

Health Engagement Program

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**State Employee Health Plan
HealthQuest**

Agenda

- Health Engagement Program
- Health care costs associated to health risks
- High participation = risk reduction and cost savings
- Proven strategies for cost reduction
- Incentives drive participation (KS/AL)

Health Engagement Program

- No additional costs to implement the program
- Currently offer a premium discount of \$480 annually for non-tobacco users and employees who complete the tobacco cessation program
- \$650K annual savings for discontinuing the gift card incentive

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Health Engagement Program

- Avoids the focus on one category – (i.e., tobacco cessation)
- Offers many choices for employees
- Employees will easily be able to participate:
 - In person
 - Web access
 - Telephonic
- Provides opportunity for:
 - Employee health improvement
 - Health plan medical cost savings
 - Better program engagement

Health Engagement Program Description

- Employees participate in various wellness activities to earn credits
- Employees can participate in the biometric screening, health assessment, wellness challenges, etc.
- The biometric screening and health assessment are required to earn the premium discount
- Employees only need to earn 30 credits during plan year 2012
- Employees can earn a premium discount of \$480 annually beginning in plan year 2013
 - Being a Non-Tobacco User or Completing Tobacco Cessation Program = \$150
 - Earn 30 Credits = \$330

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Health Engagement Program

October 1, 2011 - July 31, 2012 Outcomes	Tracking Credit	Max
Weight - BMI < 29.9 (Clinical: < 25)	5	5
Blood Pressure - <140/90 (Clinical: <120/80)	5	5
Blood Glucose - <110 or A1c <7.0 (Clinical : <100 or <6)	5	5
Cholesterol - TC <220 or Ratio <5.0 (Clinical: < 200 or 5.0)	5	5
Activities		
Health Assessment + Biometrics (required)	10	10
Condition Management - 6 Calls (telephonic)	10	10
Preventive Exams - Well-Woman/Well-Man (in-person)	5	5
Preventive Exams - Dental(2)/Vision (in-person)	3	9
Healthy Living Programs (web)	5	10
Health Coaching - 8 Interactions (telephonic, email, IM chat)	5	5
Challenges (web)	5	15
Online Monthly Seminars - New Each Month (web)	3	6
HealthQuest Approved Activities (in -person , web, telephonic)	3	6

Goal = 30 Wellness Credits

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State of Kansas Participation

- 2003 and 2004
 - \$120 Premium Discount
 - Average participation = 50%
- 2010
 - \$50 Gift Card
 - Participation = 23%

