Treasurer’s Conference

4 Critical Strategies to Control Costs

Sept., 2018
Wellness or Health Promotion = Risk Management for Health/Medical Claims
### Annual Worker & Employer Contributions to Premiums for Family Coverage

<table>
<thead>
<tr>
<th>Year</th>
<th>Worker Contribution</th>
<th>Employer Contribution</th>
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<td>1999</td>
<td>$1,543</td>
<td>$5,791</td>
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<td>2014</td>
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<td>2015</td>
<td>$4,955</td>
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</table>
The Gathering Storm…

Slide Courtesy of Todd Whitthorne, ACAP Health
78.4% of county employees are overweight.
Perfect Storm…

Metabolic Syndrome increases the risk of:

- Diabetes 7 times
- Heart disease 3 times
- Stroke 2 times
- Medical spend 4 times
- Lost work days 2 times

Slide Courtesy of Todd Whitthorne, ACAP Health
Diabetes Escalator

Do NOTHING!

1st Floor
Healthy Dept. 50.7%

2nd Floor
Diabetes Dept. 12.3%

1st Floor
Diabetes Continuum

37%

Do NOT GIVE UP!

30-40%

10%

50-60%

Adult Population

Slide Courtesy of Todd Whitthorne, ACAP Health

Diabetes Continuum

Texas Association of Counties Health and Employee Benefits Pool
Is There Hope?
“When the diet is wrong, medicine is of no use; when the diet is correct, medicine is of no need.”

- A fundamental Ayurvedic Medicine philosophy
Change the Narrative…

From…

*Doctor is responsible for my health*

To…

*My choices have a huge impact on my Health!*
Lowering Usage - Percent of Chronic Diseases Caused by Lifestyle

Source: Robert Wood Johnson Foundation
Fitness and Heart Related Deaths

Deaths per 1000

- Low: Male 24.6, Female 8.1
- Moderate: Male 7.8, Female 3.4
- High: Male 3.1, Female 1.0

JAMA 262(17):2398-2402, 1989
REDUCTION IN THE INCIDENCE OF TYPE 2 DIABETES WITH LIFESTYLE INTERVENTION OR METFORMIN

(DIABETES PREVENTION PROGRAM RESEARCH GROUP)

58% reduction in Lifestyle Group (P<0.001 for each comparison)

N Engl J Med 2002; 346:393-403
So What Now?
4 Critical Strategies to Control Costs

1) Value Based Plan Design with Lower-Cost Medical Alternatives

2) Programs to Address Metabolic Syndrome that leads to Diabetes, Heart Disease and many Cancers

3) Address high risk, high cost conditions

4) Drive Engagement with Incentives and Culture Change
1) Value Based Plan Designs
Value Based Plan Design Examples

• Higher ER co-pays to discourage non-emergent use
• Low-cost access to lower cost care like telemedicine
• Low cost access to highly effective and lower cost alternative care like Airrosti
• Significantly higher Rx Co-pays for brand name drugs
Telemedicine - MDLive

BlueCross BlueShield of Texas

https://www.youtube.com/watch?v=qlo0z8-LLoM&feature=youtu.be

$10 Co-pay, $48 claim cost

General Health:
- Allergies
- Asthma
- Nausea
- Sinus Infections

Pediatric Care:
- Cold/Flu
- Ear Problems
- Pinkeye

Behavioral Health:
- Anxiety/Depression
- Child behavior/learning issues
- Relationship Problems
• Musculoskeletal trades places with Cancer for top claims category costs $20-$25M
• Airrosti = higher success rate with significantly lower cost
• Employee cost = PCP Co-pay
• Plan cost = $213/visit
MEASURING PATIENT OUTCOMES

- **504,468** Patient Cases
- **3.2** Average Number of Visits
- **10,536** Physician Recommended Surgeries Avoided
- **88.6%** Report Full Recovery

99.6% of patients would recommend Airrosti to friends and family.

