

The State of Wellness Through HealthCare Reform

Twyla Hutchins, RN, BSN, COHN-S



HILL, CHESSON & WOODY

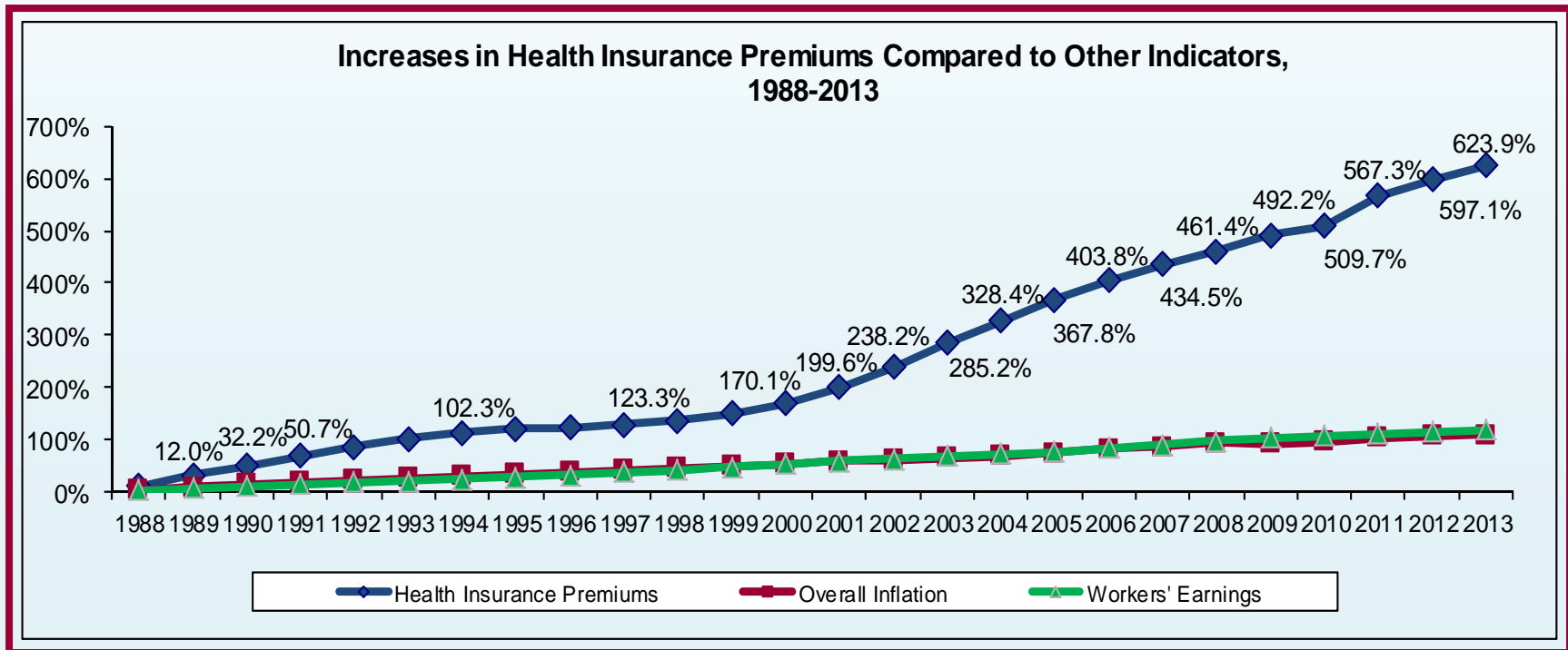
Experience the benefit.

©2014 Hill, Chesson & Woody

Why Are We Here?