Cost Associated with Risks – 2010 Kansas HRA Data

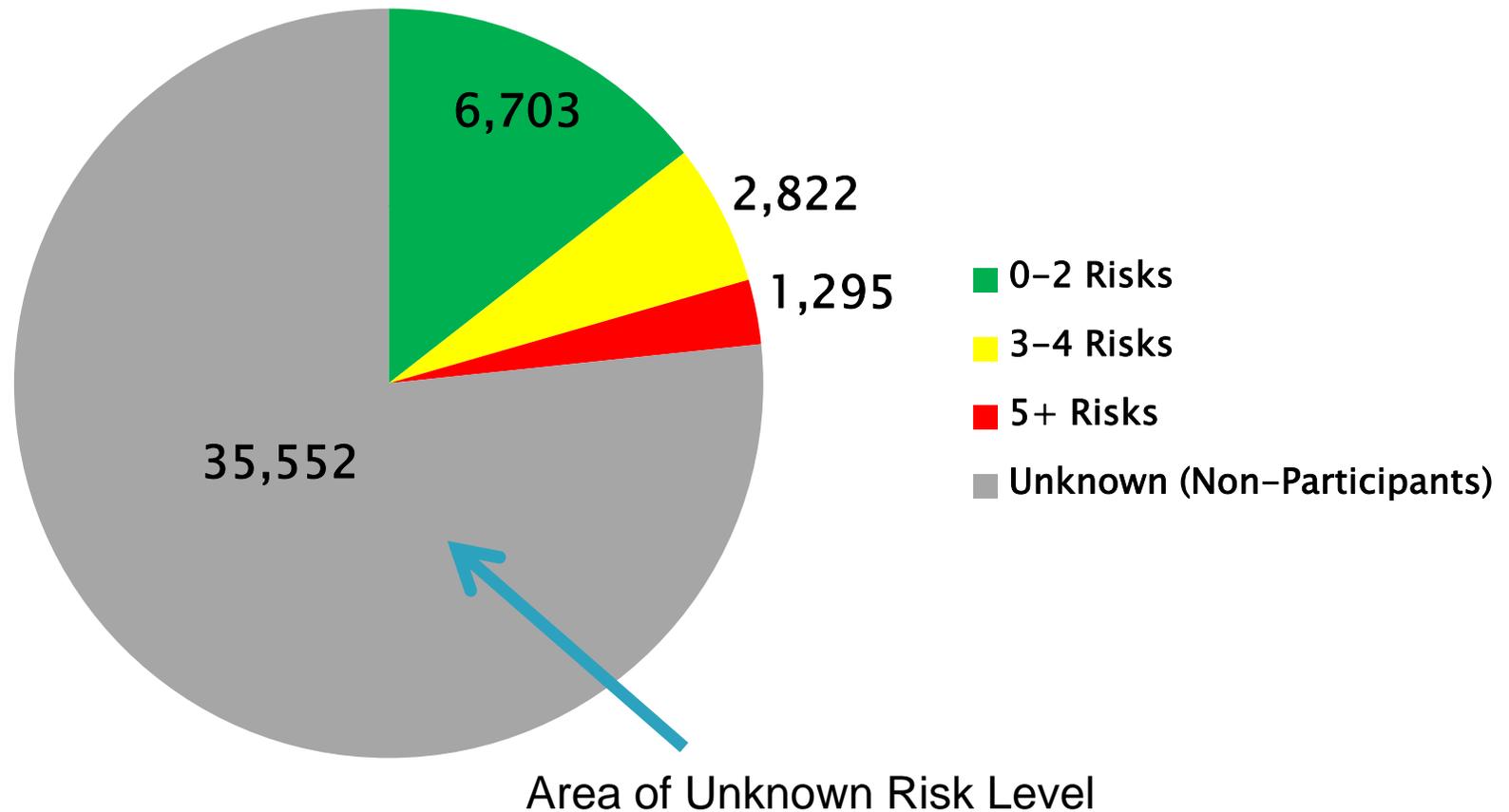
Costs by HRA Participation and Health Risk Status			
	#	%	Health Care Average Cost*
By HRA Participation			
Non-HRA Participants	35,552	76.7%	\$3,939
HRA Participants	10,820	23.3%	\$3,543
HRA Participants by Risks			
Low (0-2 risks)	6,703	62.0%	\$2,601
Medium (3-4 risks)	2,822	26.1%	\$4,520
High (5+ risks)	1,295	12.0%	\$6,290
Total Population	46,372	100.0%	\$3,847

* Average projected annual cost per employee based upon HMRC model

- Actual Average Health Care Cost = \$4,592

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Number of Employees In Each Risk Category – 2010 Kansas HRA Data

