

CITY OF GULFPORT
HEALTH INSURANCE PLAN
Proposed Changes 2014
Approved by Council 9/2/13



Presented by: Health Insurance Committee

HEALTH INSURANCE PLAN

Proposed Changes 2014



Health Insurance Committee Members:

Billy Bragg, Fire Department

David D'Aquila, Leisure Services

Mark Burns, Police Department

Ginnie Hem, General Administration

Cheryl Millender, General Administration (Chair)

Lynn Hill, Gen. Adm. (Benefits Administrator)

Sherri Baker (Consultant)



Wellness Initiative Helping Employees Get Healthy Recommendation #3



The biggest portion of our health care dollars are being spent on employees who have preventable and/or reversible disease; if they adhere to a diet and exercise program.

Our State ranks number 3 in obesity in the country. Overweight and obese individuals are at increased risk for many diseases and health conditions; such as: hypertension, osteoarthritis, Type 2 diabetes, coronary heart disease, stroke, gallbladder disease, sleep apnea, respiratory problems and certain types of cancer.

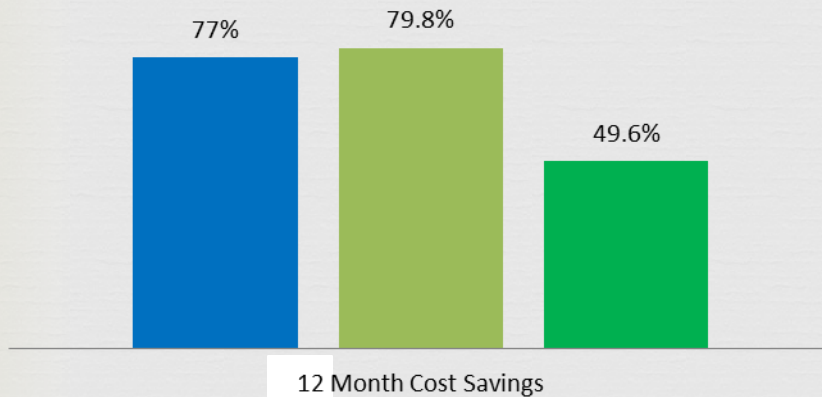
Chronic disease such as heart disease, stroke, cancer and diabetes, are among the most prevalent, costly and preventable of all health problems. Leading a healthy lifestyle (avoiding tobacco use, being physically active, and eating well) greatly reduces a person's risk for developing chronic disease.

According to the Wellness Council of America, every dollar spent on wellness saves an average of \$3 in reduced claims, premiums and other cost.

Savings from Diabetes Program for COG

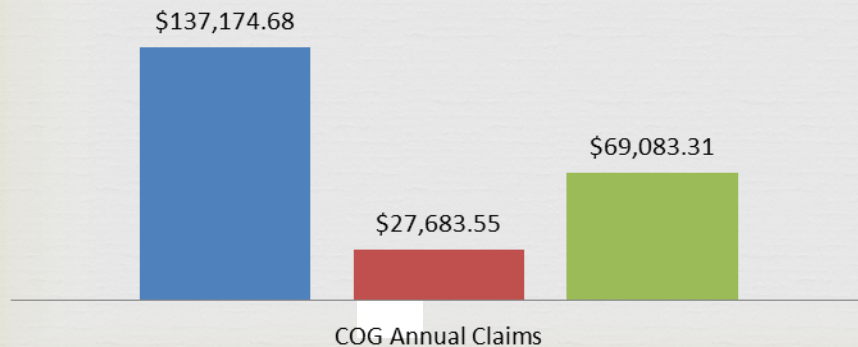
Diabetes Program 12 Mo Cost Savings

■ % w decreased PMPM cost ■ % gross savings/mo ■ % net savings/mo



Claims Reductions for COG

■ Pre-DCG Annual Claims
■ Post-DCG Annual Claims
■ Post-DCG Annual Claims + Program Cost



- These costs represent total health claims costs reported by SAS.
- n = 23, average enrollment period = 11.9 months
- Gross savings reflect absolute claims reductions; net savings reflect savings after including program cost.
- These cost reductions reflect absolute health plan claims, but do not include drugs and supplies.

