



# City of Milwaukee



## Medical Benefits – The City’s Wellness Effort What Has Been Accomplished to Date What to Expect in the Future

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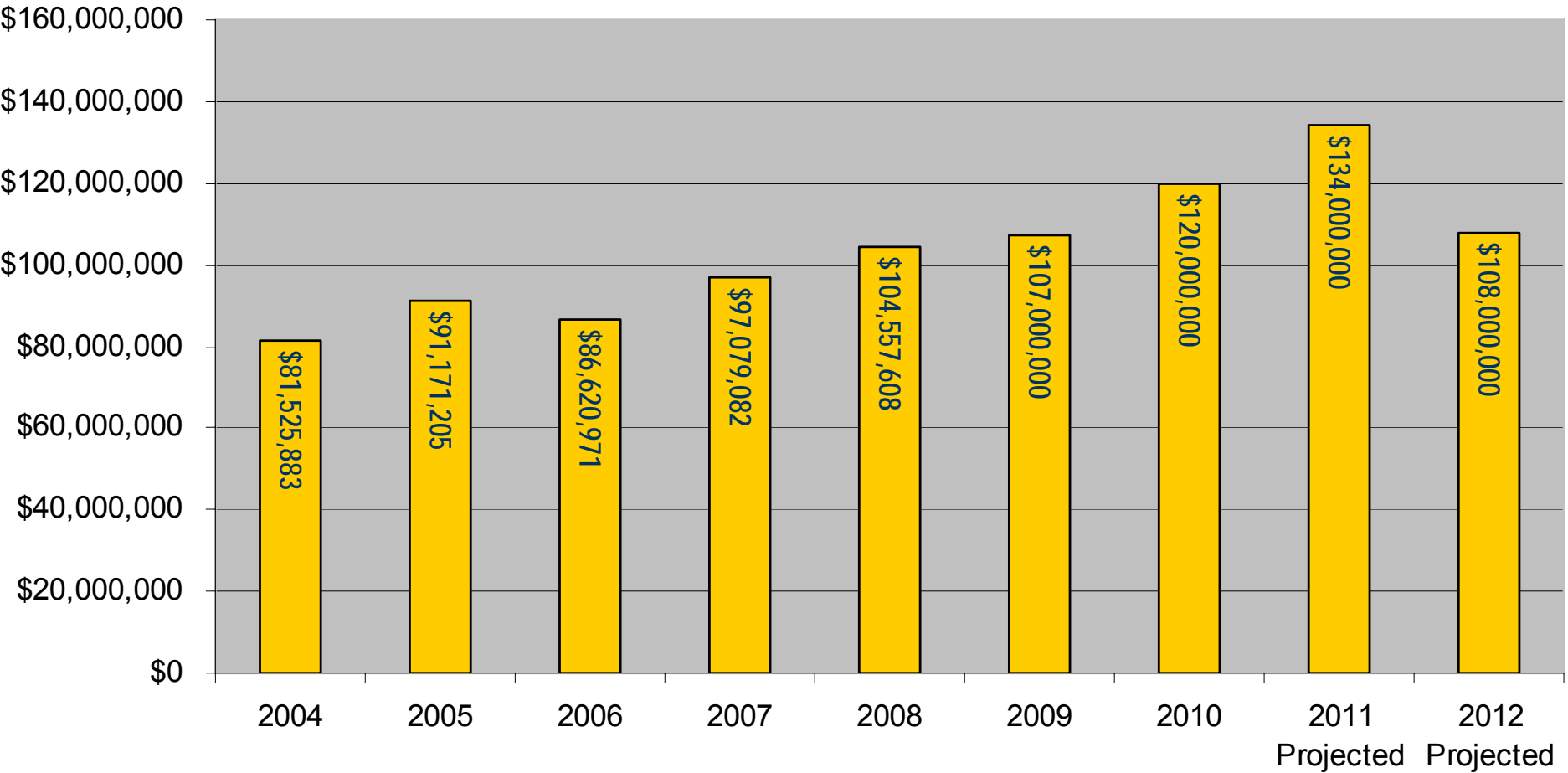
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## ***Objectives of This Presentation***

