Employee Wellness Programs and the Tax on High-Cost Health Insurance
Healthy Counties Initiative Sponsors
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• The questions box and buttons are on the right side of the webinar window.

• This box can collapse so that you can better view the presentation. To unhide the box, click the arrows on the top left corner of the panel.

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Today’s Speakers

Kim Stroud
Division Manager of Employee Benefits
Manatee County, Fla.

Lester Morales
Health Benefits Consultant
How many people are viewing today’s webinar from your computer?

a. One

b. Two

c. Three

d. Four

e. Five or more
Are you a(n)...?

a. Elected county official
b. County Administrator/Manager
c. Human Resources/Benefits Staff
d. Other
Are you familiar with this excise tax?

a. Yes

b. No

c. Not Sure
Has your county assessed its liability for the excise tax?

a. Yes

b. No

c. Not sure
GOALS OF WEBINAR

- FACTS vs. FICTION REGARDING THE EXCISE TAX
- WELLNESS PROGRAMS... ARE THEY WORTH IT?
- BEST PRACTICES IN IMPLEMENTING AND EVOLVING YOUR HEALTH MANAGEMENT INITIATIVES
- HAVE FUN
AGENDA

I. Excise Tax - Level Set
II. Your wellness program
III. Case Studies
IV. Best Practices
WHERE WERE YOU WHEN...
HEALTHCARE REFORM TIMELINE

Healthcare Reform Timeline
This timeline will help you keep track of when the law’s key changes will occur.

Jan 2010
- Small businesses can count 35 percent of the money spent on employee health insurance as a tax deduction for 2010.
- The doughnut hole for Medicare Part D recipients shrinks as initial coverage rises to $3,600.
- Temporary high-risk pools are created to cover those with pre-existing conditions.
- No deductibles allowed for certain types of preventive care.
- Medicare Advantage is restructured to cut Medicare costs, leading to possible cutbacks in benefits for those enrolled.

June 2010
- Repayment of $250 start going out to seniors who have reached the gap in Medicare Part D coverage.
- 10% tax imposed on excess tanning services.

Sept 2010
- Canoeing coverage after the fact, known in the industry as “reclaction,” becomes illegal.

July 2010
- Over-the-counter drugs can no longer be reimbursed through an HSA or FSA or tax-free from an IRA or Archer MSA, without a prescription.

2011
- The income threshold that triggers beneficiary premiums for Medicare Part B starts ramping with inflation until 2019.
- Medicare Part D premium subsidies for high-income taxpayers are reduced.
- Medicare beneficiaries begin making free annual wellness visits and getting certain other preventive care with no co-payments.

2013
- Maximum contribution to a flexible spending account falls to $2,500 a year and is tied to inflation.
- Medicare tax on Social Security benefits kicks in for individuals earning more than $250,000 and married couples filing jointly earning more than $320,000.

2014
- States-based insurance exchanges for individuals and small businesses will be online for standard levels of coverage.
- Tax credits are issued to help the uninsured earning from 100% to 400% of the federal poverty line buy insurance.

2015
- Insurance plans can’t exclude pre-existing conditions or consider them when setting rates and deciding whom to cover.
- The maximum tax penalty for not having insurance rises to $325 a year, or 2% of taxable income.
- States’ Medicaid programs to include newly eligible beneficiaries.

2016
- The income threshold for the Medicare Part B premium subsidy is increased by 15%.
- Maximum tax penalty for not having insurance rises to $965 a year, or 2.5% of taxable income.
- Drug makers’ discounts and government subsidies rise on brand-name drugs for Medicare recipients, closing the doughnut hole.

2018
- States begin expanding their Medicaid programs to include newly eligible beneficiaries.
- Excise tax begins on health plans costing more than $27,500 for families and $19,200 for individuals.

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WHAT IS THE EXCISE TAX ON HIGH-COST EMPLOYER-SPONSORED HEALTH INSURANCE COVERAGE?

