

Policy Option: Improving Workplace Health and Wellness within the State Employee Health Plan (Rev 8-25-06)

Proposal: The Kansas Health Policy Authority (KHPA) is interested in expanding our focus on health and wellness policies within the State Employee Health Plan (SEHP). KHPA HealthQuest proposes to significantly increase the focus on health and wellness in the State Employee Health Plan for the 2008 plan year with the goal of improving health and decreasing overall health costs. This will include: incentives to participate in a new HRA (Health Risk Appraisal) with a focus on health behavior, chronic disease management plan, improved fitness, improved nutrition, and smoking cessation. We propose to collect HRA data on current and new employees. We propose to offer incentives for improvement in BMI, fitness and smoking cessation.

The HRA will include a questionnaire with subsequent risk-scoring. The risk-score will indicate individuals' target areas for improvement and provide information on nutrition, alcohol, tobacco, seat belts, etc. The HRA would then provide high risk employees with links to condition-specific resources and support, and employees could choose to receive follow up health and wellness information on a regular basis. The non tobacco users discount will be re-instituted. Additionally, we will measure health disparities for chronic disease and wellness indicators in order to better understand disparities in the SEHP population and ensure that these wellness programs are targeted to individuals in greatest need.

HealthQuest staff will partner with KDHE on a comprehensive employee health and wellness plan for the entire state. For example, HealthQuest and KDHE will work together to implement a comprehensive smoking cessation initiative that provides incentives for employees to quit and provides them resources to do so. We plan to partner with additional agencies and community organizations to promote workplace wellness.

Background: The increasing cost of treating chronic disease is a significant factor in leading to an unsustainable rate of growth in medical inflation. Unhealthy behaviors are significant risk factors for most chronic diseases.

Current disease management programs offered by the SEHP are through the contracted health and prescription drug plans. The current disease management programs offered include coronary artery disease, diabetes, asthma and COPD. Participation and results are tracked and monitored by the health plan and results are reported to the contract management team. The programs are relatively young and it is unclear how effective they are in improving health outcomes.

The HealthQuest program for state employees is currently administered by a single KHPA employee. Current offerings include a robust employee assistance program, health and wellness presentations, life coaching, healthy weight classes, a bi-monthly wellness E-newsletter and a wellness blog. Statistical data from Medstat (data warehouse) demonstrates an increased risk for heart disease, diabetes and osteoarthritis. These health conditions are among the largest current and future liabilities for the SEHP.

Considerations: Previous incentives for participation in wellness activities in the SEHP have been effective. In 2003, HealthQuest offered employees a health risk appraisal with a small incentive for participation (\$10 per month health insurance premium discount for one year). Over half of employees participated (20,500 out of 36,000 benefits eligible employees) and important health data was collected. HRA participants paid a lower premium than non participants. Since 2003, the premium differentials and the HRA have been discontinued. It will be important to explain the link between premiums and health risk. Workable validation mechanisms will need to be used.

Population Served: State employees initially, but the goal will be to generalize to the Kansas population.

Cost: The SEHP is partially self funded, and all monies are off SGF budget.

- We can assume participation in the HRA will be similar to 2003-2004, when HRA costs were \$580,542 and \$618,571, respectively. The health screening and HRA unit costs in 2003 and 2004 were \$25 and \$5, respectively.
- A timed fitness test and incentives (premium reduction) could add an estimated \$2.5 million, for a total annual cost of \$3.25 million. Some (or all) incentive cost would be offset with increased premiums for smokers.
- In partnership with KDHE, we will consider other workplace plan models that might prove to be effective for the SEHP population.

Staff Recommendation: Support increased focus on health and wellness in the State Employee Health Plan as a means to promote health, decrease chronic disease and reduce health disparities.

Board Action: Motion made, seconded and carried to approve for FY 2007/2008 implementation.

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