Results:

- 77% of program patients are experiencing lower monthly claims.
- 79.8% reduction in absolute healthcare claims costs.
- 49.6% reduction in total healthcare claims costs after including program costs.
- **The diabetes program saved COG \$109,491.13 in gross claims in the first year.** (4,760.48/pt)
- **After deducting program costs, COG saved net \$68,091.37 in the first year.** (\$2,960.49/pt)
- These improvements represent reductions in utilization of acute services and optimization of care, including drug utilization. They do not yet reflect the larger, long term savings from avoided complications.
- These savings were in addition to Med Analysis savings. (>90% pts were already under their care)

Wellness Initiative

Recommendation # 3

In 2011 we started a wellness initiative in order to assist our employees in becoming healthier. The incentives were structured as follows:

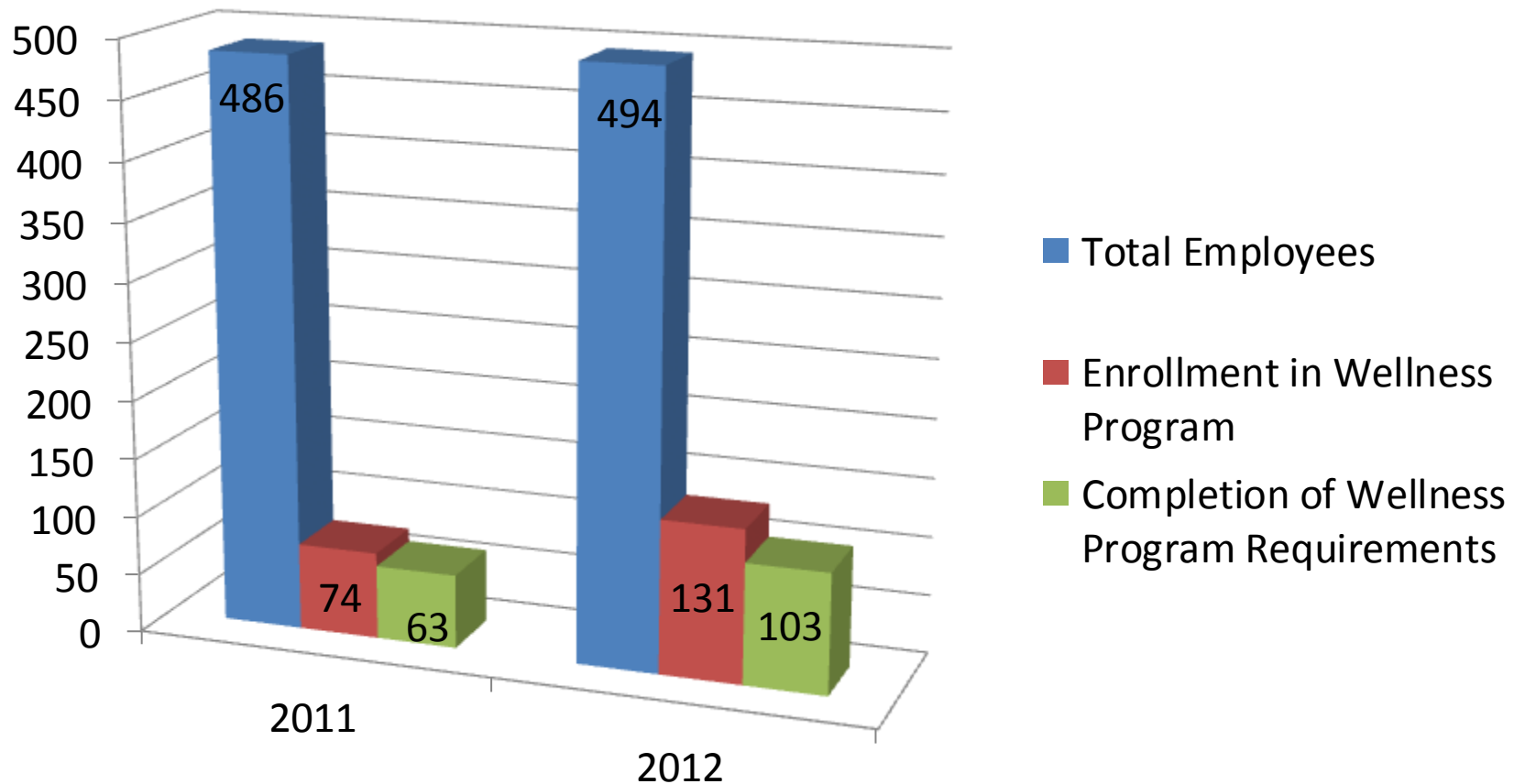
2011	Required	Elective (Select four)
	Annual Wellness Check Up and/or Health Risk Assessment (conducted at wellness clinic) Tobacco Free	<ul style="list-style-type: none"> • Attend wellness classes offered by the city in the areas of : Healthy Living, Chronic Disease Management, Nutrition • Participate in fitness program • Participate in certified weight loss program • Receive flu shot
2012	Initial Wellness Visit	Follow-Up Wellness Visit
	Wellness Clinic and/or personal physician consultation to establish baseline and personal goals	Must achieve at least 50% of goal in order to receive financial incentives.

