



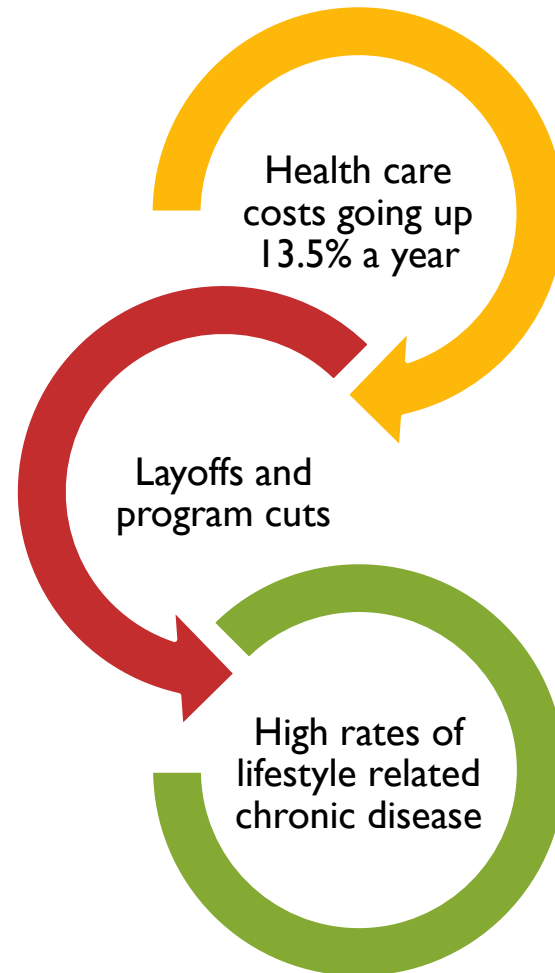
King County Healthy Incentives

KING COUNTY WORKFORCE

- **13,000 benefits-eligible employees**
- **Average age—50 years**
 - Average age has increased .44 years for each calendar year of the Healthy IncentivesSM program
- **Nine major lines of business—including Public Safety, Metro Transit, Public Health, Natural Resources and Parks**
- **83% unionized**
 - 108 separate bargaining units
 - 80 union contracts
 - Benefits bargained in coalition

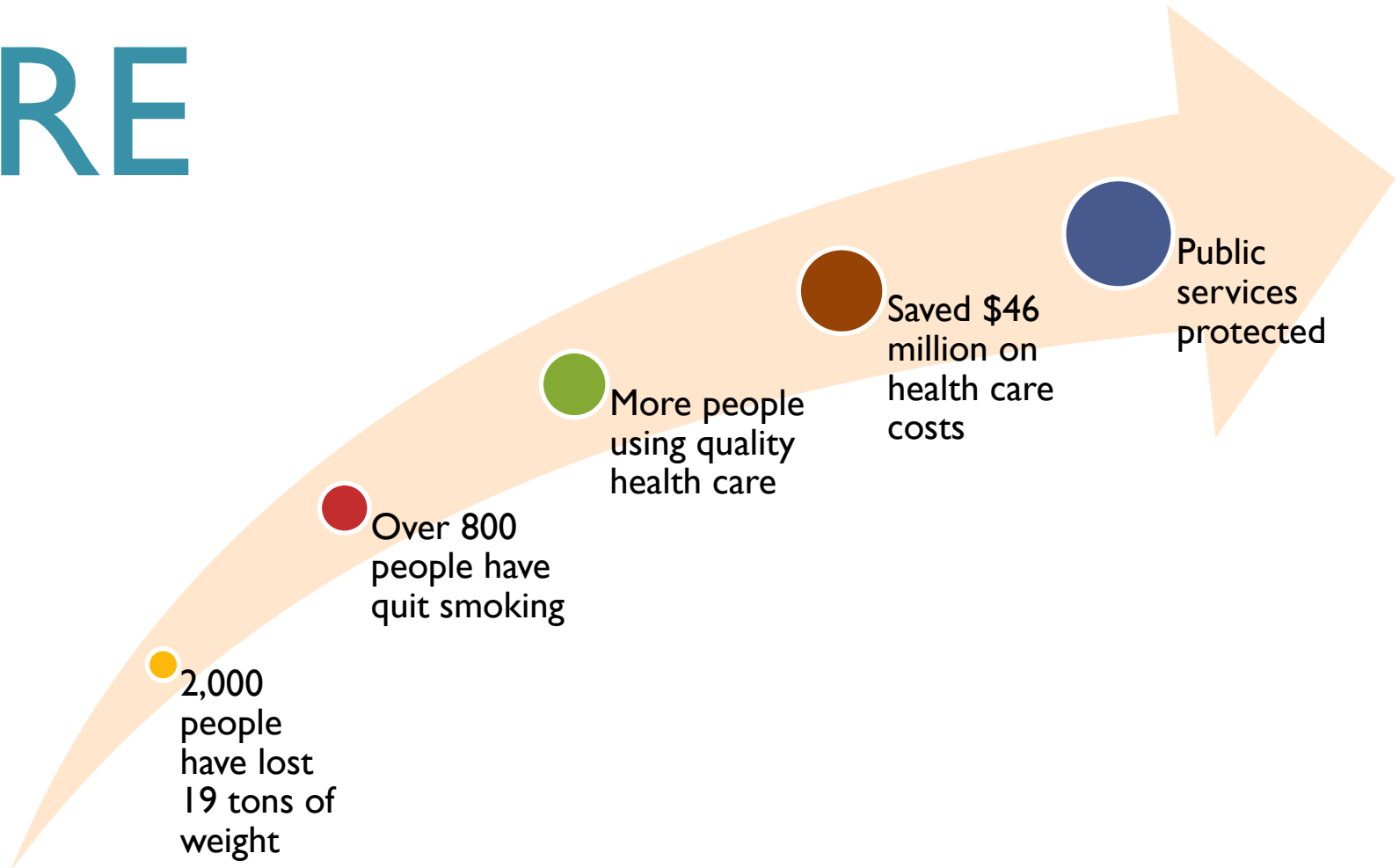


THE WAY THINGS... WERE



THE WAY THINGS...