Overview
The Cadillac Tax is an excise tax scheduled to take effect in 2018 to reduce health care usage and costs by encouraging employers to offer plans that are cost-effective and engage employees in sharing in the cost of care. It is a 40% tax on employers that provide high-cost health benefits to their employees.

This fact sheet is based on Cigna’s current understanding of the Cadillac Tax. Final regulations have not been issued, and we expect further guidance before the tax is assessed.

<table>
<thead>
<tr>
<th>CADILLAC TAX</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>What it is/fee duration</strong></td>
</tr>
<tr>
<td><strong>Purpose</strong></td>
</tr>
</tbody>
</table>
| **Amount** | • The tax is 40% of the cost of plans that exceed predetermined threshold amounts.  
  • Cost includes the total premiums paid by both employers and employees, but not cost-sharing amounts such as deductibles and copays when care is received.  
  • For planning purposes, the thresholds for high-cost plans are $10,200 for individual coverage, and $27,500 for family coverage.  
  • These thresholds will be updated for 2018 when final regulations are issued and indexed for inflation in future years.  
  • The thresholds will also be adjusted for:  
    - High-risk professions such as law enforcement and construction.  
    - Group demographics including age and gender.  
  • For pre-65 retirees and individuals in high-risk professions, the threshold amounts are $11,850 for individual coverage and $30,950 for family coverage. |
| **Who calculates and pays** | Insured: Employers calculate and insurers pay  
Self-funded: Employers calculate and pay |
**WHAT IS THE EXCISE TAX ON HIGH-COST EMPLOYER-SPONSORED HEALTH INSURANCE COVERAGE?**

<table>
<thead>
<tr>
<th><strong>How a plan’s cost is determined</strong></th>
<th><strong>CADILLAC TAX</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>The tax is based on the total cost of each employee’s coverage above the threshold amount. The cost includes premiums paid by employers and employees plus:</td>
<td>The tax is based on the total cost of each employee’s coverage above the threshold amount. The cost includes premiums paid by employers and employees plus:</td>
</tr>
<tr>
<td>• Employer and employee contributions to Health Care Flexible Spending Accounts, Health Reimbursement Accounts and Health Savings Accounts.</td>
<td>• Employer and employee contributions to Health Care Flexible Spending Accounts, Health Reimbursement Accounts and Health Savings Accounts.</td>
</tr>
<tr>
<td>• The cost of Employee Assistance Plans with counseling benefits, onsite medical clinics and wellness programs.</td>
<td>• The cost of Employee Assistance Plans with counseling benefits, onsite medical clinics and wellness programs.</td>
</tr>
</tbody>
</table>

| **How the tax will be paid** | Forms and instructions for paying the tax are not yet available. |
| **Tax implications** | Not tax deductible. |
| **Business affected** | Insured and self-funded group health plans. |
| **Business excluded** | U.S.-issued expatriate plans for most categories of expatriates |
| | Stand-alone dental |
| | Stand-alone vision |
| | Accident coverage |
| | Disability benefits |
| | Long-term care insurance |
WHAT IS THE EXCISE TAX ON HIGH-COST EMPLOYER-SPONSORED HEALTH INSURANCE COVERAGE?

How it works: Examples based on current threshold amounts

**Self-only coverage**
A $12,000 individual plan would pay an excise tax of $720 per covered employee:

\[ \text{\$12,000 - \$10,200} = \text{\$1,800 above the \$10,200 threshold} \]
\[ \text{\$1,800 } \times 40\% = \text{\$720} \]

**Family coverage**
A $32,000 family plan would pay an excise tax of $1,800 per covered employee:

\[ \text{\$32,000 - \$27,500} = \text{\$4,500 above the \$27,500 threshold} \]
\[ \text{\$4,500 } \times 40\% = \text{\$1,800} \]

These charts show how the tax increases as the plan’s cost increases.