- Revisit City's health plan costs past and future
- Review the history behind the City's wellness effort
- Summarize the “wellness” results achieved to date
- Outline what to expect in the future

## City's Net Health Plan Cost



## *History of Medical Plan Costs*

- Historical annual cost increases for City's medical plan were in the range of 7% to 9%
- Paid claims for calendar 2011 are projected to be \$134 million which includes the cost of the wellness program
- Paid medical claims for calendar 2012 projected to decrease to \$108 million
- The reduction is a one time change related to plan design changes and will not significantly "bend" trend long term
- Starting in January 2012, the City self insures both the Basic Health Plan and the HMO options – any efforts to bend trend now accrue immediately to the City

**There are many tactics to address rising costs and foster employee engagement, all of which fall into one of the following seven areas:**

1. Make sure that service providers cost structures are reasonable and that the service provided is focused on measurable outcomes not process alone
2. Increase employees share of the cost when they receive medical care (currently most care results in no cost to the employee)
3. Limit the size of population that is covered
4. Increase what people pay each paycheck
5. Look at where care is provided, appropriateness of care and outcomes
6. Make sure people use the plans wisely
7. Reduce or manage health risks in the population

The first four are more direct and have been deployed by the City on a regular basis. The last three have not, are more challenging but will have a bigger long term impact

The first 4 on the prior slide can be implemented unilaterally by the City for most employees and affect cost irrespective of engagement by people. However, they only affect trend in the next year. The last 3 require ongoing measurement and incentives that people engage and take an active role in engaging and changing . They will also bend trend long term

Engagement and change measures include:

For people, participation in screening, biometric data and utilization of discretionary services such as office visits, lab work, scans, elective procedures and generic drug use

For the City, people measures aggregated at the plan level and the City's trend compared to national trends.

## Health care cost is determined by multiple factors

Price per unit x Volume<sub>1</sub> x Volume<sub>2</sub> x Volume<sub>3</sub> x Volume<sub>4</sub> X Volume<sub>5</sub> adjusted for Outcome = Cost

Volume 1 = Determined by physician practice and billing patterns

Volume 2 = Determined by patient preferences and expectations

Volume 3 = Determined by patient health status and lifestyle

Volume 4 = Determined by payer

Volume 5 = Does the patient understand and comply with proposed treatment

Outcome = the benefit of the treatment or encounter to the patient

**The City's wellness program is targeted to help address Volumes 2,3 and 5**

## *The City Wellness Program Objectives and Results*

- The investment in screening and advocacy is designed to heighten awareness of people's health and provide support in accessing treatment for chronic health conditions
- The initial wellness program was a huge success when compared to other area employers - over 90% of employees and spouses participated in at one portion of the program!
- There is ample anecdotal evidence that people are being helped and cost is being avoided
- More defined metrics will be developed to monitor program effectiveness in 2012 and the City and "the committee" will assess additional initiatives to address chronic disease and serious health conditions in 2012



The Wellness and Prevention Committee was established to assist DER and Willis in the design of the Wellness and Prevention Program and to provide oversight of the program.

The Wellness and Prevention Committee was comprised of eight union members appointed by the unions and three management representatives appointed by the Mayor.