The Challenge

- Rising healthcare costs
- Looking for solutions with practical application



Source: Kaiser Foundation and Health Research and Educational Trust
The cumulative increases assume 1988 as the base

Taking Action

6 major categories of ways to reduce the future cost of your health plan



Understanding The Challenge

Impacting the Cost of Your Health Plan



Understanding The Challenge

Impacting the Cost of Your Health Plan

Increasing Cost-Effectiveness of Your Platform

- Reduce administrative and risk charges
- Lower provider reimbursements
- Improve disease, utilization and case management
- Tighten contract provisions

Engaging Your Members to be Better Consumers

- Enable effective self-managed care with assessment and greater transparency tools
- Enact consumer-driven plans with rollover tax leveraged accounts
- Shift costs to reduce discretionary utilization (Higher ER copays)
- Endorse financial incentives for efficient medical care use (Free generics)
- Provide lower cost access options (Telemedicine/Flu Clinics)
- Provide access to concierge services (Health Advocate)

Improving the Health of Your Covered Members

- Enhance awareness of individual health status
- Perform health risk assessments
- Institute biometric measuring for predictive modeling
- Offer health coaching
- Provide onsite clinics
- Create activity-based culture

Impacting the Cost of Your Health Plan

Following measures can be implemented to help employers lower the cost of their health plans. Many of these can be used in combination to produce additional results. Emerging healthcare reform provisions must be taken into account when evaluating the feasibility of some measures.

Maximizing of Benefits

- Reduce plan design (within 60% AY)
- Increase payroll deductions – consider healthcare reform affordability rules
- Distribute benefits differently
- Enact high/low plan combinations, defined contribution
- Tighten eligibility parameters (pre-65 retirees, post-65 retirees, spouses)
- Utilize provider network
- Workforce planning

Optimizing Contracts with Maximum Leverage

- Realize claims status
- Equilibrium pricing
- Reduce all fixed variables
- Set your own renewal thresholds
- Make no market memory
- Low market to subsidize your budget

Optimizing the Financing of Your Plan

- Fund TPA (open stop-loss market)
- Fund carrier continued
- and/or minimum premium
- Health deductibles and copayments
- Finance the plan
- Offer risk (IGAP plans)
- Enact MSA, HSA, FSA
- Reduce risk pools (captives, PEOs, Associations)

Cost-Effective of Your Platform

- Administrative and risk charges
- Provider reimbursements
- Disease, utilization and case management
- Contract provisions

Engaging Members to be Better Consumers

- Effective self-managed care with assessment and greater transparency tools
- Consumer-driven plans with rollover tax leveraged accounts
- Shift costs to reduce discretionary utilization (Higher ER copays)
- Financial incentives for efficient medical care use (Free generics)
- Lower cost access options (Telemedicine/Flu Clinics)
- Access to concierge services (Health Advocate)