<table>
<thead>
<tr>
<th>Self-only coverage</th>
<th>$11,000</th>
<th>$12,000</th>
<th>$13,000</th>
<th>$14,000</th>
<th>$15,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Plan Cost</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tax</td>
<td>$320</td>
<td>$720</td>
<td>$1,120</td>
<td>$1,520</td>
<td>$1,920</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Family coverage</th>
<th>$28,000</th>
<th>$30,000</th>
<th>$32,000</th>
<th>$34,000</th>
<th>$36,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Plan Cost</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tax</td>
<td>$200</td>
<td>$1,000</td>
<td>$1,800</td>
<td>$2,600</td>
<td>$3,400</td>
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</tbody>
</table>
THE EXCISE TAX ON HIGH-COST EMPLOYER-SPONSORED HEALTH INSURANCE COVERAGE: Behind the Numbers

<table>
<thead>
<tr>
<th>Year</th>
<th>Average Cost of Family of Four</th>
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<tbody>
<tr>
<td>2013</td>
<td>$22,030</td>
</tr>
<tr>
<td>2014</td>
<td>$23,594</td>
</tr>
<tr>
<td>2015</td>
<td>$25,269</td>
</tr>
<tr>
<td>2016</td>
<td>$27,063</td>
</tr>
<tr>
<td>2017</td>
<td>$28,985</td>
</tr>
<tr>
<td>2018</td>
<td>$31,043</td>
</tr>
</tbody>
</table>

*AVERAGE COST, FAMILY OF FOUR, Milliman Medical Index: [link](http://publications.milliman.com/periodicals/mmi/pdfs/milliman-medical-index-2013.pdf), average annual increase (2009 – 2013) = 7.1%; 2018 Threshold for Family Coverage: $27,500

Would result in a $1,417 tax penalty
THE EXCISE TAX ON HIGH-COST EMPLOYER-SPONSORED HEALTH INSURANCE COVERAGE: Behind the Numbers

About a third of employers at risk of hitting excise tax threshold in 2018

Percentage of employers that will be subject to tax by the specified year if they make no changes to their current plans

- All employers
- Large employers (500+ employees)

<table>
<thead>
<tr>
<th>Year</th>
<th>All Employers</th>
<th>Large Employers</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>31%</td>
<td>33%</td>
</tr>
<tr>
<td>2019</td>
<td>35%</td>
<td>39%</td>
</tr>
<tr>
<td>2020</td>
<td>39%</td>
<td>45%</td>
</tr>
<tr>
<td>2021</td>
<td>47%</td>
<td>52%</td>
</tr>
<tr>
<td>2022</td>
<td>51%</td>
<td>58%</td>
</tr>
</tbody>
</table>

Estimates based on data from Mercer’s National Survey of Employer-Sponsored Health Plans 2014; premium trended at 6%, tax threshold trended at 3% for 2019 and 2% for future years

SOURCE: MERCER’S NATIONAL SURVEY OF EMPLOYER-SPONSORED HEALTH PLANS
THE EXCISE TAX ON HIGH-COST EMPLOYER-SPONSORED HEALTH INSURANCE COVERAGE: Behind the Numbers

THE EXCISE TAX ON HIGH-COST EMPLOYER-SPONSORED HEALTH INSURANCE COVERAGE: Behind the Numbers

Source: Preliminary results of the 2015 Willis Benefits Benchmarking Survey

Assuming you do not make plan design changes to avoid the tax, what year does your projection show the tax would be incurred by your organization?
FACTORS TO CONSIDER

Source: Preliminary results of the 2015 Willis Benefits Benchmarking Survey
CADILLAC EXCISE TAX

OR?
SECTION II

WELLNESS PROGRAMS: ARE THEY WORTH IT?
WHY DO WE STUDY HISTORY?

“I believe that the more you know about the past, the better you are prepared for the future.”

~ Theodore Roosevelt
IS IT WORKING TODAY?

ARE WE INSANE?

STILL REPEATING THE SAME THING OVER AND OVER AND EXPECTING DIFFERENT RESULTS?