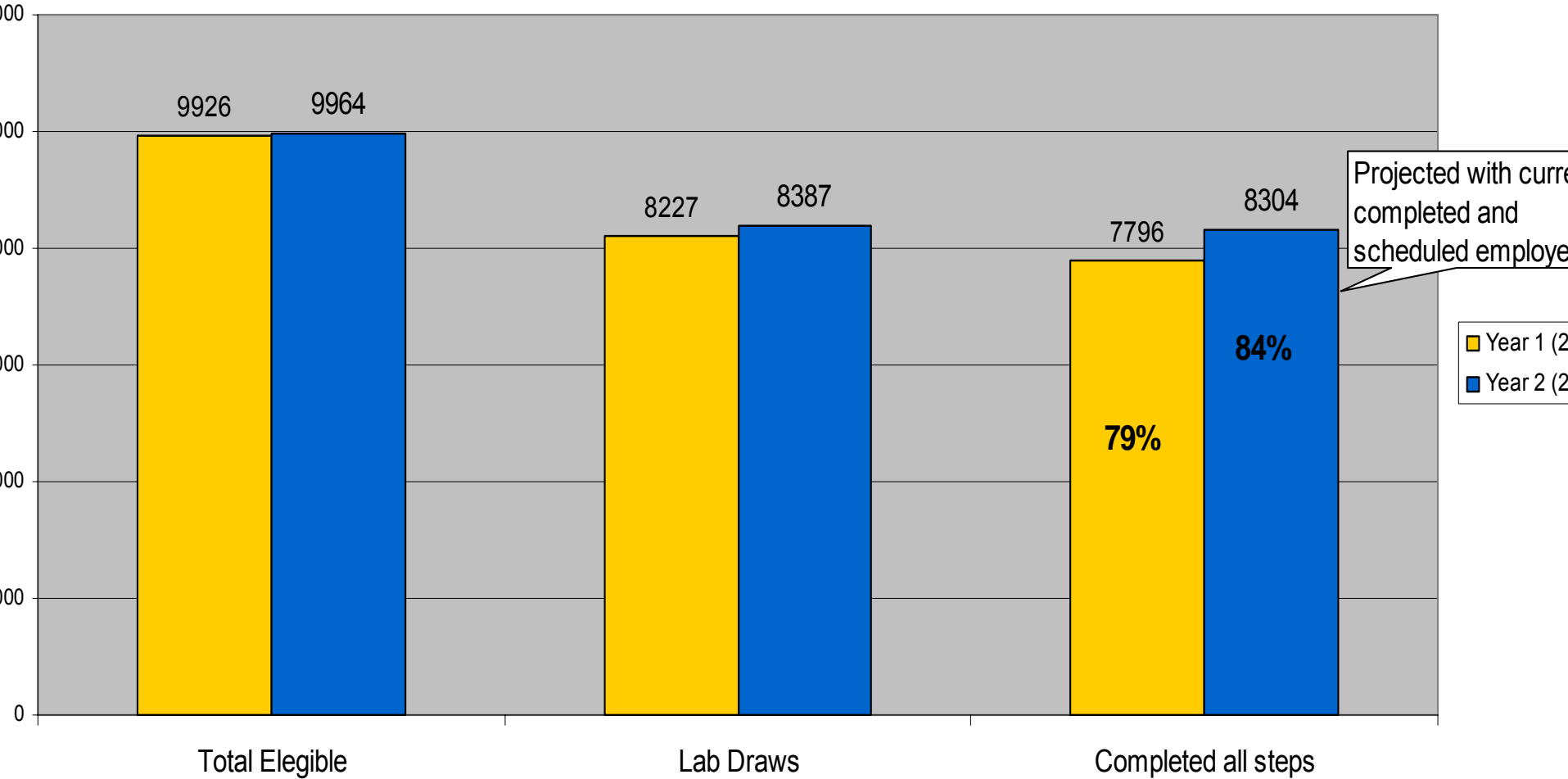
The unions selected the eight union representatives. The committee also included two MPA members determined by the MPA.

