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Strengthen Employee
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Mentor Program

A photograph of two hands, one from an older person and one from a younger person, reaching towards each other in a gesture of mentorship. The hands are positioned on either side of the word 'Mentor' in the main title.



How Data Can Lower Costs and





Increase Employee Health and Wellness



Can data
analytics
deliver
health
solutions?



A case study about a Florida school district's approach to maintain health and wellness among its employees under the pressure of a rapidly growing community and a tight budget.

Pasco County is located just north of the Tampa-St. Petersburg metropolitan region and is the state's 12th most populous county. From 2000 to 2010, the county population increased 34.8 percent from 344,768 to 464,697, the U.S. Census reports. This growth was fueled by increases in housing and jobs north of the Interstate 275 and Interstate 75 intersection along the state roads 52, 54, and 56. It's estimated that the population is expected



By Dan Ross, Med-Vision, John Watson, Crowne Clinics and Katherine Macrone, Deerwalk Inc.



In the 2009-2010 year, the school board created an Insurance Committee to meet with consultants and identify programs to reduce health-care spending and increase employee health and wellness.



to increase to 479,078 and to 527,000 by 2030. As more families move into the county, increased service pressure is exerted on all government services including schools.

Twenty-five percent of Pasco residents are between the ages of 25-44 and another 26 percent between the ages of 45-64. Families make up 67 percent of the population with an average household of 2.7 persons.

The District School Board of Pasco County (DSBPC) was, and continues to be, the largest employer in the county with 9,350 employees in 2010-2011 and rising to over 9,500 by 2015. High school graduation rates have increased from the baseline of 73.4 percent set

in 2007 to 81.9 percent in 2010 to over 90 percent by 2015.

County growth and demographic trends are shifting from a rural community to a more suburban population with increased demands for housing, schools, roads, entertainment, retail and other services. With the collapse of the housing market in 2007-2008 and resulting recession, the county saw a net property tax revenue decrease over the same time period as the population was increasing.

The annual budget of \$519 million spends 94 percent on direct student services. Within this context of increasing enrollment and flat budget increases, it became imperative for the district to review all expenditures that were not directly related to student services. Faced with the double hit of decreasing tax revenue and increasing population, the DSBPC needed to find a way to reduce administrative expenses while maintaining student expenditures.

Starting in 2008, the DSBPC targeted the annual trend of 10-12 percent increase in its health care spending, a major target for cost reduction. As with all health insurance plans, every dollar spent on claims was a dollar less to spend on other administrative areas such as facilities, staffing, technology and pay.

Team-Based Approach

In the 2009-2010 year, the school board created an Insurance Committee to meet with consultants and identify programs to reduce health-care spending and increase employee health and wellness. The group consisted of Med-Vision LLC, Care-Here Crowne, LLC, the school district superintendent, and the school district

The Future of Health Care and the Importance of Whole Health

What is missing in medicine today is a holistic approach authored by consultants, employers and led by physician-directed health centers. In this model, doctors are salaried and only worry about their patient's health, outcomes and future good health.

"There are more than 9,000 billing codes for individual procedures and units of care. But there is not a single billing code for patient adherence or improvement, or for helping patients stay well."

— Clayton M. Christensen, *"The Innovator's Prescription: A Disruptive Solution for Health Care."*

Without broker involvement where commissions and fees may, and in most cases have, become a primary driver of recommendations for programs, the partnership between the employer, health and wellness centers, and consultants can and will lower spend, improve health, and save employees and employer's money. Data analytics are now available to pinpoint inefficiencies and excess waste in health-care costs, and opportunities abound for both cost savings to employers and employees as well as future good health and quality of life.



Insurance Committee. Med-Vision is the data analytics company that compiles and then analyzes an organization's health and pharmacy claims data in order to identify areas and activities where excess spending can be reduced. CareHere Crowne was formed as partnership between The Crowne Group and CareHere LLC and it administered the employee health and wellness centers for the district. The following areas were identified where excess spending could be addressed through a program of wellness, big data and physician-directed health centers:

- 1 | Moving pharmaceutical drug spending from higher-cost brand names to lower-cost generics
- 2 | Engaging members with chronic conditions such as high blood pressure, high cholesterol and diabetes in active management of those conditions
- 3 | Identifying the mix of claim dollars between preventive and reactive payments for existing disease and Claims data are taken direct into the Med-Vision system and analyzed in an easy to read and understand reporting format. The platform utilizes the Deerwalk Plan Analytics platform, which uses the practice of Big Data analysis where information is stored in data "lakes" and can be searched and reported on in real time, much like Internet search engine's return information. In addition, data from over 18 million lives is benchmarked against the data from the organization based upon the organization demographics in order to compare organization results against statistically validated norms.

