employee Only: May buy-down their \$500 deductible in \$100 increments for each health target achieved
EE + Dependents: Deductible credit is averaged and applied to each covered member’s deductible over the age of 19

Option 2: **Premium Buy-down**

Member can buy-down \$50 reduction in premium per health target achieved to a maximum of \$250 annual premium credits per member (max 2 members per family)

PROGRAM IMPLEMENTATION

- Pre-implementation considerations:
 - How to communicate program to employees & retirees?
 - How do we measure results?
 - Who do we use for testing? What about PHI?
 - What will testing cost?
 - Will costs for testing be paid by health plan?
 - Can our carrier/TPA accommodate outcome-based incentives?
 - How to calculate incentives for employees with dependents? (i.e. deductible buy-downs)
 - Successful implementation partnership among City, health care carrier/TPA and broker

PROGRAM IMPLEMENTATION

- Enrollment in Wellness Incentive Program:
 - Participation is completely optional
 - Annually during open enrollment
 - Program is offered to active employees, retirees and dependents over age 19
 - Select buy-down option
 - Deductible, or
 - Premium
 - Provision of forms for use by PCP

COMMUNICATION OF PROGRAM

- New program launched at annual Health Fair (1st day of OE) for employees and retirees
- 34 informational open enrollment meetings
- Customized communication materials distributed to employees and retirees
- Retirees
 - Customized mailer
 - Retiree Association meetings
 - Additional OE meetings for retirees

MEASURABLE OUTCOMES

TARGETED WELLNESS RESULTS

Either: **Waist to hip ratio** of .95 or less (Men) / .85 or less (Women)
Or: **Body Mass Index (BMI)** of 24 or less

Tobacco Use – No use detected

Blood Sugar – Target 60-120 mg/dl

Triglycerides – Target 150 mg/dl or less

Blood Pressure – Systolic 120 or less, Diastolic 80 or less

HDL – Target 60 or greater

**Maximum 5 targets*

PHYSICIAN TESTING & CERTIFICATION



City of Sarasota
Human Resources Department

To: Doctor's Office

The City of Sarasota's 2010 benefit program includes wellness incentives for members over the age of 19. These incentives are calculated on the wellness targets that are listed below.

Four of these measures can be determined from a laboratory blood draw; the other two measures can be completed during an office visit. Please complete the blood pressure reading and the weight measurement component of these measures and document them below. When the laboratory blood draw results are received, please complete the remaining measurements below.

Once a total of the measurements are completed on the form below, please complete the reverse side of this form and fax ONLY the reverse side with the total of measurements that were met to the City of Sarasota Benefit office.

Wellness Targets

Measurement	Targets	Achieved	Not Achieved
1. Weight Measurement a. Waist to Hip OR b. Body Mass Index	Men-.95 or less Women-.85 or less 24 or Less		
2. Tobacco Use	No Use Detected		
3. Blood Sugar	60-120 mg/dl		
4. Triglycerides	150 mg/dl or less		
5. Blood Pressure	Systolic-less than 120 Diastolic-less than 80		
6. HDL	60 or greater		
TOTAL:			

Members may achieve any or all targets. The incentive is calculated on a maximum of five targets.

*Thank you for participating with your patient in the
City of Sarasota's Wellness Incentive Program.*

-OVER-



FAX Cover letter

Please fax this side of form ONLY.

City of Sarasota
Employee Benefit Office
Fax #: XXX-XXX-XXXX

City of Sarasota Employee Wellness Targets

Do not send test results or the reverse side of this form. This must be returned via fax by November 15th, 2009

Name of Plan Member: _____
Please Print

Name of Physician: _____
Please Print

Please indicate the number of measures met (calculated from the reverse side of this form).

Check Only One Box

- One
- Two
- Three
- Four
- Five

By my signature I certify the screening results.

Physician Signature

Date

Please contact the employee benefit office if you have any questions 941-951-3631 on this program or this form. Thank you.

CARRIER/TPA PROGRAM ADMINISTRATION

- Cost for testing covered by health plan
 - Pre-plan year implementation hurdles
 - Run through TPA or vendor
 - 100% coverage for in-network preventive care
 - Elimination of \$400 annual wellness maximum
 - Negotiation of additional wellness dollars
- Administration of deductible buy-down plans
 - Does my carrier/TPA have the structure to accommodate number of plans
 - Can my Payroll Department effectively accommodate premium buy-downs?

CARRIER/TPA PROGRAM ADMINISTRATION

- Mechanism for City to inform carrier/TPA of deductible buy-down participants
 - Time frames for testing and submission of results
 - Who tracks and codes eligibility for achieved buy-down level
- Calculating deductible buy-down for employees covering dependents

RESULTS TO DATE

- Open Enrollment – October, 2009
- Plan Effective Date – January 1, 2010
- Voluntary participation over 25%
 - 252 employee and retiree members in **premium** buy-down
 - 282 employee and retiree members in **deductible** buy-down
- Program results to date:
 - 15% reduction in 2010 claims cost versus same period in 2009
 - Projected claim costs reduction trend could equal \$1 million by year end

NEXT STEPS

- Anticipate increase in participation as program gains momentum
- Continue to monitor plan progress for additional savings while understanding unrecognized intangible savings
- Continuity of testing in renewal year
- On-site clinic
- Health assessment
- Health care reform
 - Transparency
 - Communication
 - Reporting

THANK YOU

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