The committee will continue to provide advice and guidance in 2012

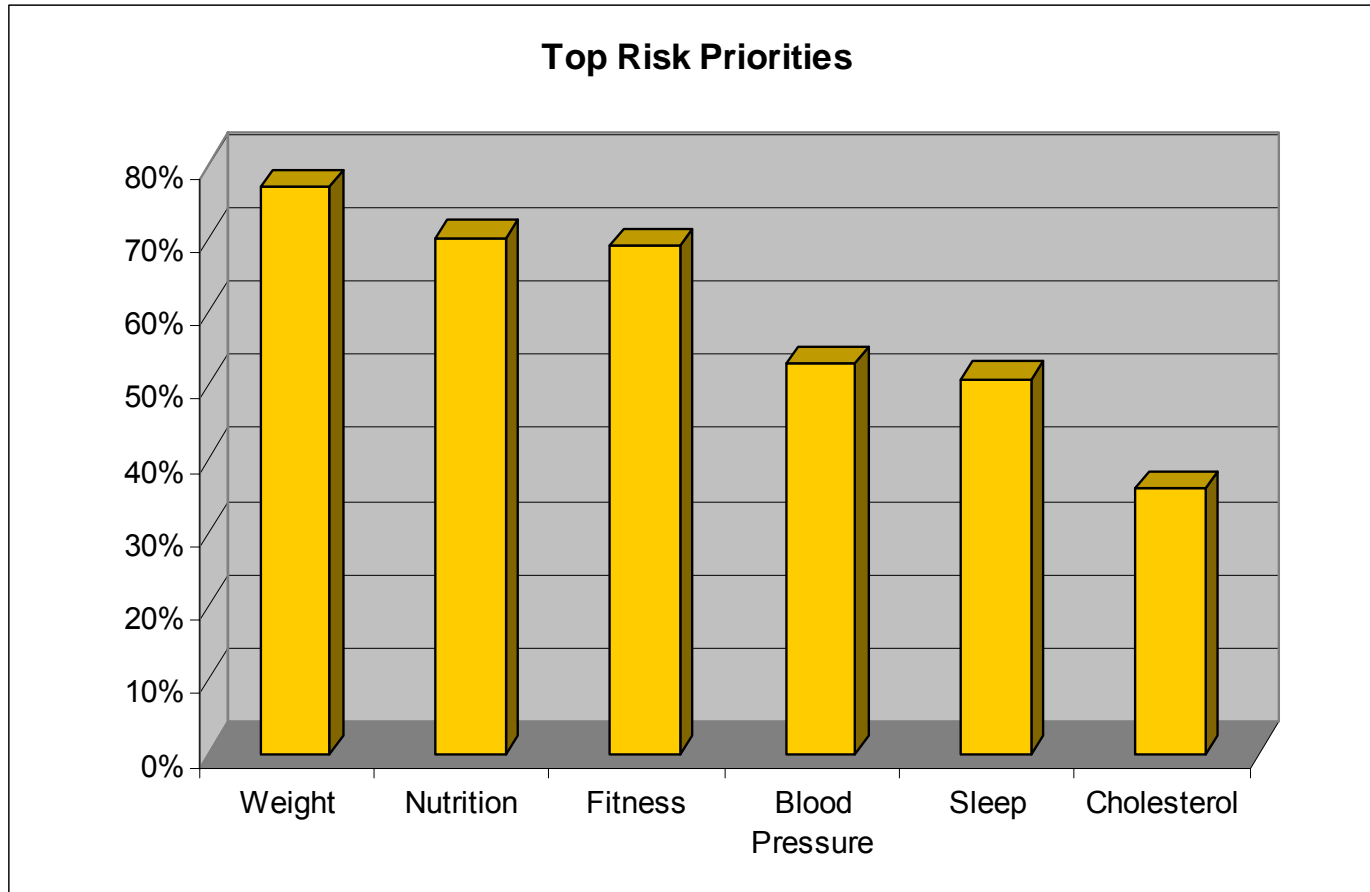
- Ill health is not something anyone wants for themselves or their family
- Addressing a history of distrust with an open process that focused on facts not hidden agendas
- Trust that if armed with information, the committee would make good choices
- Collectively identify concerns about the program and let the committee determine how to best address them