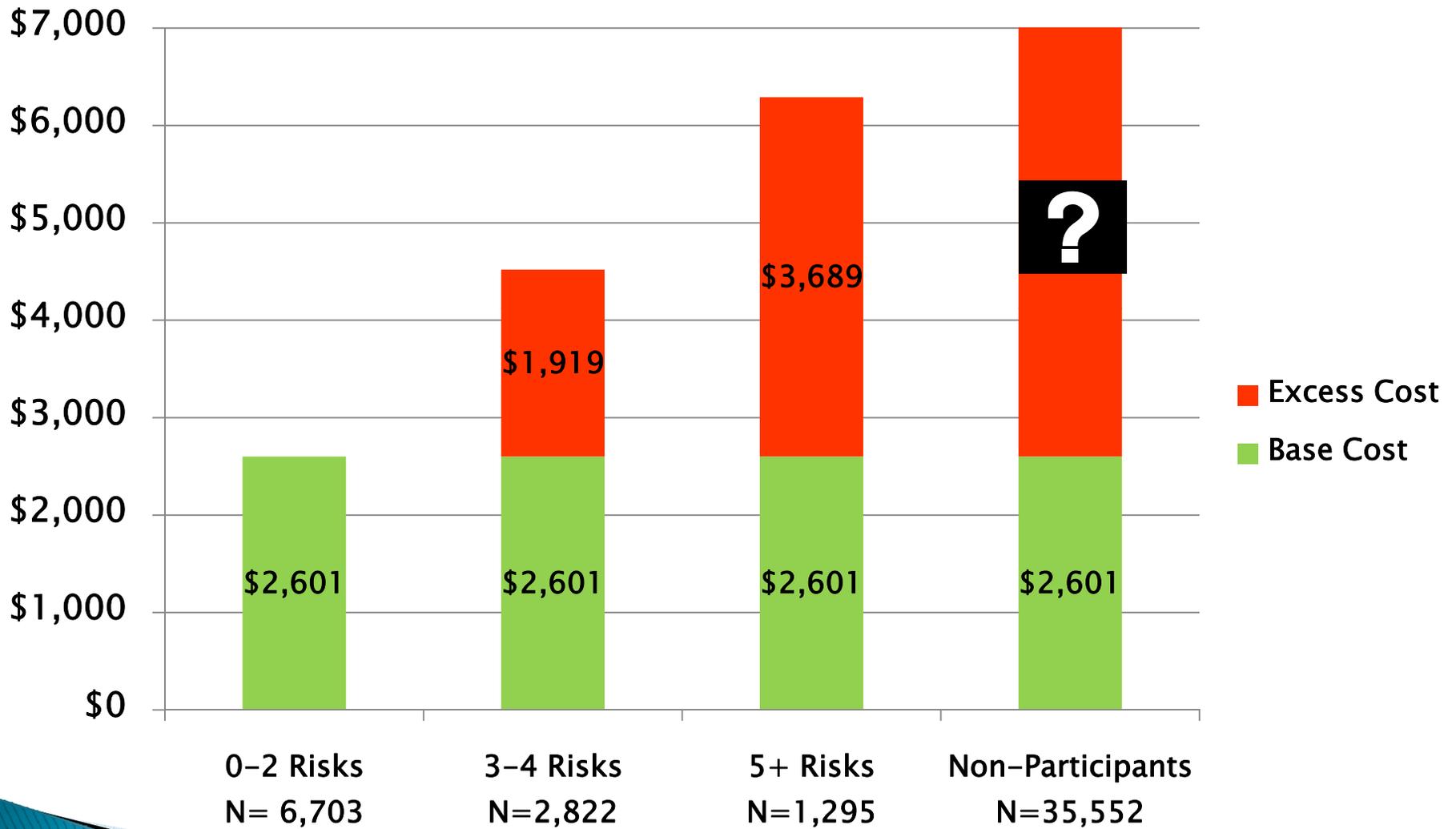


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Individual Health Risks – Examples