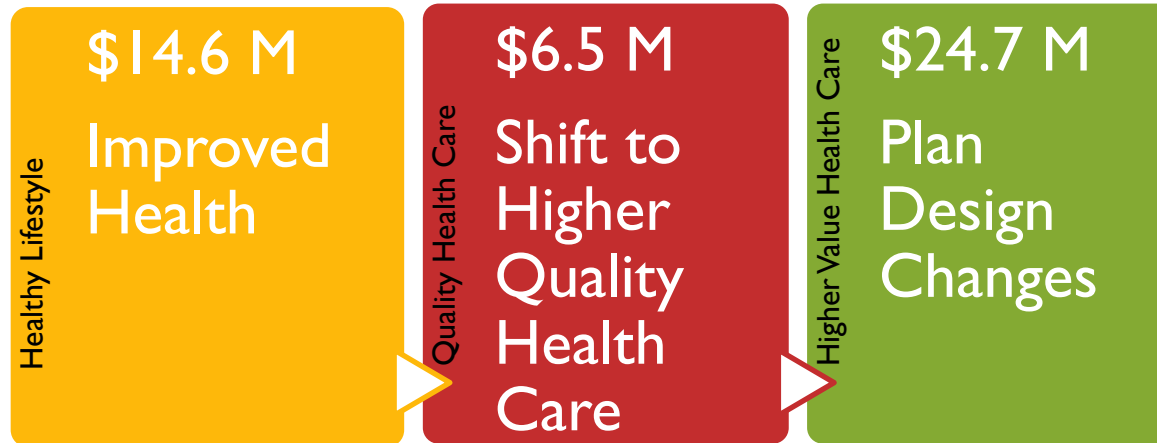
ARE



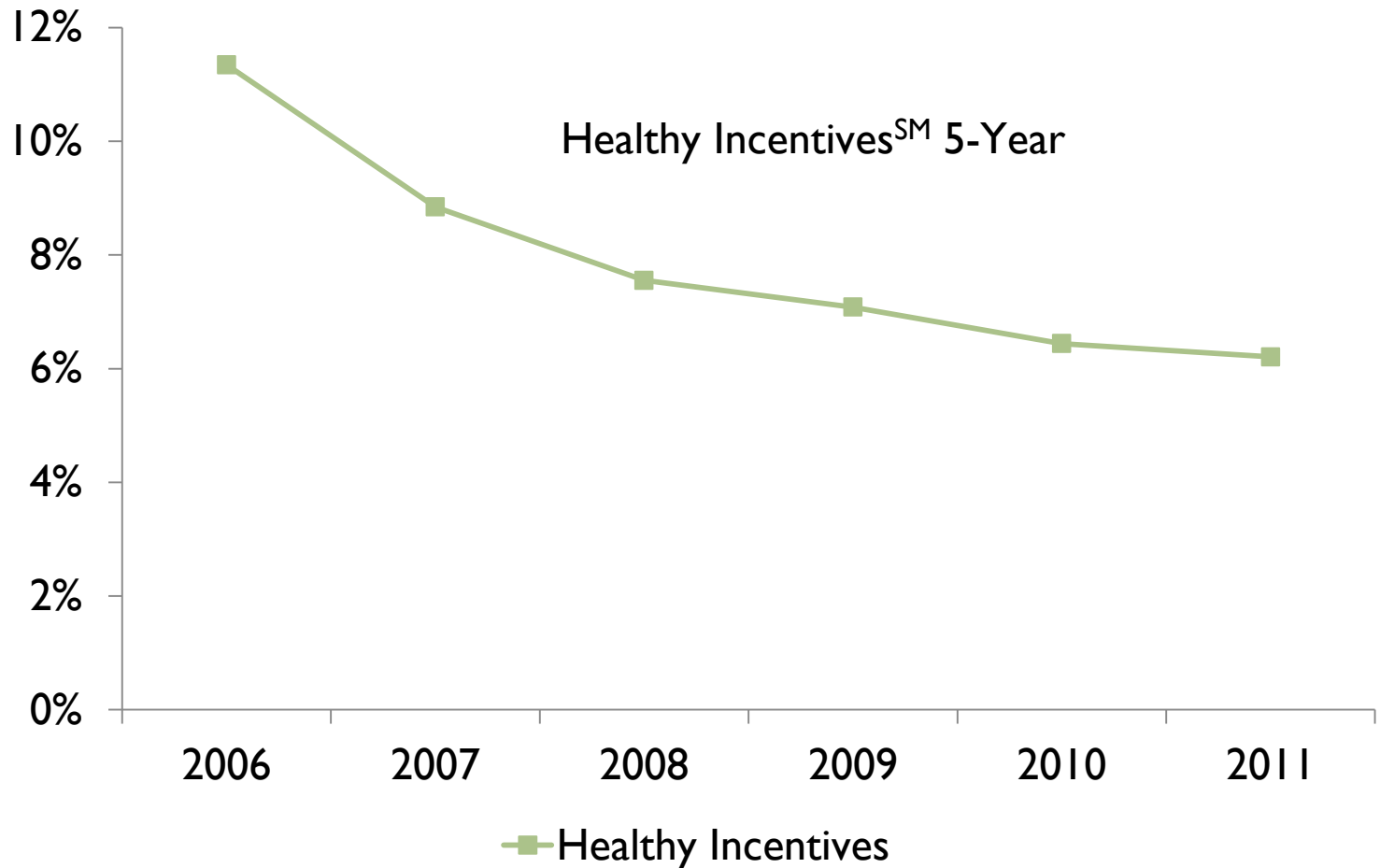
RESULTS

\$46 MILLION

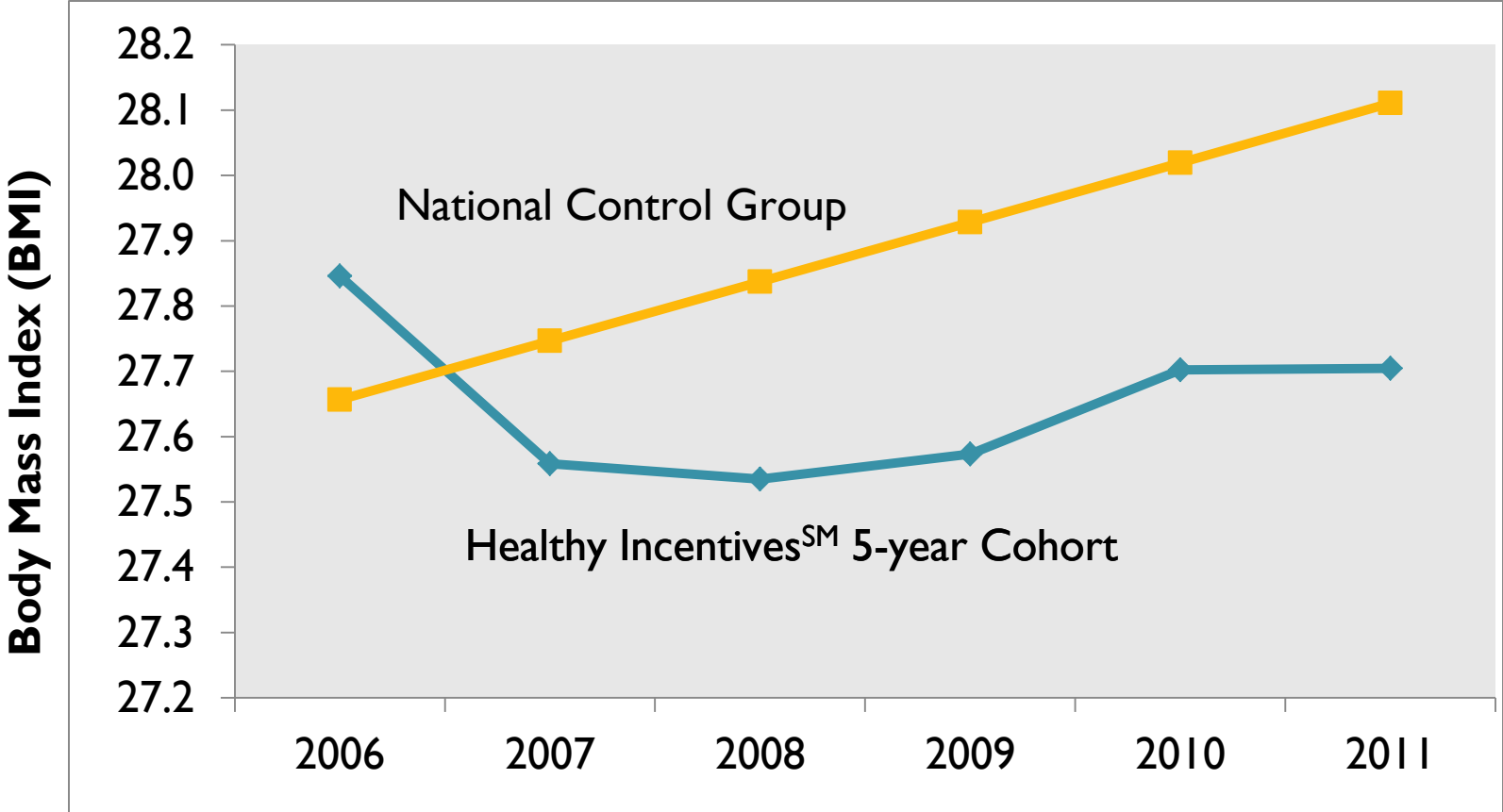
SAVED 2007 - 2011



HEALTH RESULTS SMOKING



HEALTH RESULTS -- OBESITY



HEALTHY INCENTIVES SM

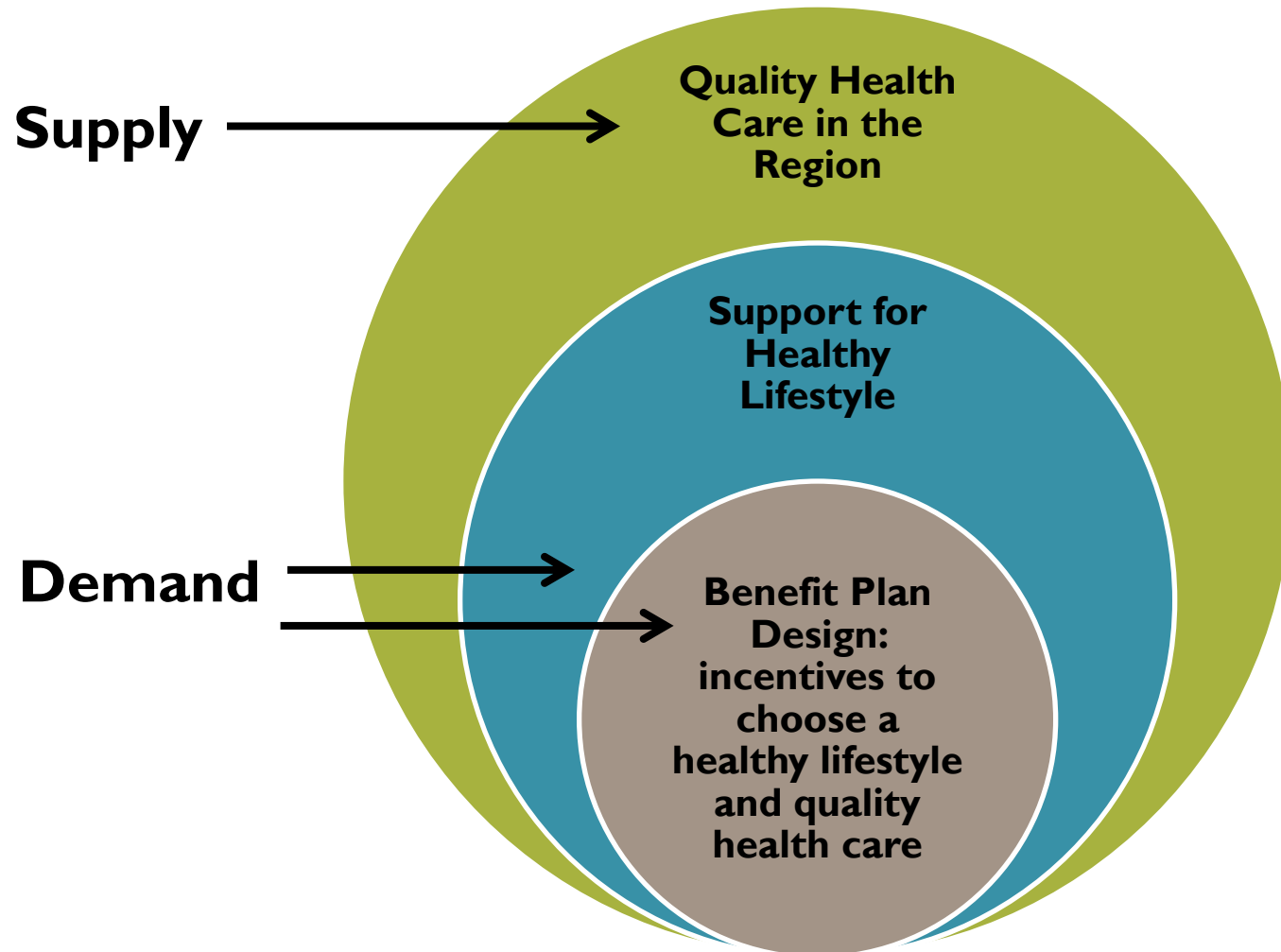
PARTICIPATION



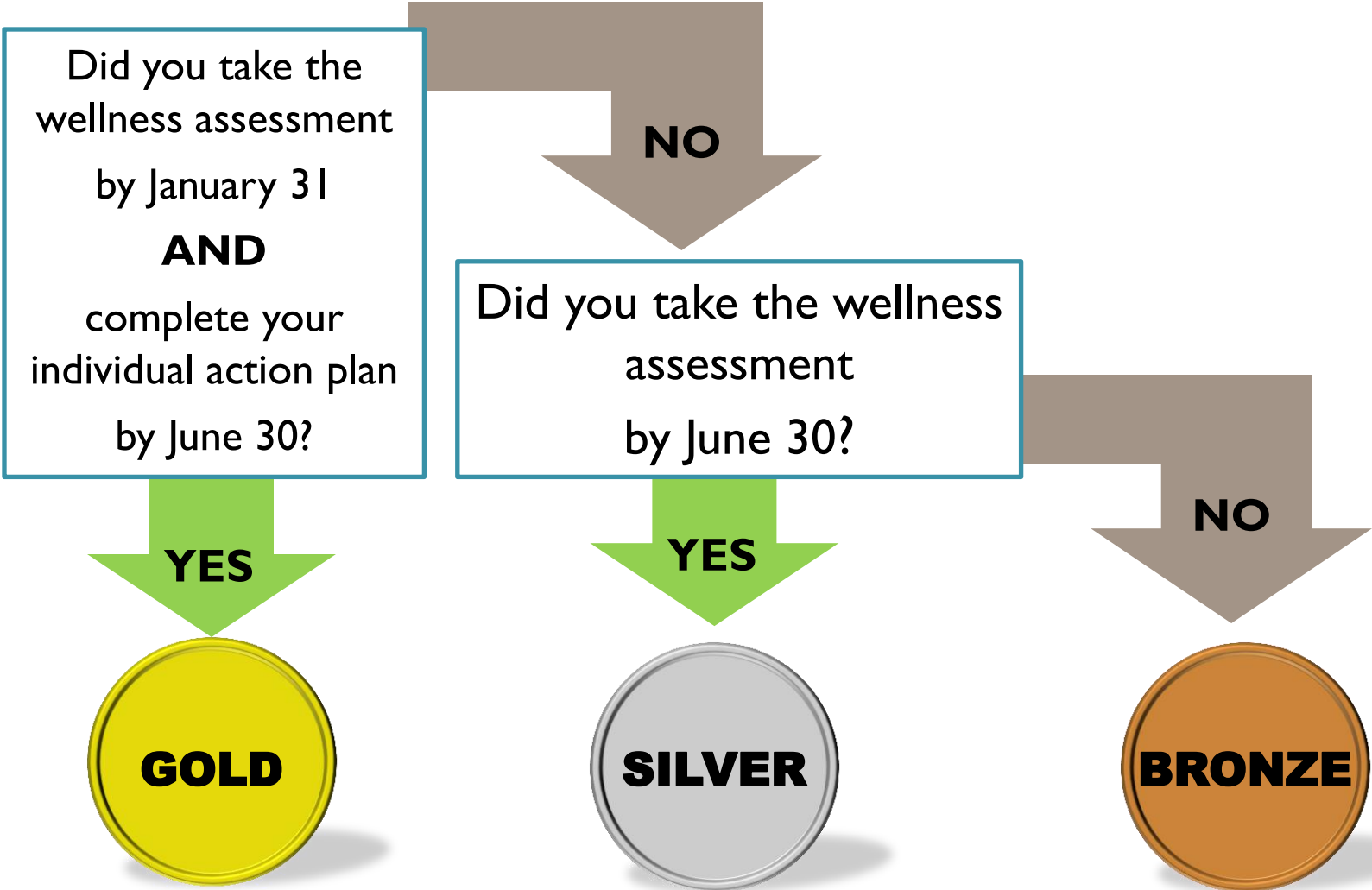


**HOW
DID WE GET HERE?**

STRATEGY



HEALTHY INCENTIVES: HOW IT WORKS



FINANCIAL INCENTIVES TO PARTICIPATE IN WELLNESS PROGRAM

	KingCare SM		Group Health	
	Annual Deductible	Co-Insurance*	Office Visit Co-Pay	Hospital Co-Pay
Gold	\$300/ Ind. \$900/Family	15%	\$20	100% after \$200
Silver	\$600/Ind. \$1,800/Family	25%	\$35	100% after \$400
Bronze	\$800/Ind. \$2,400/Family	25%	\$50	%100 after \$600

*In-Network Provider

INDIVIDUAL ACTION PLANS

- Text in healthy activity
- Diabetes Prevention and Control
- Online reporting of exercise and nutrition
- Paper reporting of stress management, nutrition, exercise
- Weight Watchers at work, online and in the community
- King County Parks Fitness Challenge
- Workshop that supports management of chronic conditions
- Mindfulness Based Stress Reduction
- Tobacco cessation