- The committee drove the RFP process
- The use of an open and objective process to score the responses to the RFP
- The committee oversaw the implementation of the program and is responsible for its ongoing management
- The committee demonstrated that the program could be successfully launched and collaboratively managed
- We need to continue to build on the success we achieved to date – good health is an ongoing journey not a destination

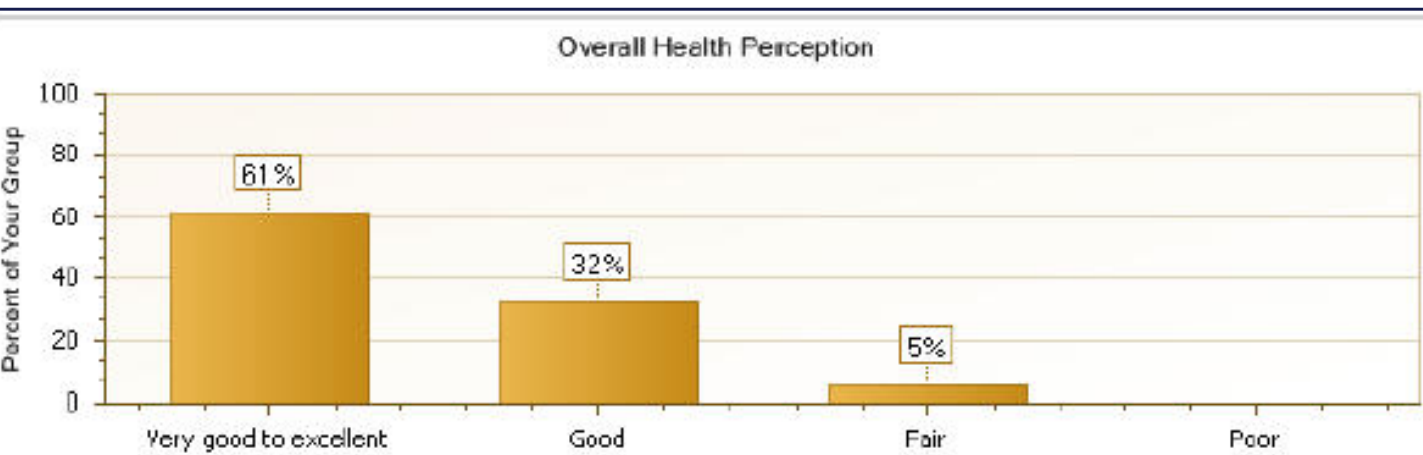
# Participation Rate



## Summary of Risk Intervention Priorities 2010 Data



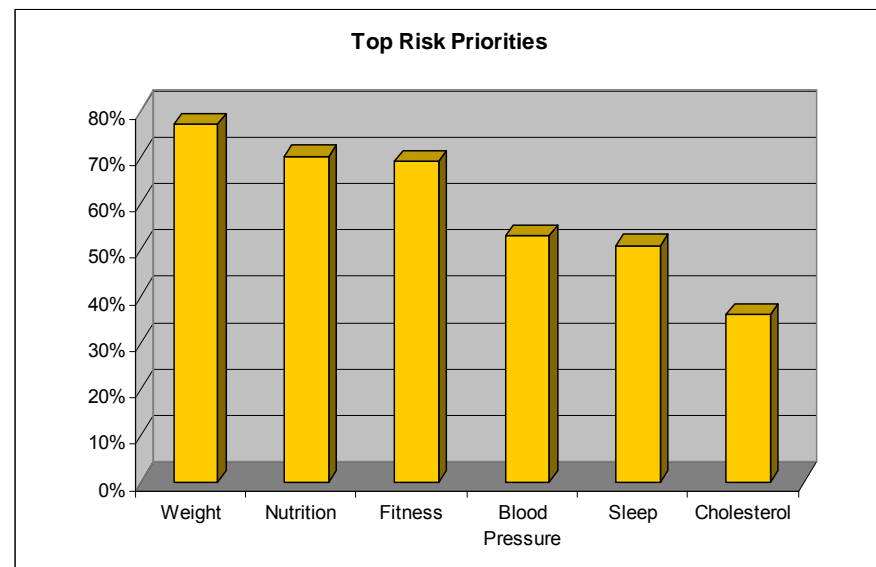
# Employee Health Perception vs. Reality