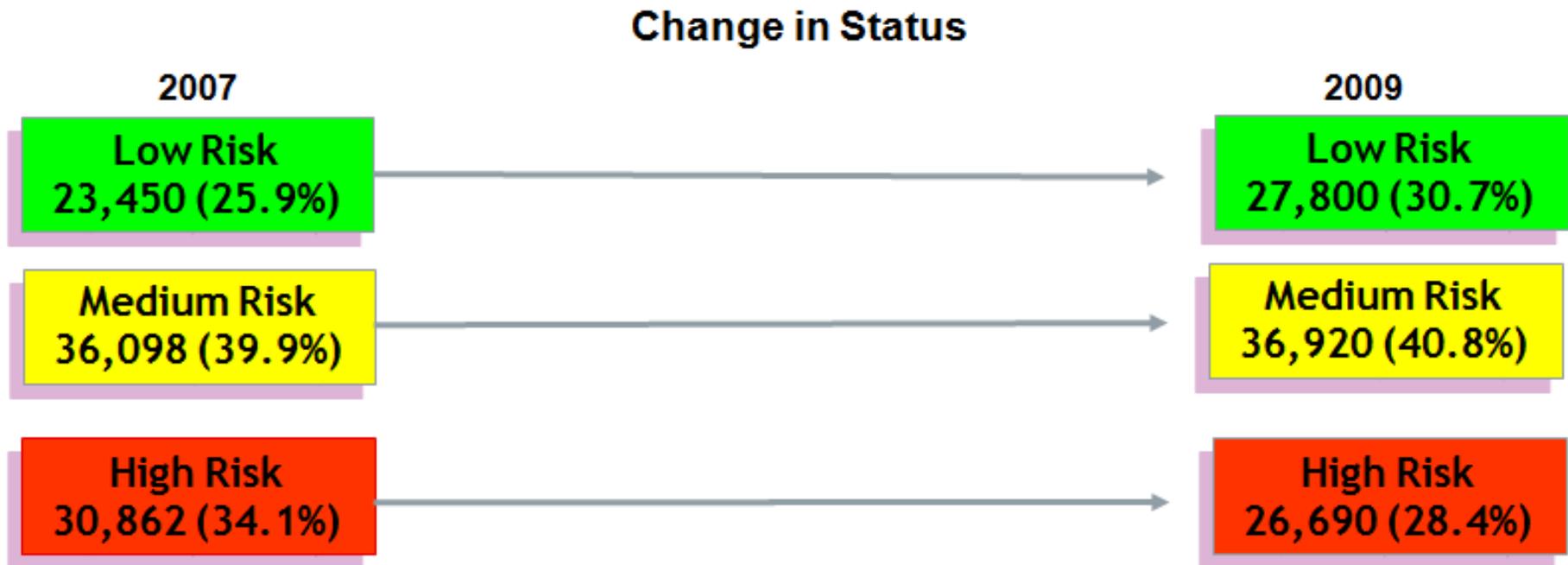
- Blood Pressure
- Body Weight
- Physical Activity
- Stress
- Illness Days

Excess Cost Associated with Multiple Risks – 2010 Kansas HRA Data



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Alere Wellness Solutions Improve Overall Risk Status by 9.4%



- Net change in Risk Status = 9.4% Improvement
- N = 90,410 - Same individuals in both years

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2010 Health Care Costs For Active Employees of the State Employee Health Plan*

- Pharmacy Costs = \$41,292,213
- Health Care Costs = \$171,655,604
- Total Costs = \$212,947,817