ENVIRONMENT THAT SUPPORTS HEALTHY CHOICES

Gym Discount Program



Healthy Vending

Lunch and Learns

Activity Center

Farmers Market

Weight Watchers at Work



EAT SMART

BEFORE



AFTER

MOVE MORE



GET A FLU SHOT

**DON'T LET
THIS BE YOU**



**MORE THAN 3,000
VACCINATED
ANNUALLY**

**27 WORKSITES WITH
MORE THAN 100
EMPLOYEES**

HEALTH HEROES



HEALTH HEROES



Lets her staff come to court with wet hair after lunch



Bikes to Work



Climbed Mt. Rainier



LESSONS LEARNED

- Labor – Management Partnership is vital
- Employee involvement in continuously improving wellness programs maintains high engagement levels
- Measure and Report Results
- Continuous program improvement

FOR MORE INFORMATION



Toolkit (including 2007-2011 Cost Savings Report):

<http://kingcounty.gov/employees/HealthyIncentives/Toolkit.aspx>

Publication:

http://journals.lww.com/joem/Fulltext/2011/11000/Short_term_and_Long_term_Weight_Management_Results.3.aspx

One County's Onsite Clinic Journey

Chairman Tim Lee
Cobb County, Georgia



Why We Are Pursuing an Onsite Clinic Strategy

A. Who is Cobb County

- Large Metro Atlanta county.
- Almost 750,000 citizens.
- 3,800 employees; 700 retirees w/ group health coverage.
- Conservative and AAA rated.



Why We Are Pursuing an Onsite Clinic Strategy

B. Other Cost-Control Strategies

- Private exchange for Medicare retirees.
- Kaiser HMO as one of 2 health plan options for pre-Medicare population.
- Carved-out Rx for non-Kaiser members.
- 'Buy-up' disease management from medical and Rx vendors.



Why We Are Pursuing an Onsite Clinic Strategy

C. Visits to Other Employer Onsite Clinics

- This is a great way to get senior staff and elected officials introduced to the concept.
- Onsite clinic vendors, and usually the sponsoring employers, are open to allowing scheduled visits.
- Provides the opportunity to ask questions and gain insight as you develop your strategy.
- Cobb staff and officials visited 3 clinics operated by 3 different vendors before deciding to move forward.



Why We Are Pursuing an Onsite Clinic Strategy

D. Feasibility Study

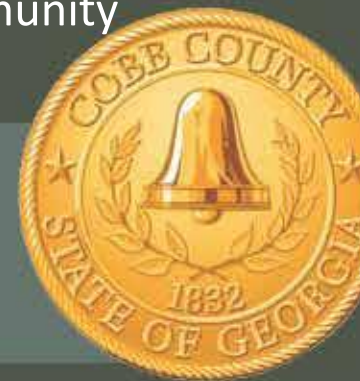
- Our consultant and HR director solicited 3 ‘informal’ proposals to analyze.
- Vendors were happy to participate, even knowing this wasn’t yet the formal process.
- Reviewed different service and cost models during this process.
- Determined reasonable ROI expectations to be 1:1 in first year, increasing to 2:1 or greater in years 3 and later. This led BOC to authorize staff to proceed w/ RFP.



Why We Are Pursuing an Onsite Clinic Strategy

E. Areas of Expected Savings

- Sources of savings range from hard dollars to softer, harder to measure savings.
- Hardest savings come from replacement of expensive services with less costly.
 - Example #1: \$100 office visit through health plan, \$70 at clinic.
 - Example #2: \$15 prescription through Rx plan, \$2 at clinic.
- Second level of savings – Redirected External Care
 - Example #1: Clinician prescribes much higher % generic medications compared to community physicians.
 - Example #2: Clinician refers to less costly external service providers (e.g. imaging (MRI, etc.)) compared to community physicians.



Why We Are Pursuing an Onsite Clinic Strategy

- Third level of savings – Population Health Management
 - Clinic staff is providing annual biometric screenings and health assessments, and stratifying members based on health risks identified.
 - Medium- and High-risk members are encouraged to present more frequently at the clinic for health checks and coaching.
- Fourth level of savings – Enhanced Productivity
 - Typical ‘community’ doctor visit requires employee to take ½ day off.
 - Most employees can access the clinic with only 1.5 hours off the job.



Key Onsite Clinic Decisions

A. Eligible Population

- Most impactful population is employees in your health plan.
- Could include employees not in health plan, too.
- Spouses, children and retirees should be considered.
 - Some clinic vendors won't consider pediatrics
 - None will do babies (children under 2)
- Cobb chose to include employees in health plan, as well as covered spouses, children over age 2, and pre-Medicare retirees.



Key Onsite Clinic Decisions

B. Clinic Staffing Model

- Biggest decision is whether or not to include an MD.
- Many vendors do 'mid-levels' only (nurse practitioners or physicians assistants).
- Some of the direct savings come from replacing MD services with mid-levels.
- Cobb chose to have 1 MD to oversee clinic staff, and 3 mid-levels.



Key Onsite Clinic Decisions

C. Clinic Location(s)

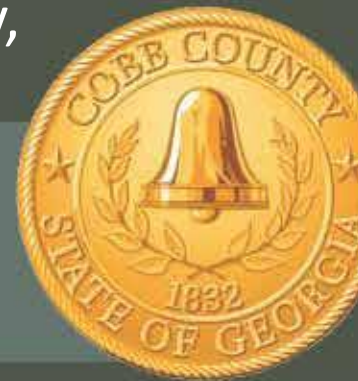
- We looked at a 'heat map', with points indicating employee work and home locations.
- We also considered suitable property we already owned.
- We went with a location in a shopping center owned by the County that is conveniently in the middle of our 3 largest employment centers.



Key Onsite Clinic Decisions

D. Clinic Services

- We determined that the more cost-effective services that could be done from the clinic the better.
- We started slow, with just acute and primary care services for employees only, in mid-February.
- In May we added limited prescription dispensing.
- In June we opened up to spouses, children and pre-65 retirees.
- In July we are adding occupational health services, including pre-employment screens, fit-for-duty, workplace injury, and some others.