The team was able to identify key action items to reduce spend and increase member engagement in wellness. Team members then used those parameters to develop a program driven by employer-sponsored on-site health centers and real-time data analysis feedback on the results:

- 1 | Implement on-site physician directed health and wellness centers for employee and their dependents (members) medical and pharmacy use.

- 2 | In exchange for no co-pays for medical and lower to no cost for many pharmaceuticals, member blood work and biometric data feed into the clinical systems so that data analytics are able to identify high-cost expense and high-risk population.
- 3 | By identifying these employees who were either currently high cost or at risk of becoming high cost, steps are taken to reduce risk by driving these employees to manage their conditions through on-site physician and health teams coach.
- 4 | Move pharmacy benefit management (PBM) from a traditional PBM model to a transparent PBM that operates on a pass-through pricing model.

Awards/Accolades

During 2014, Healthiest Employers, the leader in employee health analytics best practices and benchmark data, inducted the District School Board of Pasco County into the 2014 Healthiest 100 Workplaces in America. The district school board was also designated by the American Heart Association as the Platinum Fit Friendly Workplace.

In 2013 the *Tampa Bay Business Journal* named the District School Board of Pasco County as the healthiest employer in the 1500+ employee category and second place overall winner out of 27 finalists from the Tampa Bay area.

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HEALTH



Physician Directed Health and Wellness Centers

The health and wellness center model offers medical visits with \$0 co-pay and prescriptions that are often \$0 or much lower cost than through the member health plan. By running all claims from the health plan and the employee health and wellness centers through its data model, Med-Vision is able to analyze the components of savings and health from the health center versus the health plan participation in order to document savings and target additional areas for savings.

As a physician-directed program, every health center is staffed by a board-certified medical doctor who is a salaried employee of the company. Each health center medical staffer is able to spend 20–30 minutes with the member, unlike most practices where time is often limited to 5 or 10 minutes. In addition, there is a pharmacy doctor on staff to review and monitor all prescriptions.

Since the health center inception in 2011, employee participation has grown to where currently 96 percent of eligible employees use some type of health and wellness center service. Total appointment utilization increased

132 percent per member per year since inception. Growth has been robust that over the past four years a total of five health centers have been opened as of May 2015.

In 2014, 46,000 appointments were made for medical treatment with 60-70 percent of these treating a chronic condition and 30-40 percent acute care. Ten thousand visits were wellness based. Participation is trending at 5,000 visits a month for both wellness and medical visits.

Employee and Member Wellness Program

The centers provide a critical link to support the organization's health and wellness initiatives. After the initial launch and strategic plan design, teams were assigned to specific goals and held accountable to implement tactics, monitor results, assess and evaluate programs and provide feedback for program success using data-driven analysis. Four strategic initiatives were targeted:

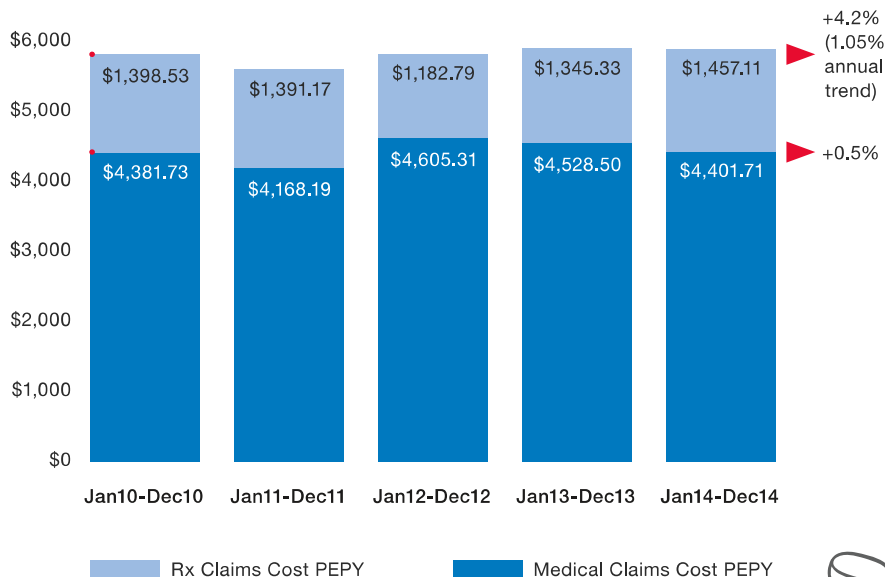
- 1 | Communications — engage all members
- 2 | Wellness — physical, emotional, financial, social, spiritual
- 3 | Weight Loss — care health team
- 4 | Diabetes Management — medication compliance, close care gaps, reversal of disease