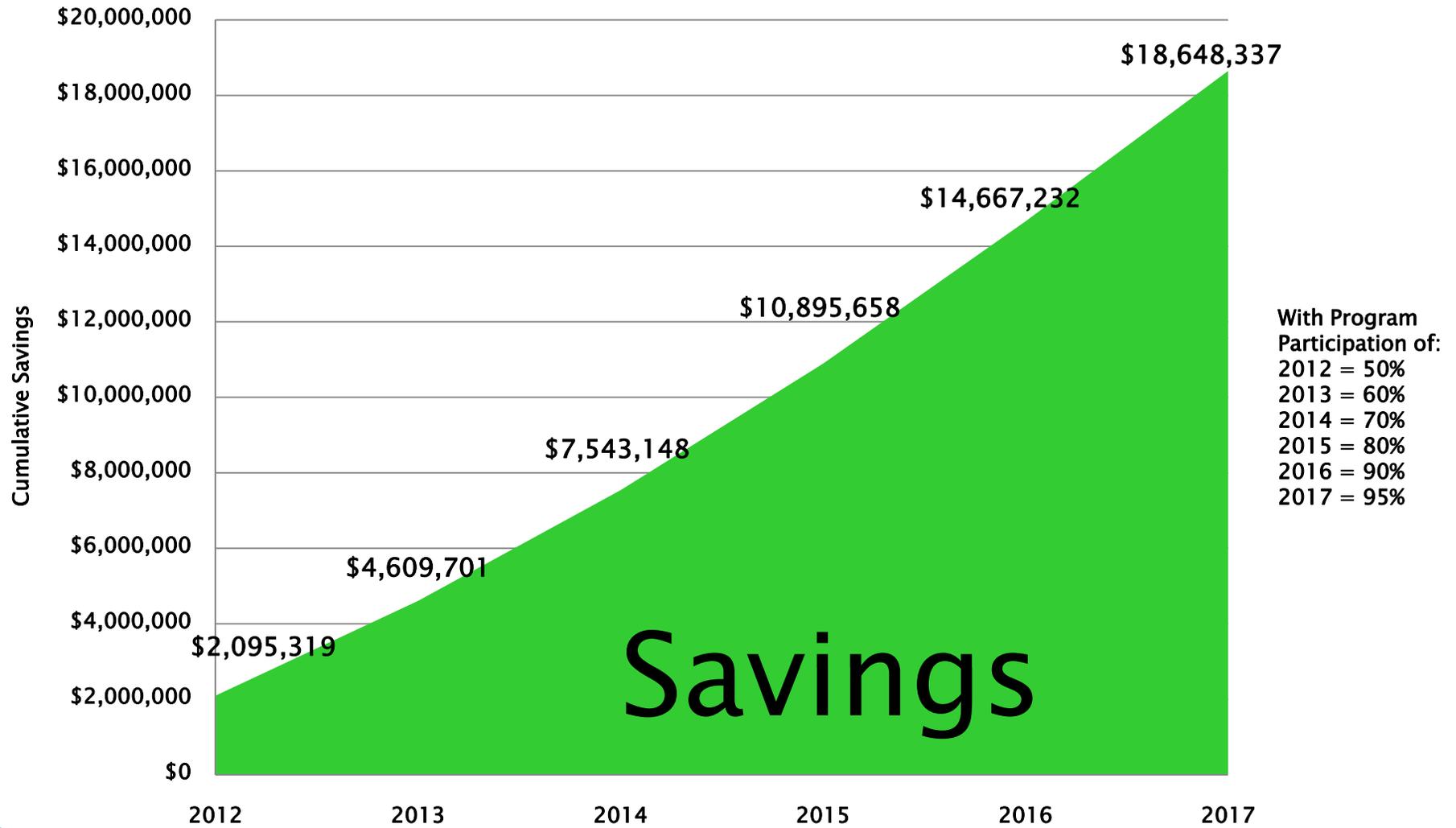
* Active employees state and non-state = 46,372

Savings Projections

State of Kansas Participation	Healthcare Savings \$90.37 Per Participant Employees Only (46,372)	Productivity Savings \$171.44 Per Participant Employees Only (46,372)	Total Savings
Actual 2010 23%	\$963,847	\$1,828,504	\$2,792,351
Projection 2 30%	\$1,257,191	\$2,385,005	\$3,642,196
Projection 3 40%	\$1,676,255	\$3,180,006	\$4,856,261
Projection 4 50%	\$2,095,319	\$3,975,008	\$6,070,327
Projection 5 70%	\$2,933,446	\$5,565,011	\$8,498,457
Projection 6 80%	\$3,352,510	\$6,360,013	\$9,712,523
Projection 7 94.5%	\$3,960,153	\$7,512,765	\$11,472,918

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Projected Health Care Savings



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Similar Program/Reward Strategies

- **Public**

- Public employers who have been rewarding participation are moving towards outcomes based rewards
 - **School Districts:** Blue Valley, Kansas City, Olathe, Garden City, Topeka USD 501
 - **City:** Olathe, KS; Dublin, OH
 - **County:** Oakland County, MI
 - **State:** Arkansas, Alabama