**Self reported perception**

- 67% Overweight and/or obese (32% high and very high risk)
- 53% are either hypertensive or pre-hypertensive
- 36% have elevated or high cholesterol values
- 69% of employees do meet the recommended exercise guidelines
- 10% of employees get NO regular exercise

**Actual biometric data**



- There has been 6,234 hours of health advocacy provided since the beginning of the program.
- Highest participation in the 40-49 age group
- 1,654 individuals receive Weekly Wellness tips
- 498 individuals interested in ongoing health advocacy
- 1,186 individuals identified as smokers in 2011
  - Nearly 100% of smokers will attend a tobacco education session

- 98% felt the information addressed their personal needs and concerns
- 99% rated their health advocate's knowledge to be good to excellent
- 96% rated their overall experience good to excellent
- 98% felt privacy was maintained throughout the process



- Very professional and wonderful.
- I like all the steps to access my health conditions.
- Very informative. Brought real life things to light.
- My nurse was very professional and at the same time very nice and extremely helpful. Excellent experience.
- This program was wonderful. Should have been given a long time ago.
- You have very well educated nurses and clinical exercise physiologists.
- I am sure you get lots of complaints about having to go thru the process, but we are thankful that we did and I just thought you should know that not everyone is complaining about it.

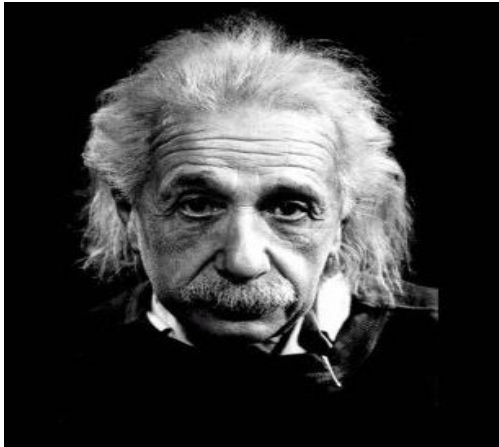
- “Since learning I was pre-diabetic, I lost 40 pounds and 4 ½ inches from my waist line, and reduced my blood pressure. My wife who is diabetic over 20 years lost 25 pounds, exercises and walks with me. Thank you!”
- “Last year when we went thru the assessment, we discovered that my husband had high blood pressure and I was borderline diabetic . So, as a result, we made some changes. My husband was put on blood pressure medication and I started to cook and eat healthier meals and I began to exercise. The results have been quite remarkable and we improved quite a bit from last year to now. The assessments were definitely life changing for us. My husband and I walk our dogs every morning – without fail – the dogs won’t let us skip.”

- One of the COM participants who I met with last year, just came up to me and told that she wanted to thank me. When we met last year she had some bad numbers overall. She was not planning on going to go see her doctor. She said that if I had had come across too pushy or mean, that she would have just ignored me. She did see her doctor and found out that she had fatty liver disease and diabetes. She said my approach and concern for her is why she decided to see her doctor. She lost 65 pounds since December and now nearly all her numbers are normal!!!! Sweet!

## Expectations for 2012:

- Advocates will continue to help people complete screenings, help those with health issues, and fill the care gap – a no cost alternative for covered members to get help
- Work to close the gap between health perception and reality
- Develop and implement programs to further help people
- Begin work on getting people to use new and existing program to help them stay well and address chronic and catastrophic disease
- Measure results and look to the future

- Good health is an asset that everyone values
- People will rally around the cause and make good decisions if given information
- Employee and labor support affects use of program and success to a significant degree



**Know where to find information and how to use it.**  
*Albert Einstein*

