Carrots and Sticks:
Approach to Controlling Health Care Costs and Creating a Culture of Health

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Manatee County Government
Your Choice Health Plan
The Carrot and Stick Approach
Agenda

- Value-Based Health Care
- Manatee Model-Accountability/Incentives
  - History
  - Plan Design
    - Financial Outcomes
  - Health Management and Wellness Programs
    - Clinical Outcomes
- Next Steps
Why Value Based Benefit Design and Health Management?

- The more you pay, the less you use
- Copayments and HEDIS Scores
- Obesity is the #2 leading cause of preventable disease and death in the U.S., second to tobacco use.
- Depression-60% more likely for Type II Diabetes
- Sick days due to stress tripled in last 4 years.
- Depression and stress=250% higher utilization than other employees

* The bottom line: Americans receive only about 55 percent of recommended care, while at the same time, “as much as $700 billion a year in health care services are delivered in the United States that do not improve health outcomes.”*

Ways to Implement

- Research indicated that a combination of lower prescription copays, health education, and support can result in up to 15% more members adherent to chronic disease treatment plans in just the first year. Source: Health Affairs, 2008 and BCBS of Mass. 2008 Data

- Promote treatment Compliance and Preventative Care

- Encourage High-Value Care Selection

- Improve Decision Making and Overall Health
Outcome of Value Based Benefits

• Where to look:
  – Premiums
  – Overall trend
  – Improved employee productivity
  – Decreased absenteeism and presenteeism
  – Morale
  – Retention

• Leap of Faith: Pay Now….Save Later.

• A 5-10% weight loss leads to significant improvements in diabetes, lipid-blood levels and mortality. Over time, this reduces trend.
Manatee Demographics

• Self Funded with TPA
• 3200 Employees/6900 lives
• Board of County Commissioners and all Constitutional Agencies participate
• History:
  – Traditional PPO
  – Increasing premiums
  – 1 Wellness Specialist in 2000
  – Your Choice Model-2006
  – 12 Onsite Health and Wellness Advocates-2011
Manatee Model

Plan Design and Incentives

- Accountability
- Evidenced Based Preventative Care
- Short and long term incentive system with compliance
- **Cost Differential is on the Reimbursement Side, not the Premium Side.**
- Medical Home

The Center for Health and Lifestyle Management

- Integrated Care Systems
- Chronic care management
- Advocacy, Coaching and Education
- Physical and emotional well being
- Fitness, Nutrition, Pharmacy, Behavioral Health
Plan Design and Qualifying Events

- 4 Plan Levels: Identical Benefits, Graduated Reimbursement
- Qualifying Events completed prior to Annual Enrollment
- Wellness Exam, Lab work, Age-based screenings, Health Risk Assessment
- Diabetes and Tobacco requirements

Manatee Results:
- 82% of Members are in Ultimate Plan
- 97% are completing HRAs, Lab Work and Wellness Exams
Incentives: Health Bucks Rewards

- Participation → Outcome

- Applied during Open Enrollment for the next Plan Year

- Prorated throughout 24 paychecks

- Used for:
  - Reduce Medical Premiums
  - Reduce Dental Premiums
  - Placing in a Health Care Spending Account (FSA)
Financial Outcome

- Average trend over the three year period is still well below national annual average of 10% - 12%

- Florida trends tend to run higher than national averages, with carriers reporting trends from 11% - 14%

- 5% **Negative** Trend: Medical and Rx FY10 vs. FY11

- Average length of stay is 3.7 days

- Reduction of GASB liability by approximately 5% per Actuary report.
Integrated Care Programs-The Center for Health and Lifestyle Management

- Behavioral Health
- Medical Management
- Weight Management
- Nutrition
- Exercise
- Diabetes

Your Choice Member
# Depression Outcomes

## LAMP Results

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<th>1&lt;sup&gt;st&lt;/sup&gt; Year</th>
<th>2&lt;sup&gt;nd&lt;/sup&gt; Year</th>
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<td>• 8% Decrease in Pharmacy Claims for Antidepressants.</td>
<td>• 10% Decrease in Emergency Room visits</td>
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<td>• 16% Decrease in ER Visits related to Depression</td>
<td>• 5% Increase in admissions outreach, early identification, case management, level of care</td>
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<td>• 17% Decrease in Hospital Admissions related to Depression.</td>
<td>• 7% Decrease in Total Per Member Per Year costs from previous year</td>
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<td>• 32% Decrease in PMPY total costs related to Depression.</td>
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Source: *"Your Choice" D2 Hawkeye*
LAMP’s Tobacco Cessation Program

- Testing annually
- Stages of Change
- Addressing weight gain
- Cover Tobacco Cessation Aids
- 20% engage in the individual programs

**Manatee Outcome**

Adult Employees is now 13% compared to the Florida Average of 20%
Manatee YourChoice Health Plan Yearly Savings:
Members that Quit Tobacco 2008 - 2011 Cumulative

Total Savings: $1,002,495.00

The CDC estimates employer savings of $3,783.00 PMPY* in direct and indirect costs for employees that discontinue tobacco.

Cholesterol 4 Year Cohort (N=2009)

Source: Quest Diagnostics

- Total Cholesterol >200
  - 2006: 48%
  - 2007: 47%
  - 2008: 44%
  - 2009: 41%

- HDL< 40
  - 2006: 20%
  - 2007: 17%
  - 2008: 14%
  - 2009: 14%

- LDL>130
  - 2006: 37%
  - 2007: 33%
  - 2008: 30%
  - 2009: 25%

Source: "Your Choice" Data from Quest Diagnostics
Manatee’s Diabetes Outcome

• Diabetes Hospitalization since 2005 has decreased annually from $500,000 to $70,000.

• 32% improved A1C value
• 17% improved BMI value
• 17% improved Blood Glucose w/in target range

Source: "Your Choice" Data from D2 Hawkeye, Diabetes Care Program
On-site Clinical Pharmacist Outcome

Financial Savings for 2010.
Total Plan Savings=$71,356
Total Member Savings=$12,364

Source:
- Move to Preferred Pharmacy
- Select Tablet Splitting
- Move to Generic
- Compliance
- Advocacy
Manatee’s Future

• Why does it work?
• Y Weight
• Incentives tied to Outcome only
• Outcome requirements for Plan Eligibility
• High Performing Physician Collaboration
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