HOW'S THAT WORKING FOR YOU?
Nearly 9 of 10 Americans are offered some type of worksite wellness program.
WELLNESS PROGRAM COMPONENTS

- Offer at Least One Specified Wellness Program*: 98% for All Large Firms (200 or More Workers), 73% for All Small Firms (3-199 Workers)
- Class in Nutrition/Healthy Living*: 47% for All Large Firms, 19% for All Small Firms
- Flu Shot*: 52% for All Large Firms, 87% for All Small Firms
- Employee Assistance Program*: 48% for All Large Firms, 27% for All Small Firms
- Weight Loss Programs*: 51% for All Large Firms, 18% for All Small Firms
- Biometric Screening*: 58% for All Large Firms, 22% for All Small Firms
- Lifestyle or Behavioral Coaching*: 60% for All Large Firms, 33% for All Small Firms
- Wellness Newsletter*: 77% for All Large Firms, 38% for All Small Firms
- Web-based Resources for Healthy Living*: 64% for All Large Firms, 26% for All Small Firms
- Smoking Cessation Program*: 64% for All Large Firms, 26% for All Small Firms
- Gym Membership Discounts or On-Site Exercise Facilities*: 64% for All Large Firms, 26% for All Small Firms
- Other Wellness Program*: 15% for All Large Firms, 4% for All Small Firms

* Estimate is statistically different between All Small Firms and All Large Firms within category (p<.05).

* Biometric screening is a health examination that measures an employee's risk factors such as cholesterol, blood pressure, stress, and nutrition.

WELLNESS PROGRAMS - Are They Working... Some say YES

WELLNESS PROGRAMS - Are They Working... Some say NO

How Corporate Wellness Programs Can Hurt Your Health

They're more common than ever, but some company initiatives don’t have the intended effect

Return on Investment (ROI) Measured

- 25% (22%)
- 61% (60%)
- 14% (19%)

Midsized (50-999 EEs) Large (1000+ EEs)
## WELLNESS PROGRAMS - Are We Looking At This Right?

<table>
<thead>
<tr>
<th>Priority</th>
<th>Africa</th>
<th>Asia</th>
<th>Australia</th>
<th>Canada</th>
<th>Europe</th>
<th>Latin America</th>
<th>United States</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improving workforce morale/engagement</td>
<td>4</td>
<td>6</td>
<td>1</td>
<td>3</td>
<td>1</td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td>Reducing employee absences due to sickness</td>
<td>1</td>
<td>2</td>
<td>7</td>
<td>1</td>
<td>3</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>Improving workplace safety</td>
<td>2</td>
<td>1</td>
<td>3</td>
<td>5</td>
<td>4</td>
<td>2</td>
<td>7</td>
</tr>
<tr>
<td>Improving worker productivity / presenteeism</td>
<td>5</td>
<td>8</td>
<td>4</td>
<td>2</td>
<td>2</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Maintaining work ability</td>
<td>3</td>
<td>3</td>
<td>5</td>
<td>6</td>
<td>5</td>
<td>6</td>
<td>5</td>
</tr>
<tr>
<td>Furthering organizational mission / values</td>
<td>9</td>
<td>4</td>
<td>2</td>
<td>7</td>
<td>6</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>Reducing health care or insurance premium costs</td>
<td>7</td>
<td>10</td>
<td>10</td>
<td>4</td>
<td>10</td>
<td>8</td>
<td>1</td>
</tr>
</tbody>
</table>

What is the business value of a healthy working population?
OPERATIONAL COSTS - PRESENTEEISM

A cable television technician working slower because he is out of breath from an asthma flare-up.

An office manager with depression who is not interacting well with her team.

A client care representative with medication side-effects who loses focus on customer satisfaction.

A skilled tradesman struggling with a pulled back after cleaning the garage, who requires more frequent breaks.
The foreman of a critical operation is out and another associate has to be pulled from other work to fill in. He’s not as good.

Three line workers are out with the flu, the company will need to hire temporary staffing to get the work done on time.

A legal and compliance expert is out on maternity leave. Her replacement will need considerable training.