38% of all cases found Airrosti after seeking unsuccessful care first, including:
- Received Imaging: 63%
- Referred To A Specialist: 54%
- Received Prior PT or Chiro Care: 56%

Source: Airrosti Reported Outcomes, as of August 8, 2017
2) Proactively Address Metabolic Syndrome and Associated Health Problems
WHEN and HOW you eat can help you lose as much weight as WHAT you eat!
Naturally Slim Results in TX Counties

Spring Session 2018
• Over 1,000 County Employees
• Avg. 8.9 lbs lost
• 38% of participants lowered risk of diabetes
Healthy County Platform powered by Provant

24/7 access to a variety of tools to help you improve, maintain, or learn more about your health – at your convenience.

• Plan and track
• $30 device subsidy/voucher every 3 years
• Quarterly Fitness challenges
• Earn a $50 Amazon Gift Card
• Incentive tracking
• Wellness workshops
2018 Healthy County Challenges

10K a day
Feb. 12- Mar. 25

Spring into motion
Apr. 23- Jun. 17

Keep America active
Jul. 16- Aug. 26

Walktober
Oct. 1- Nov. 11
BCBSTX Fitness Program

- Access to any Fitness Center in the network
- $25 Enrollment Fee
- $25 Monthly Fee for all Fitness centers in network
- No Contract
3) Address High Risk, High Cost Conditions
Special condition management programs available to assist members in managing the following health conditions:

- asthma
- coronary artery disease
- high blood pressure
- diabetes
- congestive heart failure
- lower back pain
- wide range of cancers
- migraines
- depression
Savings for Well Managed Conditions

Source: Healthcare Service Corp (HCSC) claims incurred June 2007-May 2009; 500,000+ members identified with chronic condition

*Well Managed is defined as experiencing no gaps in care for their condition

- Asthma: $704
- Diabetes: $1,013
- CAD: $3,229
- COPD: $3,237
- CHF: $6,403
- 3 Conditions: $10,108
- 4 Conditions: $17,019
- 5 or More Conditions: $18,888
Members can enroll in a condition management program by calling (866) 412-8795.

Members receive a 50% reduction in co-pay for medications that treat these conditions.
Tobacco Cessation

Provides:

• Personal coaching

• Online tools and a self-directed course

**Prescription medication covered.**
**Just one co-pay of $30 for a one month supply!**
If You Build It, Will They Come?
4) Drive Engagement with Incentives, Culture Change and Communication
Key Components of Maximum Engagement

- Court Participation
- Proactive Coordinator & Committee
- County Specific Incentives
- Culture Change & Communication
Incentive Activities That Move the Needle

Wellness Incentives – Engaging employees in meaningful change that moves the needle:

- Annual Physicals – 22% lower cost (HEBP Pool 2016) or about $450/year, and saves lives
- Condition Management Coaching – Closing gaps in care saves $13.03 PEPM
- Fitness – fit men and women are 8x less likely to die of cardiac event than unfit people (independent of weight)
- Tobacco Cessation – positive changes start happening immediately, even with reduction
• 30-40 minute comprehensive health evaluation includes finger stick blood test, biometrics, and a personal health history.
  – **New for 2018**: Screening for Clinical Depression

• **Screenings are covered for employees at 100% for all groups** (no copay for non-grandfathered OR grandfathered groups).
Incentive Reward/Penalty Options

• PTO or paid vacation days
• Merchandise, gift baskets
• Cash
• Gift cards or larger gift card raffle
• Premium differential
• Surcharge
Leadership and Culture

- Full leadership support
- Leaders participate and lead by example
- Environment and Policy (tobacco policy) aligned
- Healthy Vending machines
- Flex Time to accommodate fitness
- Employees walking on breaks
- Computer kiosks set up for employees

66% of organizations with strong leadership support report improvements in employee health risks
Regular Trainings

- TAC Wellness Consultant
- TX A&M Agri-life Agent
- Local Hospital
Example - Chambers County

• 92% participation rate in “Healthy Weigh of Life;”
• County Specific Incentive - Earn up to $300 for Annual Physical, testing, various activities;
• Health and Wellness Benefits Fair – 9 years; and
• Buy in from court, committee 20 employees.
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www.county.org/healthycounty
www.county.org/healthbenefitservices