

Owning Your Own Health Committee

Old Jail Conference Room

April 15, 2015

1:30 p.m.

APPROVED

Present: Mack Cook, Ken Foresti (via conference phone), Bev Chin, Ted Schiele, Emily Mallar, Jackie Kippola, Don Barber Leslie Moskowitz

Call to Order

Mr. Cook called the meeting to order at 2:05 p.m.

Approval of Minutes of March 18, 2015

It was MOVED by Ms. Chin, seconded by Mr. Schiele, and unanimously adopted by voice vote to approve the minutes of March 18, 2015 as submitted. MINUTES APPROVED.

Chair's Report

Mr. Cook reported on discussion that took place at the March 28 Board of Directors meeting and said there is strong support and appreciation of this Committee's efforts. He said they are viewing this as a long term investment and are not expecting immediate results. He continues to work to improve participation on this Committee.

Mr. Schiele referred to a comment made at the last meeting with regard to presenting costs to the Board of Directors on bio-metric screening and suggested it might be good to try to get the Board to approve two-year's worth of pricing for the bio-metric screening program in order for participants to obtain a second set of results to see progress that has been made. Mr. Cook said this is a multi-year investment; therefore, this suggestion makes sense. Mr. Barber said a recommendation has not yet been made to the Audit and Finance Committee and he will take this under advisement.

Executive Director's Report

Mr. Barber reported on June 12th a Consortium retreat will be held where the focus will be on benefit plan design. He spoke of the importance of understanding how benefit plans are designed and encouraged attendance. He reported on the Consortium's finances and said to date there is a net income of \$3.1 million. There was \$450,000 added to the Catastrophic Claims Reserve, the Stop Loss retention was increased from \$300,000 to \$400,000, and a Rate Stabilization Reserve was created in the amount \$1.6 million. He also stated with the current premium structure the rate was 5% for 2015 and is expected to be at that level in 2016. Some of the net income is being used to offset that. Unless there are big changes in reducing claims he expects the rate will increase from that point.

Mr. Barber reported both the Joint Committee on Plan Structure and Design and the Board of Directors heard a report on prescription drug utilization data for 2014 and found better utilization of generic than in the past. Although there was a 5% decrease in the number of prescriptions used for specialty drugs the cost to the Consortium grew by 10%. Those drugs are taking up 25% of the prescription costs for the Consortium.

Ms. Moskowitz asked if the reason the rates were increased by only 5% was because of the usage of reserves or whether there was a decrease in costs. Mr. Barber said it is primarily due to using reserves and a significant drop in claims costs has not occurred and there is no evidence to show the Consortium's population is getting healthier. Mr. Cook said the 5% rate is not sustainable without the efforts of this Committee being successful.

Mr. Barber reported the Town of Willet has joined the Consortium and will be saving money; it has two contracts. The Bronze Plan was introduced to the Board and he expects it will be adopted at the May meeting. The Joint Committee on Plan Structure and Design will be reviewing the Silver and Gold plans and he expects them to be available by January 1, 2016.

He received information from Ignite Health on price estimates for bio-metric screening. The cost for 100 bio-metric screenings it is \$5,000; the cost for 200 is \$8,540; and for 300 it is \$10,940. In each case the additional cost per screening is \$40. The Flame option provides follow-up face-to-face visits with coaching. The cost for 100 is \$6,000, for 200 it is \$9,820, for 300 it is \$12,750; and each additional case it is \$45.

He thanked Ms. Chin and Ms. Moskowitz for sending him wellness information. Every month ProAct sends along wellness topics and Excellus has information available. It was suggested that this information be included on the Consortium's wellness page. He will also send the information to Ms. Kippola and Ms. Chin for other distribution methods.

Branding of Wellness Statement

Mr. Cook spoke of engaging participants in a branding movement that emphasizes that the Consortium is the insurance company and all participants own a piece of it. He reported the new owners of Greek Peak have offered their Lodge for winter stays as a prize and there now needs to be discussion of how to make it a fun and productive endeavor.

Ms. Moskowitz said it was her understanding that work was first going to be done on branding the Consortium. She thinks experts should brand the Consortium and if there is small piece that people will be involved in that it should be a controlled area where they are allowed to participate but after some bigger decisions are made.

Mr. Schiele stated he sent Mr. Barber a long e-mail outlining his concerns about this process which are similar to Ms. Moskowitz's. He said it is such a large job he doesn't believe it can be done correctly by volunteers, particularly if it will be limited to members as very few are regularly engaged in communication and marketing.

It was suggested that the Committee explore contracting with an outside group for marketing or have it more focused internally to have it more controlled. It was stated that there is a financial incentive as the payoff would be having healthier employees, lower premiums, and a better understanding and engagement in the process. Mr. Barber said having marketing professionals involved in the process makes sense and they could be involved to generate ideas and have someone evaluate those ideas or have someone else generate the ideas and have the marketing professionals evaluate the ideas. He said discussion that was held last was about having members generate the ideas and the proposals brought forward could be evaluated by the marketing professionals. He said a way of having employees owning the Consortium is to incentivize them to bring ideas forward. Mr. Schiele said he thinks the Committee should come up with a brand and then engage employees in launching it.

Ms. Moskowitz said in decision making if it is not a controlled thing people do not understand who makes the decisions and then there is confusion which takes a lot of effort to undo.