Two account managers are out on short term disability. Their workload will have to be load balanced with the remaining three AMs.
## THE FACTS - COMPLIANCE IS KEY

<table>
<thead>
<tr>
<th>Relative Risk Score</th>
<th>Members</th>
<th>Percent of Members</th>
<th>Average PMPY</th>
<th>Spend ($ in millions)</th>
<th>Percent of Spend</th>
<th>Average Age</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Low Relative Risk Score (&lt; = 1.13)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Low Care Gap Index (0 -2)</td>
<td>4,579</td>
<td>76.9%</td>
<td>$350</td>
<td>$3.4</td>
<td>22.0%</td>
<td>31.0</td>
</tr>
<tr>
<td>Medium Care Gap Index (3 -4)</td>
<td>807</td>
<td>13.6%</td>
<td>$420</td>
<td>$0.9</td>
<td>5.6%</td>
<td>42.2</td>
</tr>
<tr>
<td>High Care Gap Index (+5)</td>
<td>81</td>
<td>1.4%</td>
<td>$1,870</td>
<td>$0.4</td>
<td>2.3%</td>
<td>49.5</td>
</tr>
<tr>
<td><strong>Subtotal Low RRS</strong></td>
<td>5,467</td>
<td>91.9%</td>
<td>$383</td>
<td>$4.6</td>
<td>29.9%</td>
<td></td>
</tr>
<tr>
<td><strong>Medium Relative Risk Score (&gt; 1.13 and &lt; = 2.69)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Low Care Gap Index (0 -2)</td>
<td>249</td>
<td>4.2%</td>
<td>$3,660</td>
<td>$1.7</td>
<td>10.8%</td>
<td>42.2</td>
</tr>
<tr>
<td>Medium Care Gap Index (3 -4)</td>
<td>74</td>
<td>1.2%</td>
<td>$4,720</td>
<td>$0.8</td>
<td>4.9%</td>
<td></td>
</tr>
<tr>
<td>High Care Gap Index (+5)</td>
<td>36</td>
<td>0.6%</td>
<td>$4,940</td>
<td>$0.4</td>
<td>2.7%</td>
<td></td>
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<tr>
<td><strong>Subtotal Medium RRS</strong></td>
<td>359</td>
<td>6.0%</td>
<td>$4,007</td>
<td>$2.9</td>
<td>18.5%</td>
<td></td>
</tr>
<tr>
<td><strong>High Relative Risk Score( &gt; 2.69)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Low Care Gap Index (0 -2)</td>
<td>52</td>
<td>0.9%</td>
<td>$10,710</td>
<td>$1.0</td>
<td>6.5%</td>
<td></td>
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<tr>
<td>Medium Care Gap Index (3 -4)</td>
<td>30</td>
<td>0.5%</td>
<td>$14,070</td>
<td>$0.9</td>
<td>5.9%</td>
<td></td>
</tr>
<tr>
<td>High Care Gap Index (+5)</td>
<td>43</td>
<td>0.7%</td>
<td>$61,040</td>
<td>$6.1</td>
<td>39.2%</td>
<td></td>
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<tr>
<td><strong>Subtotal High RRS</strong></td>
<td>125</td>
<td>2.1%</td>
<td>$28,830</td>
<td>$8.0</td>
<td>51.6%</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>5,951</td>
<td></td>
<td>$1,199</td>
<td>$15.5</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## THE FACTS - COMPLIANCE IS KEY

