

July 3, 2013

Alderman Michael Murphy, Chairman
City of Milwaukee Common Council Finance and Personnel Committee
200 East Wells Street, Room 205
Milwaukee, WI 53202

**File No: 130115 authorizing Department of Employee Relations
to initiate an outcome based wellness program in 2013**

Dear Alderman Murphy and Finance Committee Members:

The City of Milwaukee has provided a participatory wellness program, "Wellness Your Choice Milwaukee," in cooperation with our partner Workforce Health, to all City employees and their spouses since late 2010. Participation has averaged about 85% of eligible members. The current program requires employees to have lab work done, complete an on-line questionnaire and meet with a health coach in order to avoid a health assessment fee. The current program will continue based on Common Council action #121029 which extended the program and the contract with Workforce Health through December 31, 2014.

DER, working with the City Wellness and Prevention Labor Management Committee (WPLMC), the Budget Office, Workforce Health and Willis, the City's health consultant, has determined it would be in the best interest of the City to develop a voluntary "outcome based wellness program" to compliment the current participatory program. At their July 1, 2013 meeting the WPLMC adopted the outline of an outcome based program that would reward members (employees and spouses) who reach 100 points based on a combination of optimal lab values, improved lab values, and activity related to improvement in their lab values. A four page summary of the plan is attached.

Members reaching the 100 points would be rewarded with a \$150 contribution to a Health Reserve Account established by the City for employees for their engagement and successful outcomes. The HRA account is a taxed advantage program to put employer funds into an employee health account that can be used any time in the future by the employee for out of pocket medical expenses or health care premiums. Unlike the current FSA account, there is no deadline for the employee to use the funds and the employee can take the funds with them if they leave the City. The employee cannot contribute to this plan.

Members would have until March 29, 2014 to complete the process of reaching the 100 points. DER and the Budget Office anticipate carryover funds from 2013 will be available in 2014 to

fund this program and make the contributions to employee HRA accounts. DER and the Budget Office anticipate up to 6000 participating with a cost up to \$900,000.

Other employers have found value in outcome based programs that help employees get further engaged in healthy behaviors and improvements in their lab values.

Workforce Health would administer the program for the City under their current contract.

Please contact me if you have any additional comments or questions regarding this file.

Sincerely,

Michael Brady,
Employee Benefits

CC: Maria Monteagudo, DER
Debra Ford, Labor
Renee Joos, DER
Ellen Tangen, City Attorney's Office
Mary Turk, LRB
Dennis Yaccarino, Budget Office