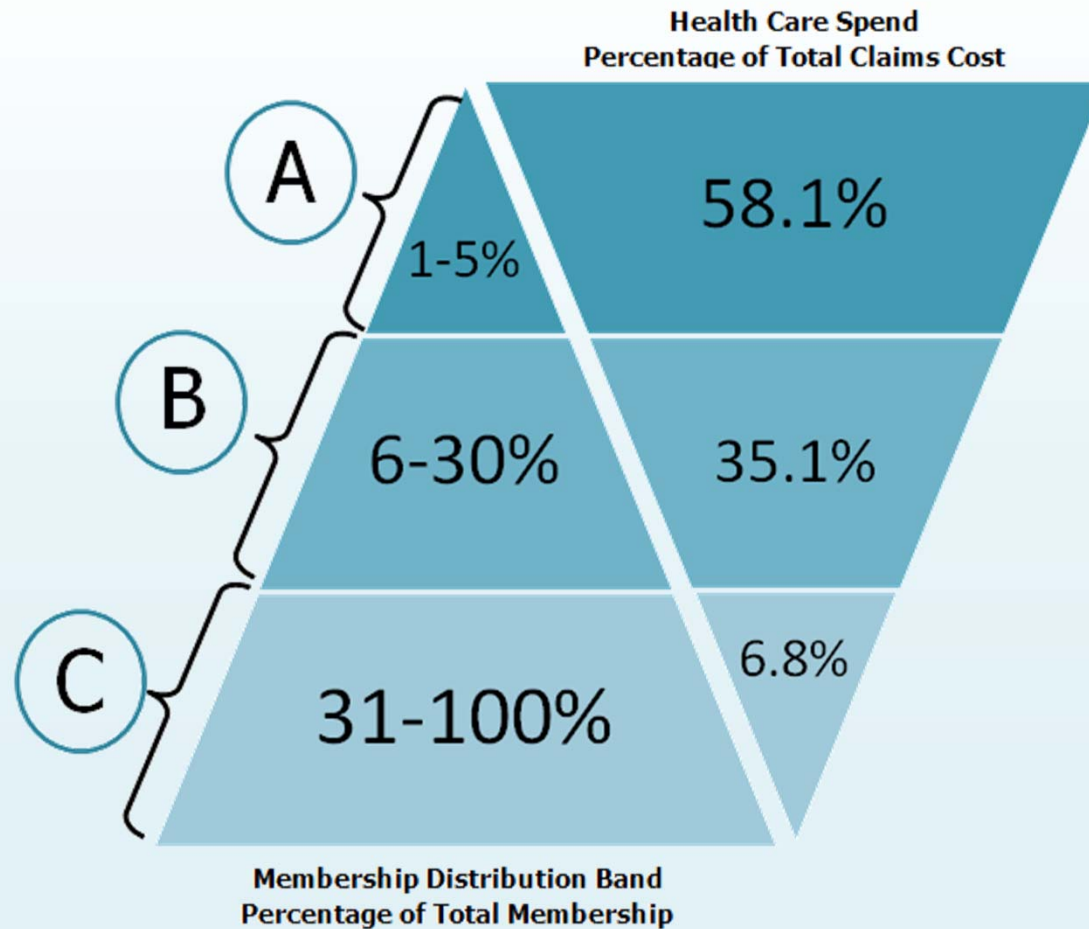
Health of Your Covered Members

- Awareness of individual health status
- Health risk assessments
- Biometric measuring for predictive modeling
- Health coaching
- Onsite clinics
- Activity-based culture

Measures above could cause a loss of grandfathered status.