Key Onsite Clinic Decisions

E. Clinic Hours

- You want this to be convenient, but reasonable.
- Your vendor can help estimate utilization, then tweak over time.
- We've started with M-Th 7a.m. to 6 p.m., F 7a.m. to noon and Saturday 8 a.m. to noon.
- So far Saturday has gotten surprisingly light usage, we continue to monitor this.



Vendor Selection Process

A. Development of RFP

- Strongly suggest partnering with an expert consultant in this area.
- Our benefits consultant had expertise in this area, and led this effort.
- Our consultant worked jointly with HR, Finance and Purchasing to develop the right RFP to meet our goals.
- The Purchasing Department ran the RFP process, maintaining our standard processes and procedures for a public bid.



Vendor Selection Process

B. Proposal Review Committee

- We had senior representation from key departments, including HR, Finance, Public Safety, and County Manager's office.
- Our consultant provided expert advice and facilitated the committee review process.
- A rating process and scoring sheets were developed and utilized.
- Finalists were selected and interviewed, then a winning bidder was determined.



Vendor Selection Process

C. Interview of Finalists

- It was very important for our staff to meet the team they would work with prior to making a final decision.
- It was also valuable to hear the vendors talk through their approach, as most of the committee didn't have significant prior experience with clinics.
- The interviews were very impactful on the committee, and were a major factor in the final decision.



Vendor Selection Process

D. Contract Negotiation, including ROI Guarantee

- There is a lot of minutiae in the contract, so it is important to have good advice and appropriate attention devoted to this process.
- We included an ROI guarantee in our contract.
 - 1:1 in first year, 1.5:1 in second year, and 2:1 in third year.
 - The formula looks at trended claims before the clinic to claims after the clinic
 - Guarantee is contingent on employee participation levels



Vendor Selection Process

E. Implementation

- We used internal Property Management for most/all the work to build out the clinic space.
- Our space is 2,770 square feet and cost \$270,000 for build out.
- Valuable to select vendor(s) prior to completing build-out, so you can get their input.
- Time from contract completion to clinic opening was 20 weeks.



Our Experiences Through Four Months

- A. Participation in the clinic has been slow but steadily growing with each phase of services that have been added. As more of our employees, retirees and dependents become familiar with the clinic utilization is increasing.

- B. Overall the response from those utilizing the clinic is very positive. They see this as a great benefit provided by the County.



Our Experiences Through Four Months

- C. As utilization continues to increase we are seeing our return on investment move towards a cost neutral which we expected for year one.
- D. We project year 2 to produce a 1.5:1 cost savings, and 2:1 in year 3.



Conclusion

- A. While we've had to overcome some challenges we maintain our belief in the long-term cost control value of an onsite clinic strategy.
- B. This is not a 'turn-key' solution, so if you plan to pursue this strategy at your county be aware of the need for continued senior staff oversight and management of the program.

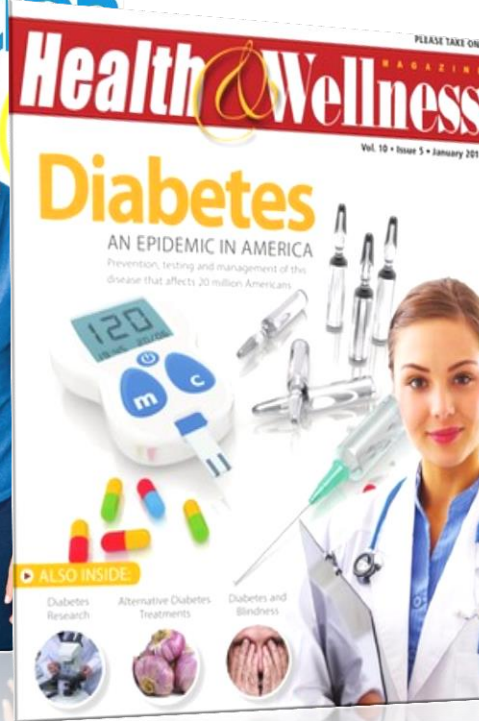


healthstat

inspiring healthy change

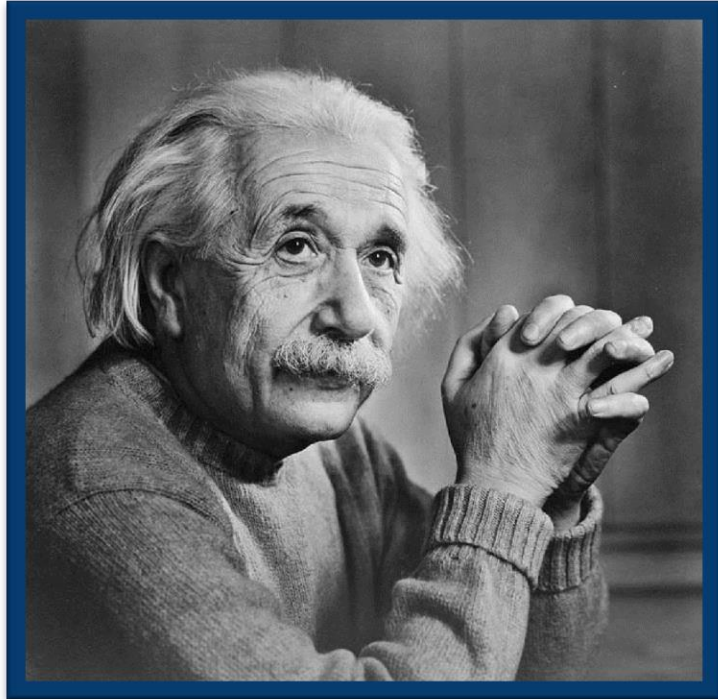
David W. Young

The World Today



Marketplace Realities

- Healthcare continues to rise 8% - 9%
- Insurance discounts are maximized
- Counties continue to reduce plan designs and increase employee contribution
- 20% of employees spend 80% of your healthcare dollars
- Carrier wellness/disease management = minimal participation