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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Low Care Gap Index (0 -2)</td>
<td>846</td>
<td>58.8%</td>
<td>$1,070</td>
<td>$2.1</td>
<td>19.1%</td>
<td></td>
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<tr>
<td>Medium Care Gap Index (3 -4)</td>
<td>110</td>
<td>7.6%</td>
<td>$1,550</td>
<td>$0.5</td>
<td>4.4%</td>
<td>29.8</td>
</tr>
<tr>
<td>High Care Gap Index (+5)</td>
<td>31</td>
<td>2.2%</td>
<td>$2,030</td>
<td>$0.2</td>
<td>1.6%</td>
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</tr>
<tr>
<td><strong>Subtotal Low RRS</strong></td>
<td><strong>987</strong></td>
<td><strong>68.6%</strong></td>
<td><strong>$1,154</strong></td>
<td><strong>$2.8</strong></td>
<td><strong>25.1%</strong></td>
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<td>Medium Relative Risk Score (&gt; 1.13 and ≤ 2.69)</td>
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<tr>
<td>Low Care Gap Index (0 -2)</td>
<td>178</td>
<td>12.4%</td>
<td>$3,510</td>
<td>$1.4</td>
<td>12.5%</td>
<td>48.3</td>
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<tr>
<td>Medium Care Gap Index (3 -4)</td>
<td>74</td>
<td>5.1%</td>
<td>$4,130</td>
<td>$0.9</td>
<td>7.8%</td>
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</tr>
<tr>
<td>High Care Gap Index (+5)</td>
<td>80</td>
<td>5.6%</td>
<td>$4,700</td>
<td>$1.1</td>
<td>9.6%</td>
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<tr>
<td><strong>Subtotal Medium RRS</strong></td>
<td><strong>332</strong></td>
<td><strong>23.1%</strong></td>
<td><strong>$3,935</strong></td>
<td><strong>$3.3</strong></td>
<td><strong>29.9%</strong></td>
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<tr>
<td>High Relative Risk Score ( &gt; 2.69)</td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Low Care Gap Index (0 -2)</td>
<td>36</td>
<td>2.5%</td>
<td>$14,530</td>
<td>$1.3</td>
<td>11.9%</td>
<td>53.0</td>
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<tr>
<td>Medium Care Gap Index (3 -4)</td>
<td>32</td>
<td>2.2%</td>
<td>$12,540</td>
<td>$1.1</td>
<td>9.6%</td>
<td></td>
</tr>
<tr>
<td>High Care Gap Index (+5)</td>
<td>52</td>
<td>3.6%</td>
<td>$18,150</td>
<td>$2.6</td>
<td>23.5%</td>
<td></td>
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<tr>
<td><strong>Subtotal High RRS</strong></td>
<td><strong>120</strong></td>
<td><strong>8.3%</strong></td>
<td><strong>$15,568</strong></td>
<td><strong>$4.9</strong></td>
<td><strong>45.0%</strong></td>
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</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,439</strong></td>
<td></td>
<td><strong>$2,997</strong></td>
<td><strong>$11.0</strong></td>
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SECTION III

CASE STUDIES
More than Wellness: A Comprehensive Approach to Managing Costs and Creating a Culture of Health

Kim Stroud, MA, LMHC
Benefit Manager
Manatee County Government
Manatee County Government

- **Self Funded PPO Plan**
- **3100 Employees/6800 covered lives**
- **Board of County Commissioners and Constitutional Agencies**
- **History:**
  - PPO
  - Premiums increasing
  - 1 Wellness Specialist in 2000
  - Unique Plan Design in 2006
  - 14 Onsite Health and Wellness Staff-2015
  - **Negative 2.5% trend since 2009 without cost shifting**
What is Wellness?
Plan Design, Incentives, Programming

- 4 Plan Levels - Reimbursement decreases
- Equal Premiums
- Preventative Care and Tobacco Status drives eligibility for Plan Design
- Incentive Programs to reduce premiums:
  - Weight
  - Exercise
  - Heart Health
  - Diabetes and Pre-Diabetes
  - Blood Pressure
  - Fitness Level
Menu of Services/Programs On-site

- Medical and Behavioral Health Utilization and Case Management
- Medication Therapy Management
- Nutrition Counseling
- Onsite Mental Health Therapy
- Personal Training and Onsite Group Exercise
- Fitness Center
- Health Coaching
- Tobacco Cessation
- Stress Management-HeartMath
- Weight Management/Weight Loss
- Competition based incentives
- Lunch and Learns
- Disease-specific Education Courses
Engagement in Prevention