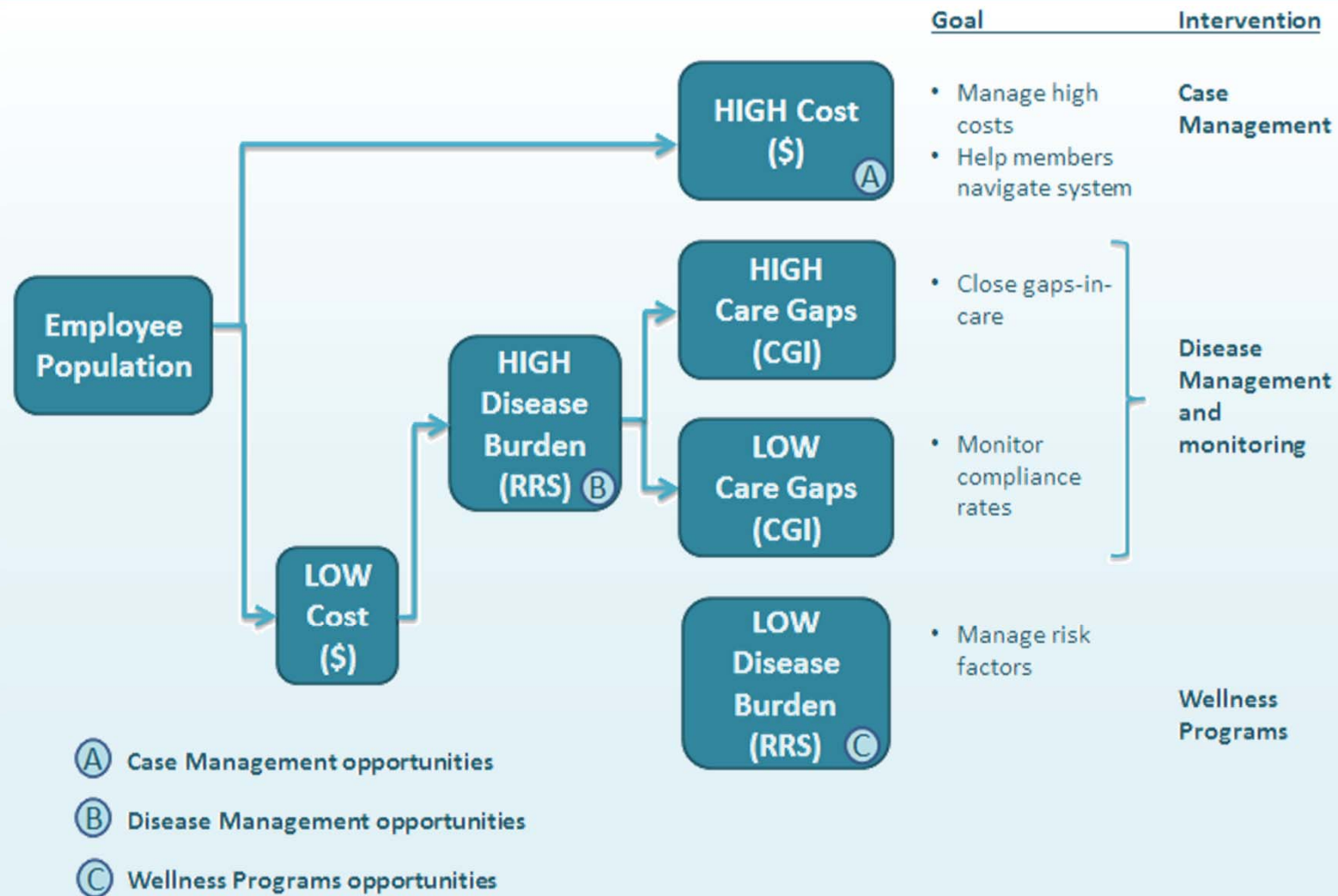
HILL, CHESSEON & WOODY
EXPERIENCE THE BENEFIT.