***INSANITY:
Doing the same thing
over and over again and
expecting different results.
- Einstein***

Traditional vs. Onsite Clinics

Traditional Healthcare

- Fee for service payment methodology
- Traditional medical focus on illness and making the system more efficient
- Lack of commitment to EMR- traditional Intuitive method
- Physician-centered with minimal employer influence toward wellness

Onsite Clinics

- Holistic health promotion
- New model focus on prevention and behavior change
- Interconnected data and workflow systems support Healthstat clinicians
- Patient-centered and incentive-driven population health risk management

Goals

- Improve the health of employee population
- Reduce and control future healthcare spend
- Enhance benefits package offered to employees
- Optimize access to primary care
- Reduce impact of Healthcare Reform
- Increase productivity
- Reduce absenteeism
- Reduce claims

Benefits of Onsite Clinics

Employer

- Decreased healthcare costs
- Healthier employees
- Increased productivity
- Decreased absenteeism
- Increased employee retention
- Customized and Scalable
- Minimize risk exposure
- Better utilization of vendor programs

Employee

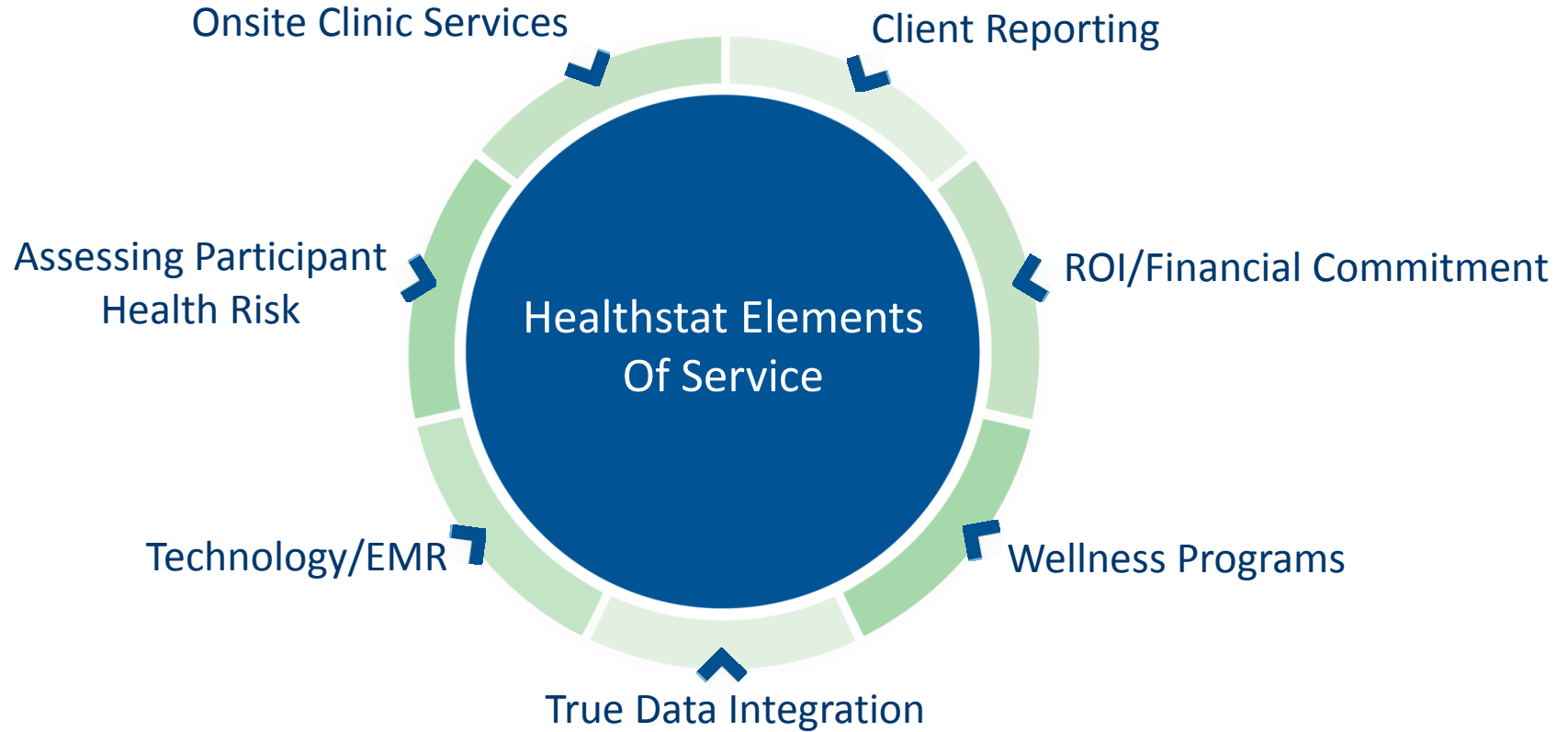
- Low or no cost
- Employee incentives
- Reduce medical PTO usage
- Convenient access to care
- Onsite Rx dispensing
- Time with provider
- Personal care plan
- Education
- HIPPA compliant