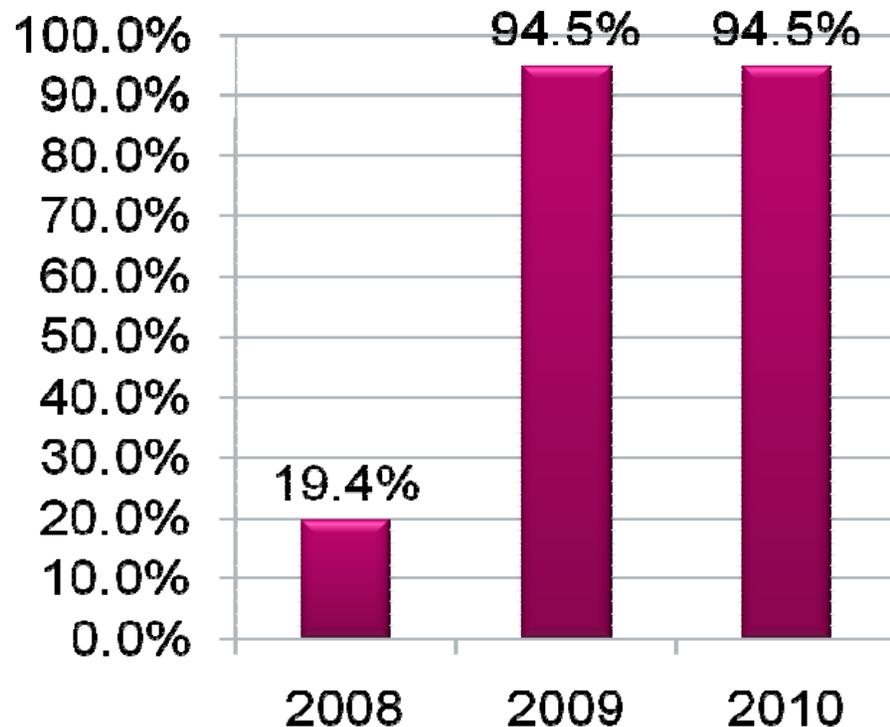
- **Private**

- St. Luke's Health System, Johnson & Johnson, Mayo Clinic, Cleveland Clinic Health, Hewlett Packard
 - Health care providers recognize this same strategy is important

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State of Alabama Value-Based Plan

State of Alabama Wellness Program Participation



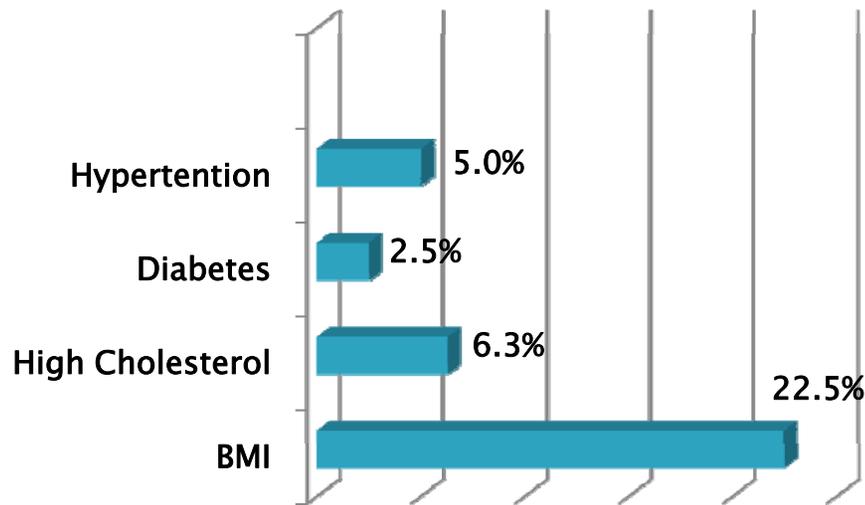
- Participation greatly increased with introduction of outcomes-based premium discount program in 2009
- For active employees only = 35,928
- The average biometric values improved in every category
- Premium discount = \$25/month, \$300/ year