Your Population Stratified

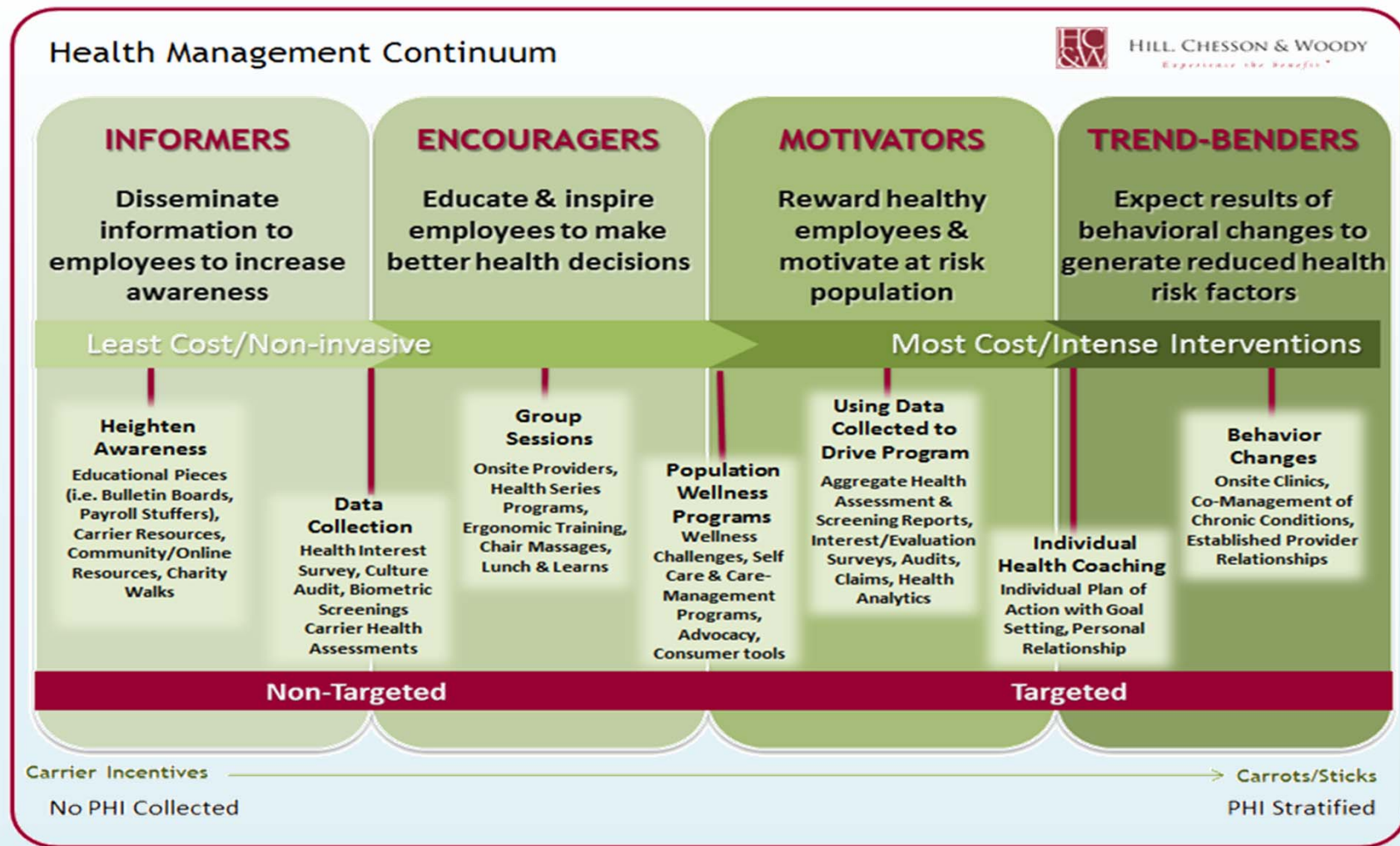


Not All People Are Equally Sick...

Need To Treat Them Differently



Degrees Of Engagement



HILL, CHESSON & WOODY
Experience the benefit.



Five Year Wellness Planning



Health Management Multi-year Plan

Year Program Essentials →	Present	2013	2014	2015	2016
Objective ↓	Leverage Health Management culture to impact long term healthcare costs	Leverage Health Management culture to impact long term healthcare costs	Taken from Strategy Card	Taken from Strategy Card	Taken from Strategy Card
Gain Executive Support	Strategy & Program development	Current program plus: Executive support and champion for program by means of communication & participation	2013 plus: Accountability added to job descriptions	2014 plus: Executive level leader alignment with employee groups or program elements	2015 plus: Health Management added to company mission or vision statement
Budget	Budget to support Program \$25K Biometrics & Coaching Health Management Committee Ambassador Committee	Current resources plus: Develop Itemized budget for Program & Incentives	Update Itemized budget for Program & Incentives	Update Itemized budget for Program & Incentives	Update Itemized budget for Program & Incentives
Create Culture	Tobacco free workplace	Current program plus: Announce Tobacco free Campus Healthy Catering Policy Healthy Vending Initiative	2013 plus: Implement Tobacco free Campus	2014 plus: Stairwell Project	2015 plus: Ergonomic Training
Collect & Analyze Data	Client Utilization Data Vendor Data Culture Audit	Current data plus: Health Assessment data Health Interest Survey	Update data from all sources	Update data from all sources	Update data from all sources