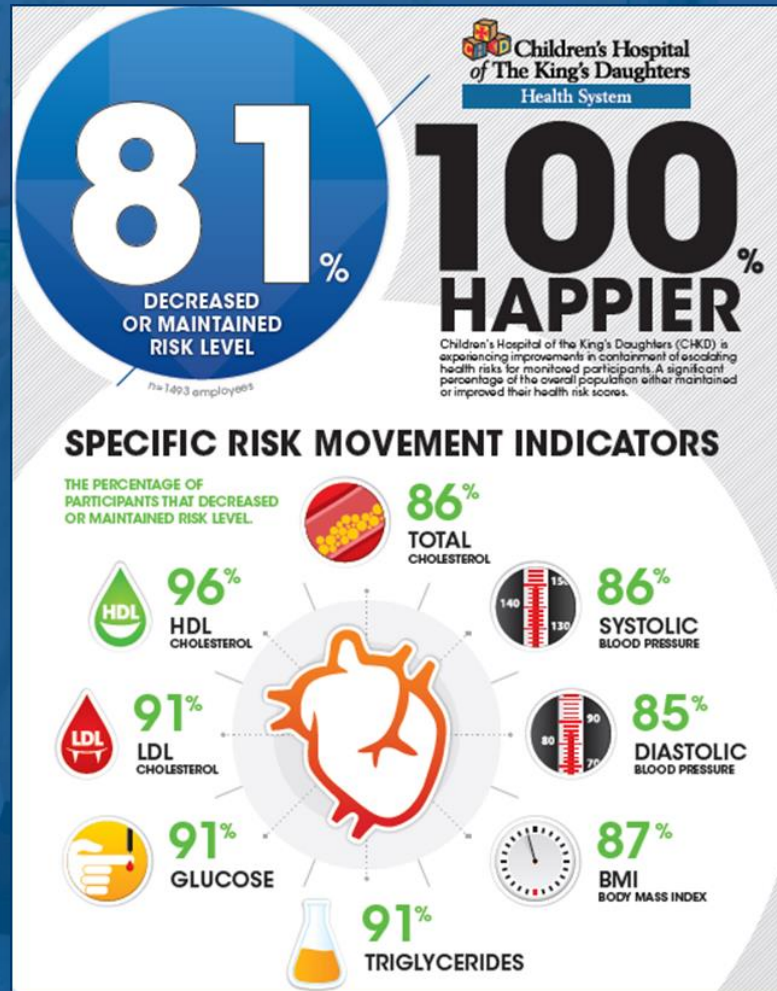
Scope of Services



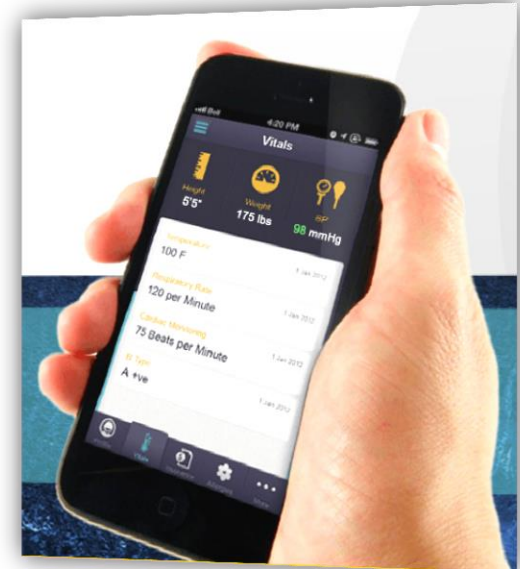
Integration



Health Improvement



Technology: Portal & Mobile Application



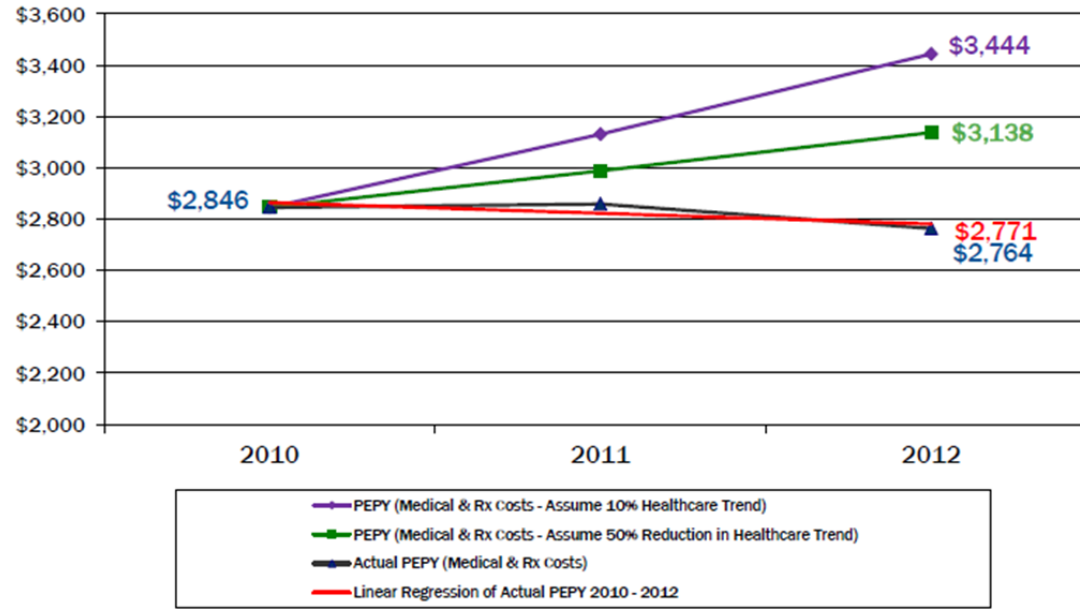
ROI Calculations

RETURN ON INVESTMENT (Ratio to 1)

2.32

* Note: Healthstat clinic opened in September 2010; the baseline year for comparison is January 2010 - December 2010. Total Medical and Rx Claims are for employees only and exclude large claimants with total claims expenditure of \$75,000 or more. Total Medical and Rx Claims are by paid date.

Trend vs. Expected Trend



Participation is KEY

Participation-based Model

Incentive	Percentage Participation of Employees	Annual Return on Investment against Healthcare Trend after 24 to 36 months
No Incentive	40% - 50%	2 to 1
To Use Clinic, must participate in HRA	50% - 60%	2.5 to 1
One-time Give Away	60% - 70%	3 to 1
Premium Differential	70% - 95%	3.5 : 1
Required for Benefits	95% - 100%	4 : 1

Recommendations

Encouraging Clinic Utilization

- Incentive programs
- Premium differentials
- Mandatory HRA for clinic utilization

Develop multiple year compliancy program

- Focused on wellness and early detection of high claimants
- Based on participation; not results
 - Year 1- Compliancy based on EE only
 - Year 2- Compliancy based on EE & SP

Consider the Following “Funding” Strategies”

- Wellness/ non-wellness rates - “artificially” funded
- Plan design changes
- Carrier discounts - loss ratio, stop loss, ancillary, ASO

Keys to Success

- Upper management support
- Strategy to drive participation
 - Plan design
 - Contribution strategy
- Focus on disease management and wellness
- Detailed communication strategy
- “Grass Root Support”- share success stories
- Claims integration
- Right provider

*Make a healthy change.
Save Money.*