The 2013 Wellness Program had a delayed start date due to an employee premium holiday from January-March 2013. Program goals, are the same as 2012. To date we have 131 employees enrolled (same as last year). The completion date for goal attainment is **August 31, 2013**.

If wellness goals are met by 50%, participating employees will receive a premium discount in the amount of \$25.00 per month, starting in September 2013.

Helping Employees Get Healthy

Wellness Program Statistics



Wellness Initiative Recommendation # 3



Current information on wellness participants to date shows that our participants are employees who are either already healthy, or employees that are highly motivated to become healthier.

In an effort to incentivize participation in the wellness program and to offset the recommended plan design changes, it is the recommendation of the health insurance committee to increase the premium discount from **\$12.50** per pay period to **\$25.00** per pay period for **2014 wellness participants** who meet the wellness requirements; for those employees who choose Option I (High Option).

For single employees choosing Option II (Low Option), their premiums would be free if they participate and meet the wellness program requirements. All other participants would receive the **\$25.00** per pay period premium discount, or **\$50.00** per month.



Wellness Initiative Recommendation # 3



Thus far, the wellness program components have been managed by the Nurse Practitioner in the wellness clinic, Human Resources and our health insurance broker, with program requirements developed and implemented by (with input from the Wellness Committee) the human resources division, the health insurance broker and the wellness clinic.

First of all, statistics support that personalized programs increase participation in established plans. In order to add personalization and structure to our wellness initiative, the Committee has recommended Five Points Benefits which offers, among other things an interactive wellness portal which is combined with an upgraded enrollment system that includes:

- ❖ **Propriety technology** -which help employees identify the health plan that will work best for them among the options that the city provides.
- ❖ **Next Generation Technology**- Incorporates avatars to present information in easy to understand language for employee.
- ❖ **Personal Health Risk Assessments**- Annual health risk reports, and an individual tracking program to validate participation with secure data feed to the City's Wellness Clinic.
- ❖ **Wellness Activity Tracking Modules** -To support compliance with the health-contingent program as defined by the Patient Protection & Affordable Care Act (PPACA). Program is HIPPA and HITECH (Health information technology Act) compliant. FivePoints collects and aggregates information that supports tracking the return on investment of individuals and the participating group as a whole.

Wellness Initiative

Recommendation # 3



- ❖ **eHealth and tHealth** - An alternative to costly emergency room visits. Five Points eHealth gives employees quick, easy and cost-efficient access to board-certified doctors, licensed psychologists, nurses and on-line searchable educational video library. A 24 hour tHealth nurse line provides fast, professional advice, while doctors in the telemedicine program can provide consults and prescribe medicine when appropriate.

This not only reduces claims, but encourages healthier employees through disease management and health coaching.

- ❖ **Education and Administrative Support**-Five Points online educational programs explain details, encourage wellness and promote change. Their administrative support provides benefits enrollment and ongoing maintenance, such as secure communication of plan changes, required notifications, and training modules.

For additional information on Five Point, please access website at www.fivepointsbenefits.com

The full package of services for enrollment, education, wellness and tracking is **\$3.92** per member per month. Additional discounts to the per member per month cost may be provided by approved vendors.