Execute	Biometric Screenings Health Coaching Challenges Educational Events	Current program plus: Formalize plan (SMART goals) Telephonic Coaching Health Assessments	2013 program plus: Spousal participation for targeted conditions	2014 program plus: Onsite clinic days for chronic conditions and acute care	2015 program plus: Spousal participation in onsite clinic days for chronic conditions and acute care
Incent	Incentives include: Free employee run Weight loss program Challenge prizes & raffles	Participation Based Incentive: Current Incentives plus: Eat Smart Move More Weigh Less program with Cost Sharing Introduce payroll deductions for non-participants in Health Assessment, Screenings & Coaching	Participation Based Incentive: 2013 Incentives plus: Introduce payroll deductions for non participating spouses in Health Assessment, Screenings & Coaching Increased criteria - show improvement in biometrics or meet alternative standard & participate in defined activities	Standards Based Incentive: 2014 Incentives plus: Designated premium incentive for each standard met	Standards Based Incentive: 2015 Incentives continues: Update designated premium incentive for each standard met
Communicate	Strategy & Campaign development	Implement strategy via e-mail, table tents, posters, intranet, plasma screens, post cards and waiver/enrollment forms	2013 communication plan plus: Update communication plan based on prior year effectiveness Include spouses in communications	2012 communication plan plus: Communication plan to include standards based program	Continue 2015 communication plan
Measure & Evaluate	No measurement	Measure participation & satisfaction	2013 evaluation plan plus: Track changes in biometric measures & risk factors	2014 evaluation plan plus: Measure impact on overall claims costs	Continue 2015 evaluation plan