• 97% of adult members complete:
  – Comprehensive Lab Work
  – Health Risk Assessment
  – Preventative Exam by Primary Care

• 93% Complete Age-Based Screenings:
  – Mammograms
  – Colonoscopies
  – Pap/Pelvic
BMI Comparison 2011 - 2014

Underweight
- Initial BMI
- Weigh Out 2012

Healthy Weight
- 27%
- 34%
- 34%

Overweight
- 31%
- 33%
- 32%

Obese
- 38%
- 34%
- 31%

Comparison for the years 2011 to 2014.
Diabetes Mission Control

• 311 members with Diabetes enrolled in program
• Incentive to engage in behaviors to reduce HbA1C
• 51% earned incentive
  – 92% of those earned full incentive by maintaining HbA1c level that was in good control or significantly reducing HbA1c
Our ROI

- Negative Trend with no cost shifting to employee
- 98% of Exit Interviews give highest marks for Benefit and Wellness program
- Reductions in biometrics and labs
- High usage of Primary Care
- 85% Generic prescription usage
- Employee Feedback
2009

Health Insurance PREMIUMS $53%
resulted IN 141% LOSS RATIO

THE PROBLEM

Employees = 3,800

Initial HRA Assessment
30% were identified as High Health Risk

THE SOLUTION

2 Onsite Health Centers

healthstat, inspiring healthy change

EMPLOYEES SAVED $184,000 through no co-pays at health clinics

Patients w/Hypercholesterolemia
their heart and cardiovascular complications by 16%

BMI (Body Mass Index)
by 7.7%

For every $1 invested = a return of $1.80 in Health Plan Savings

COUNTY OF SANTA BARBARA, CALIFORNIA

healthstat, inspiring healthy change
The County of Santa Barbara experienced a 1.84:1 ROI

- Employees saved over $184,000 in co-pays
- Lowered cholesterol by 16%
- Lowered blood pressure by 7.7%
- Reduced BMI by 29%

The County of Santa Barbara’s Board of Commissioners was so pleased with the results of its onsite health centers, they are expanding coverage to include all county health plan dependents over the age of 16.
THE GOAL... MORE THAN 1:1

GIVE YOUR COMPANY THE HEALTHY ADVANTAGE

Company A: Without Wellness Program
Company B: With a Wellness Program

MORE THAN COST OF WELLNESS PROGRAM
BEST PRACTICES

Pillars to success:

- Multi-level leadership
- Alignment/ Holistic
- Scope, relevant, and quality
- Accessibility
- Partnerships
- Communication
BEST PRACTICES

• Multi-level leadership
  ▪ Wellness/ benefits committee
  ▪ Leadership “walks the walk”

• Alignment
  ▪ “Win/Win”
    o Compensation example
  ▪ Incentives- Carrot vs. stick
  ▪ Plan design
    o Choices, but high performing---CADIALLAC TAX = TOTAL COST
    o Claim stratification--- 80% of employees are over-insured
BEST PRACTICES

• **Scope, relevant, quality**
  o What’s the goal? WIFM?
  o Privacy

• **Accessibility**
  o Something for ALL
  o Include the spouses (typically 50% of costs; key influencers)
BEST PRACTICES

• **Partnerships**
  - Experience in your space
  - Access to data
  - Carrier partners “buy in”
  - Privacy/ Security

• **Communications**
  - Early, often, and can never be too much
  - Different mediums
  - Use emotions
  - Grass root marketing works
Thank You For Your Time!
You may ask a question using the questions box on the right side of the webinar window.
Excise Tax on High-Cost Employer-Sponsored Health Coverage: What Counties Need to Know

NACo’s publication on the excise tax is available at: www.naco.org/healthexcisetaxpub
Continue the Conversation at the NACo Annual Conference, July 10-13, 2015

Don’t Miss the Educational Sessions Covering Employee Wellness, Mental Health, Human Services and Building a Culture of Health

Visit www.naco.org for more information