The wellness committee consists of associates from all parts of the organization — human resources, board members, union members, teachers, EAP specialists, school nurses, health center employees and other administrative employees. All members of the health plan are part of the wellness program, not just employees, thus engaging all stakeholders in wellness programs.

Cost Savings Medical, Pharmaceutical, and Workers Compensation

Since inception in 2011, medical and prescription plan cost exclusive of the health center expense has trended upward only 0.5 percent over the four-year time frame (essentially a

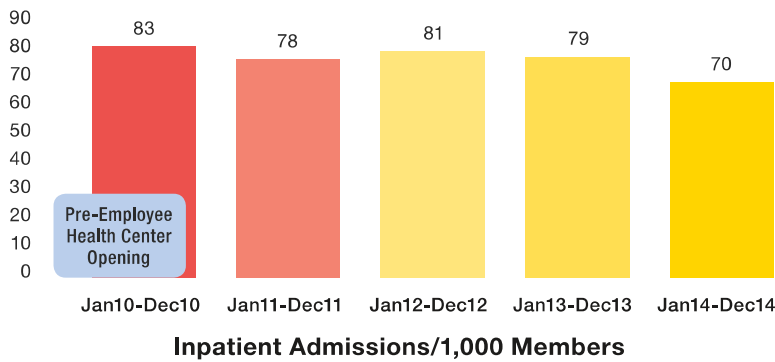
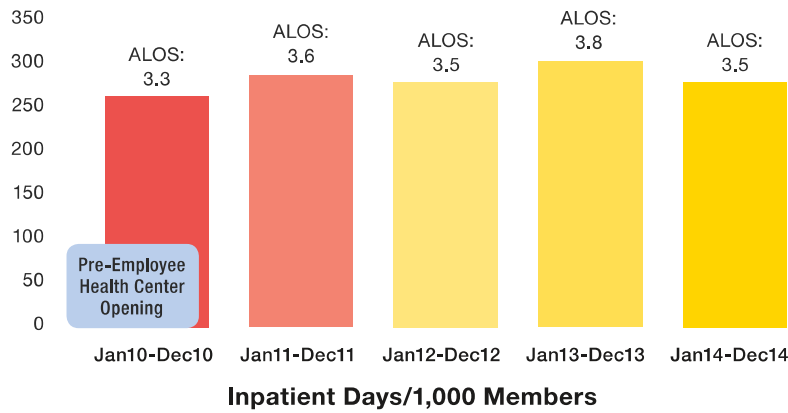
Figure 1 | Medical and Prescription Plan Costs



*Includes run-out medical claims

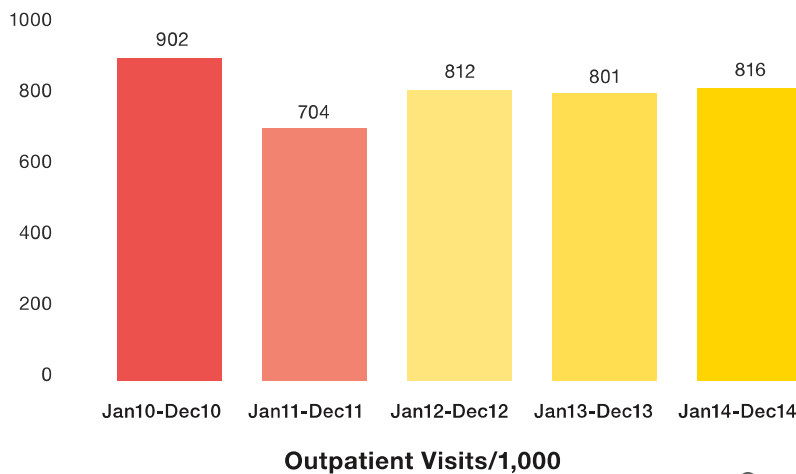


Figure 2 | Health Plan Utilization: Inpatient Facility



*Includes run-out medical claims

Figure 3 | Health Plan Utilization: Outpatient Facility



The number of outpatient visits has decreased 10 percent since inception.