Green = Completed Initiative
Blue = New Initiative



HILL, CHESSON & WOODY
Experience the benefit.



ACA Impact On Health Management

- Compliance with HIPAA Wellness Rules
- Ability to increase incentives from 20% to 30% for overall wellness program and up to 50% if tobacco in program
- Community rating for groups changing effective 2016
 - Was 50 or less
 - Going to 100 or less

***Healthcare
Reform
and
Healthcare
Delivery
Models***



Healthcare Reform Goals

Affordable Care Act goal was to provide:

- Increased Prevention and Wellness
- Access to Insurance
- Access to Healthcare
- Control Cost
- Increased Coordination of Care
- Incentives for Outcomes



Source: PCORI: Patient Centered Outcomes Research Institute

ACA Impact On Healthcare Delivery Models



- Accountable Care Organizations (ACOs)
- Patient Centered Medical Home (PCMH)
- Tiered Networks
- On Site/ Near Site Clinics
- Telemedicine

Trends In Incentives



Getting Tough On Tobacco

36%

of companies reward employees for participating in a **smoking-cessation program.**

9%

of companies use penalties for **tobacco users** not joining a smoking-cessation program.

42%

of companies use surcharges for **tobacco users,** at roughly **\$50/month.**

52%

of companies today **ban smoking** directly *outside buildings* or *on campus.*

8%

of companies plan to *adopt* this **ban policy** in **2014.**

4%

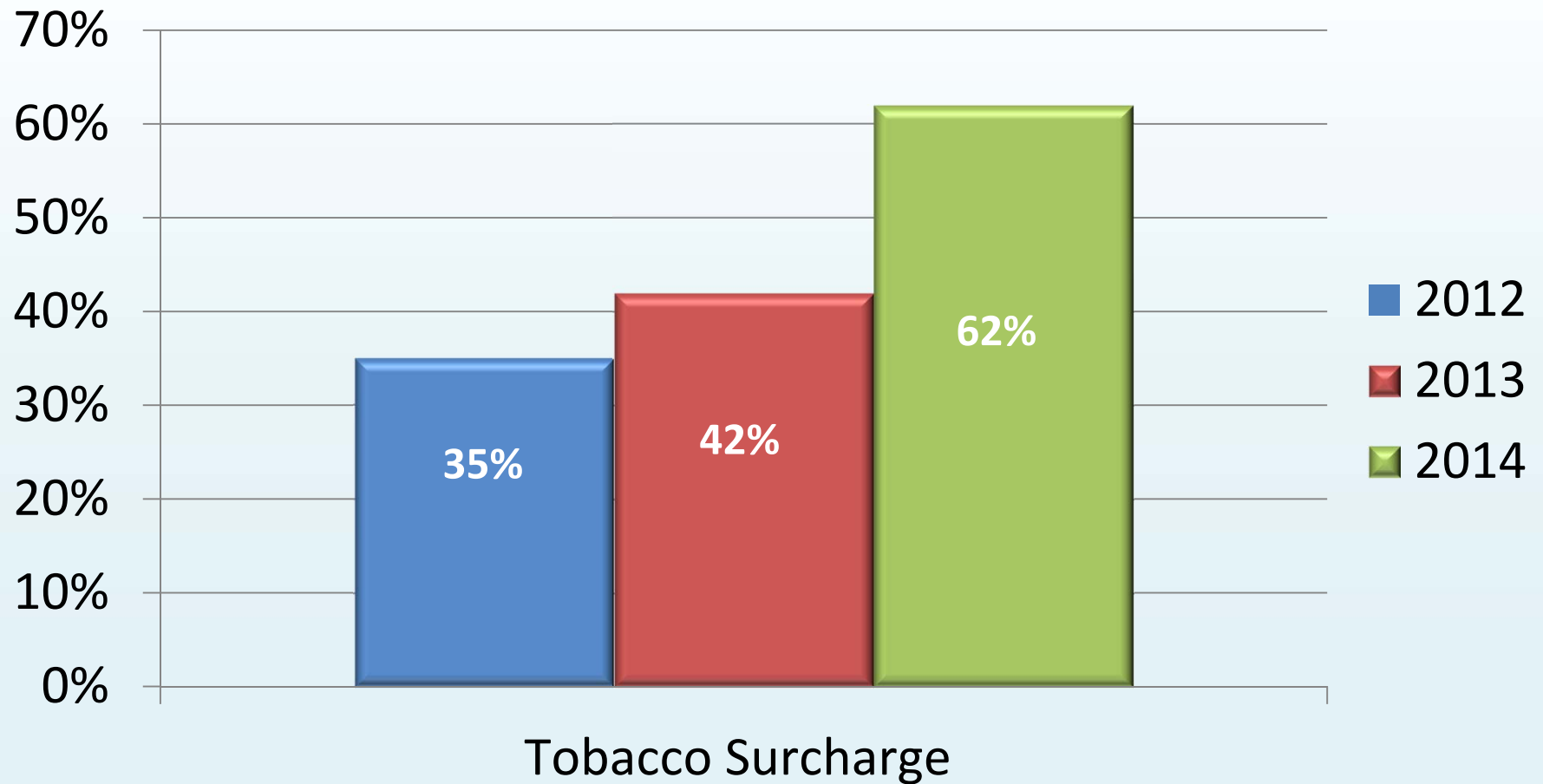
of companies have *adopted* a policy **not to hire smokers** in states where it is legal to do that.

2%

of companies plan to *adopt* this **no-hire policy** in **2014.**

Source: 2013 18th Annual Towers Watson/NBGH Employer Survey on Purchasing Value in Health Care