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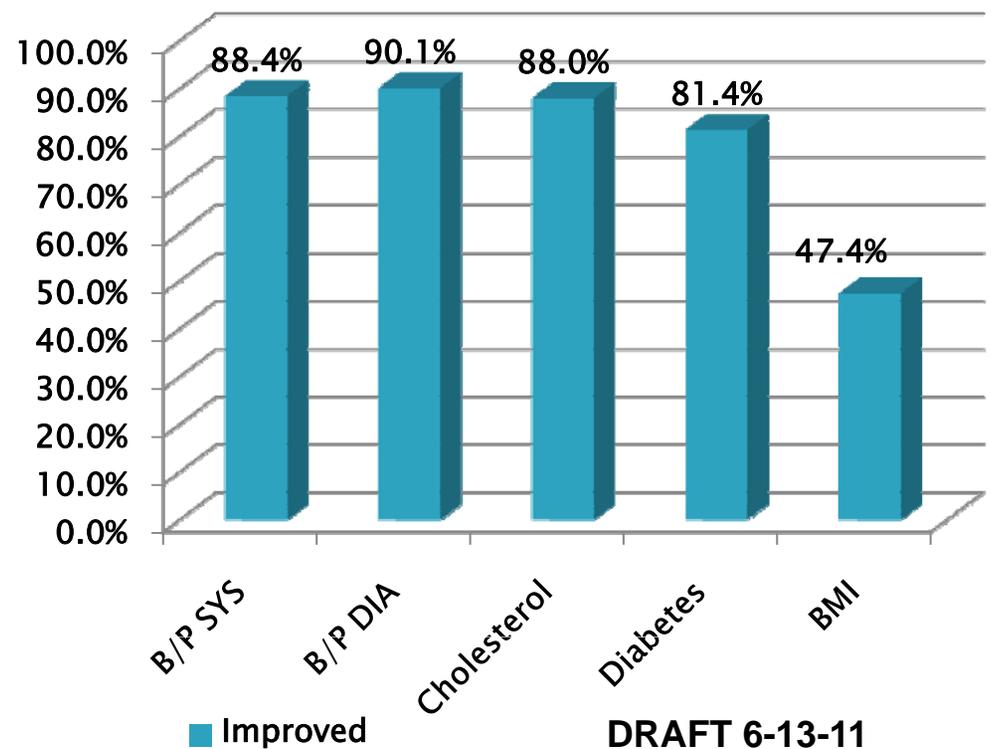
State of Alabama Notables

- Screen every job site (2 or 2,000 employees)
- Partnerships with YMCA and Weight Watchers
- Also have tobacco cessation program (\$420 premium discount)
- Screenings provided by Alabama Public Health Department

Population At Risk



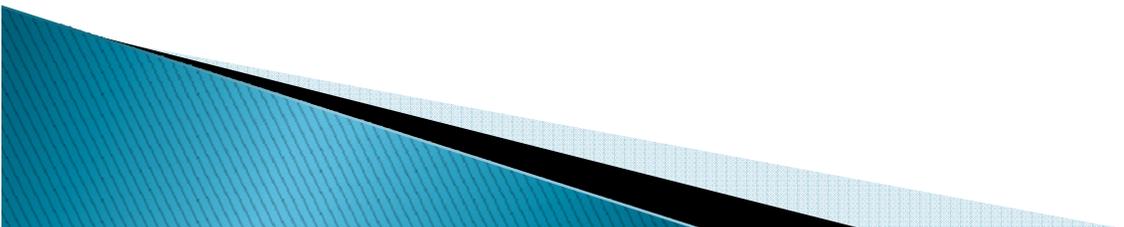
One Year Later



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Health Engagement Program – Summary of Benefits

- Increase participation in wellness programs
- Improve health of plan population
- Improve overall risk status by an estimated 9.4%
- Projected health plan savings: \$18.6M in medical and pharmacy costs through 2017



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