0 percent trend). Contrast this with average 4 percent to 12 percent year-over-year trend and annual cost increase over same timeframe for benchmark organizations.

Facility Utilization Trend

Inpatient facility utilization decreased 15 percent since inception from 83 per 1,000 members to 70 per 1,000 members over a four-year period. Outpatient facility visits decreased 10 percent since inception from 902 per 1,000 members to 816 per 1,000 members in the same time frame. In addition, medical claims per member per year decreased 10 percent over the four-year period. Total number of claims processed by the health plan dropped 16 percent in the same timeframe.

Prescription Trend

Prescription drug utilization through the health plan has decreased 17 percent since inception of the health center pharmaceutical program. As the employee health and wellness center dispenses its drugs at a much lower cost than the health plan, this drives savings for both the employee and the employer.

Workers' Compensation Trend

The centers also manage all first reports of injury workers' compensation claims since after the first year opening. Expense from workers



compensation and occupational claims have dropped 60 percent over the reporting frame.

District and Employee Savings Three-Year Results

Over the reporting period, the value of the shifted utilization for the district totals \$24 million. Once the employee health and wellness center operating costs are included, savings are \$9.2 million over the timeframe.

Employee Savings Year Results

Over the past four years, members have saved a total of \$4.2 million in medical and prescription co-pays alone

by using the employee health and wellness centers instead of the health plan.

The district is a large group with over 9,000 members and the baseline data set included three years of claims information, which translates to over 340,000 member months. These data sets are large enough so results are considered statistically significant (within 2-3 percent of margin of error).

Future Trends

Medical claims costs are being driven primarily by high-cost claimants in areas like cancer and multiple sclerosis, along with a few cases of trauma or premature birth. Pharmacy claims costs are most recently being driven by specialty medications to treat conditions like Hepatitis C, multiple sclerosis and cancer. Also lower-cost/lower-risk members are being moved out of the plan and using the company plan as a single coverage. Or, they are using programs under the Patient Protection and Affordable Care Act or Medicare or Medicaid programs. Concerns regarding adverse selection arise if only the sickest members are remaining in the plan. **WS**

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Figure 4 Prescription Utilization: EH&WC and Health Plan (Per Member Per Year)

Utilization through the Plan has decreased 17% since inception

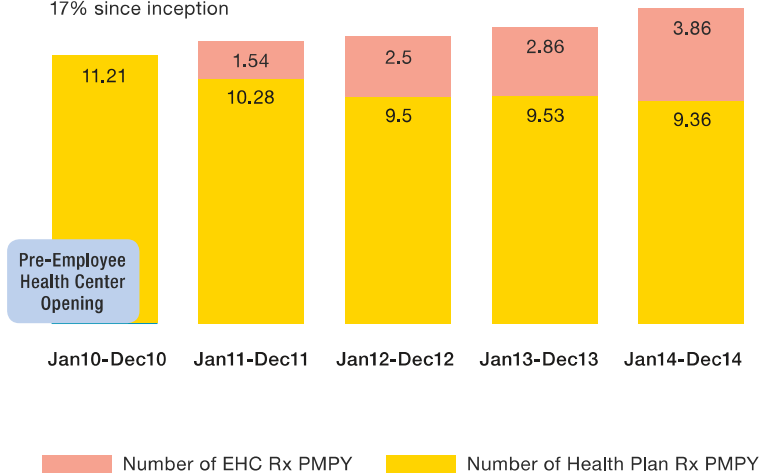


Figure 5 District Savings (Analysis by Health Plan Utilization Change)

	Market Cost of Medical Claims Avoided	Market Cost of Rx Claims Avoided	Total Market Value for Shifted Utilization	EH&WC Operational Costs <small>*excludes facility related charges</small>	Net Savings
2011	\$6,914,248	\$1,171,000 <small>(\$75.69 x 15,471)</small>	\$8,085,248	\$3,856,189	
2012	\$4,579,215	\$901,239 <small>(\$37.63 x 23,950)</small>	\$5,480,454	\$5,258,482	
2013	\$9,343,680	\$1,062,987 <small>(\$38.15 x 27,942)</small>	\$10,409,667	\$5,612,988	
Total	\$20,837,143	\$3,138,226	\$23,975,369	\$14,727,659	\$9,247,710

Despite High Cost Claimants in 2012, ROI = \$1.63 : \$1

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