Tobacco Surcharges Continue To Rise In 2014



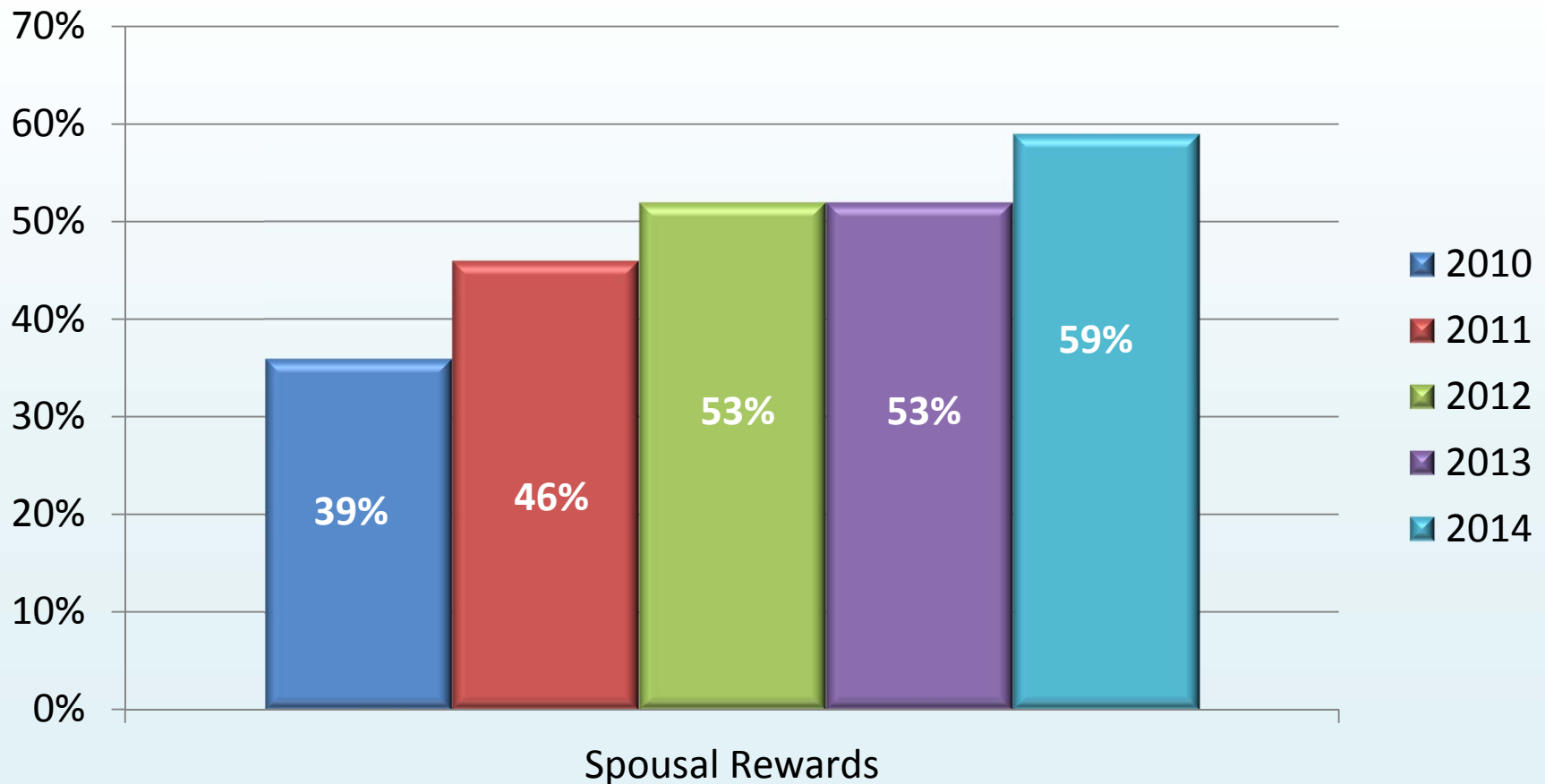
Source: 2013 18th Annual Towers Watson/NBGH Employer Survey on Purchasing Value in Health Care

Highest Total Incentive Amounts



Source: 2011/2012 Staying @ Work™ Survey Report Towers Watson/National Business Group on Health
Source: 2013 18th Annual Towers Watson/NBGH Employer Survey on Purchasing Value in Health Care

Spousal Rewards Projected To Rise



Source: 2011/2012 Staying @ Work™ Survey Report Towers Watson/National Business Group on Health
Source: 2013 18th Annual Towers Watson/NBGH Employer Survey on Purchasing Value in Health Care

Best Practices For Long Term Success

- Use data and metrics to understand cost drivers
- Focus on targeted health management programs to reduce risks and drive ROI
- Consider new models of care to increase collaboration, improve outcomes, and decrease cost
- Use appropriate incentives & plan design to enhance engagement
- Develop a workplace culture where wellness is the norm and holds employees accountable for managing their health