It was suggested that a committee be established that would include a representative from the governing body, stakeholders, and a facilitator whose goal would be to distill everything down to a mission and vision statement with objectives that include a tagline that speaks to people. Ms. Kippola spoke of the Smart Work Program that the County contract with Tompkins Cortland Community College that is very similar to this type of work. She was asked to contact TC3 to explore what resources would be available to assist with the development of a mission statement, vision statement, three objectives, and a tagline. The development of a logo could be taken on after that. Mr. Schiele volunteered to sit on the committee. At the next meeting Ms. Kippola and Mr. Schiele will report back to the Committee on next steps.

Presentation to Joint Committee on Plan Structure and Design

Mr. Barber distributed the following information on marketing wellness to the Board of Directors and the Joint Committee to begin a discussion on the topic:

“Research shows that wellness results in happier lives, the ability to enjoy and participate in more activities, shorter recovery from disease or injury, the ability to do more at work and pleasure for longer. Research also shows that the majority of population doesn’t feel wellness programs are appropriate or relevant to them. These facts indicate an opportunity for education and provide fertile ground for new concepts.

Wellness is preventative care that patients chose for themselves to promote health and prevent disease. To make this an integral part of a patient’s new lifestyle requires community support. A key strategy to wellness program (WP) success is to think of it as changing a community’s culture.

Employers play an important role, in changing a culture. An opportunity exists to use workplace interactions to create a social structure needed to reinforce wellness culture. Wellness, when thought of as preventative care, will decrease health care costs and premiums. This financially benefits employer and employees through premiums and medical costs like copay, deductible, etc.

Documentation of return on investment of wellness programs show that with a volunteer start-up of corps of 33%, claims cost are reduced by 7% in 2.5 years. There are other financial benefits not included such as less absenteeism, lower worker’s comp and disability insurance costs; and, if this culture is sponsored at work, improved social interactions in the workplace.

The Consortium is a different structure from most wellness initiatives due to 16 autonomous employers of varying size and resources. But some Consortium’s have had several years of experience. Because of the varying size and staffing of our partners, we could think of the Consortium providing the basic underpinnings of creating a Wellness culture and allow employers the freedom to enhance the culture as their resources allow. The Consortium Board of Directors can consider taking this support role because financially the Consortium will be the first entity to see benefit. As the community embraces wellness, those cost reduction could be passed along as reduced premiums. So, the Consortium’s wellness actions would be for the entire community.

Research shows that successful programs start by education, move to encouraging participation through rewards and once the program is running for a few years incentives are used to bring in the rest of the flock. This suggests that the program actions need to be both fun and patient focused to make it relevant and easy to participate in. Initial financial incentives to reward behaviors can complement education to encourage the initial cadre and develop a solid operating program in operation. Then premium incentives can be used to nurture the remaining staff into the program and move closer to a preventative health care culture.”

Mr. Cook said one thing that might be effective is taking the employee’s contribution towards health insurance which is about 15% of the premium and showing what that does over the next eight years, factoring in the impact of the Cadillac tax in 2018. The City of Cortland’s employee contribution will rise to being more than an average mortgage payment on a house while the average wage increase will only rise by one to two percent. He said the cost of uncontrolled health insurance will impact the quality of life of families and will erode other financial choices they now have that relate directly to their quality of life. The Cadillac Tax is a 40% surcharge on the difference between what a premium is and what the minimum level is and will be passed on and will be picked up by the employer and employee in their contribution to the health insurance premium. Mr. Barber said a message needs to be created that it is in the employee’s best interest to take a lead role in demanding their employers provide wellness initiatives because utilization of health care services will ultimately be lowered by a healthier population.

Mr. Schiele said he appreciates trying to get people to understand the financial side of the issue. He also said helping people make lifestyle changes is very difficult and spoke of the importance in those changes being made on a permanent basis.

Ms. Moskowitz suggested a topic for a future meeting could be the costs savings that could be achieved by actions such as not hiring people who smoke. Mr. Schiele disagreed and said that is one way to look at tobacco control but that is not a good way to treat people who have an addiction.

Discussion continued on the presentation of information to the Joint Committee and Ms. Moskowitz said she would like to know what members of that Committee are thinking and what their concerns with such a program would be. Mr. Schiele suggested the message include that this is a commitment of lifestyle change by many people.

Mr. Barber spoke of a program that was run in Oklahoma that had a very aggressive response. In that program they had regular health coaching and regular bio-metric screenings and in doing that they were able to change lifestyles and experienced a huge reduction in costs. He envisions the Consortium providing the process for coaches to be a part of the program and focusing on single things such as smoking cessation and weight loss could be facilitated by the employer.

There was a discussion of questions that could be contained in a survey to present to the Joint Committee. Mr. Cook summarized that the work plan is not to go immediately to the Joint Committee with the presentation because it must first be ascertained what their perceptions are, what their commitment would be, and what assistance would be needed. Once that information is known a presentation could then be provided. Mr. Cook suggested including a question on the survey that focusses on how one’s health impacts their recreational interests and leading the life they want to live as opposed to relating it to doing their job.

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The Committee agreed to present a list of survey questions to the Joint Committee prior to moving forward with a presentation. Mr. Barber will circulate a draft list of questions based on the comments that were made and members agreed to provide feedback.

Adjournment

The meeting adjourned at 3:25 p.m.

Respectfully submitted by Michelle Pottorff, Administrative Clerk