StayWell Contract Extension and Increase of 2019 Incentive

Item 6C – Group Insurance Board

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Office of Strategic Health Policy

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Wellness Program Background

Well Wisconsin Program

- Established in 2014

- $150 cash incentive after health screening and health assessment

- 2017 fully administered by StayWell

Segal Report: Entities that fully integrate wellness programs into a model such as Total Health Management see:

- Higher levels of engagement

- Greater health and cost outcomes

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ETF Requests Approval for:

- The first 2 year extension of StayWell Contract with proposed fee increase.

  - Fee increase was detailed in StayWell's original cost proposal

  - Contract Period: January 1, 2019 – December 31, 2020

- For state active employees:

  - Changing the $150 wellness incentive to an $180 annual premium reduction

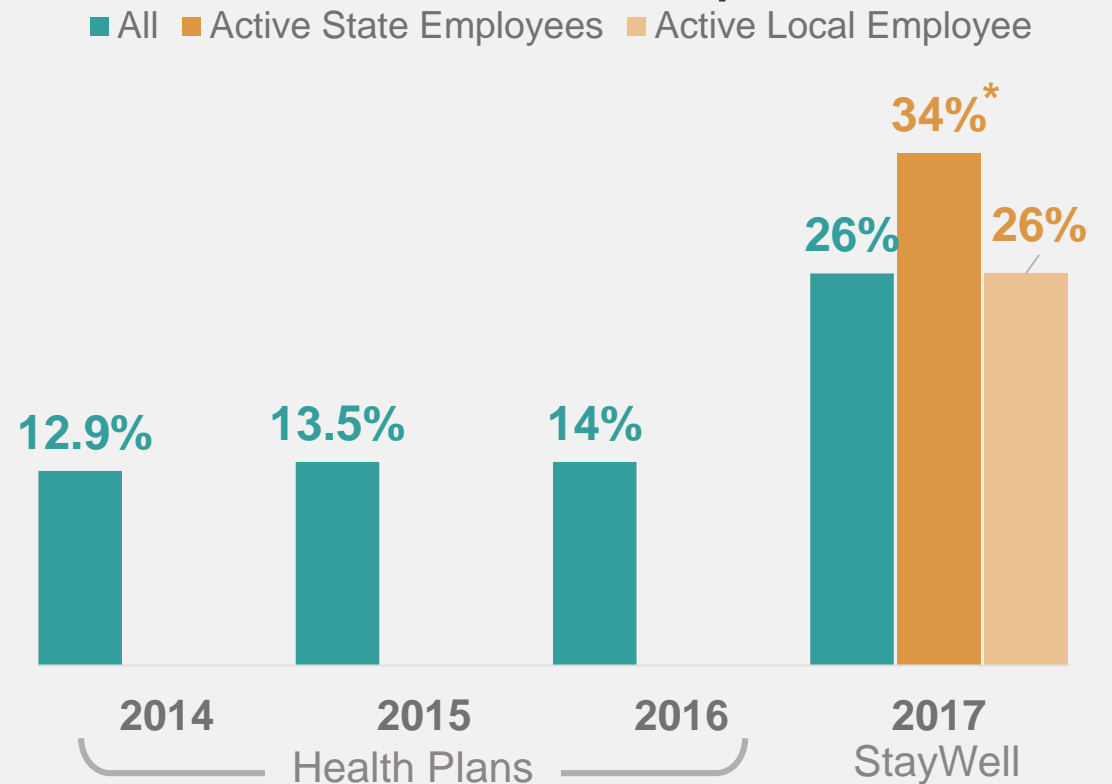- Exploring alternative option to the 2019 health screening requirement
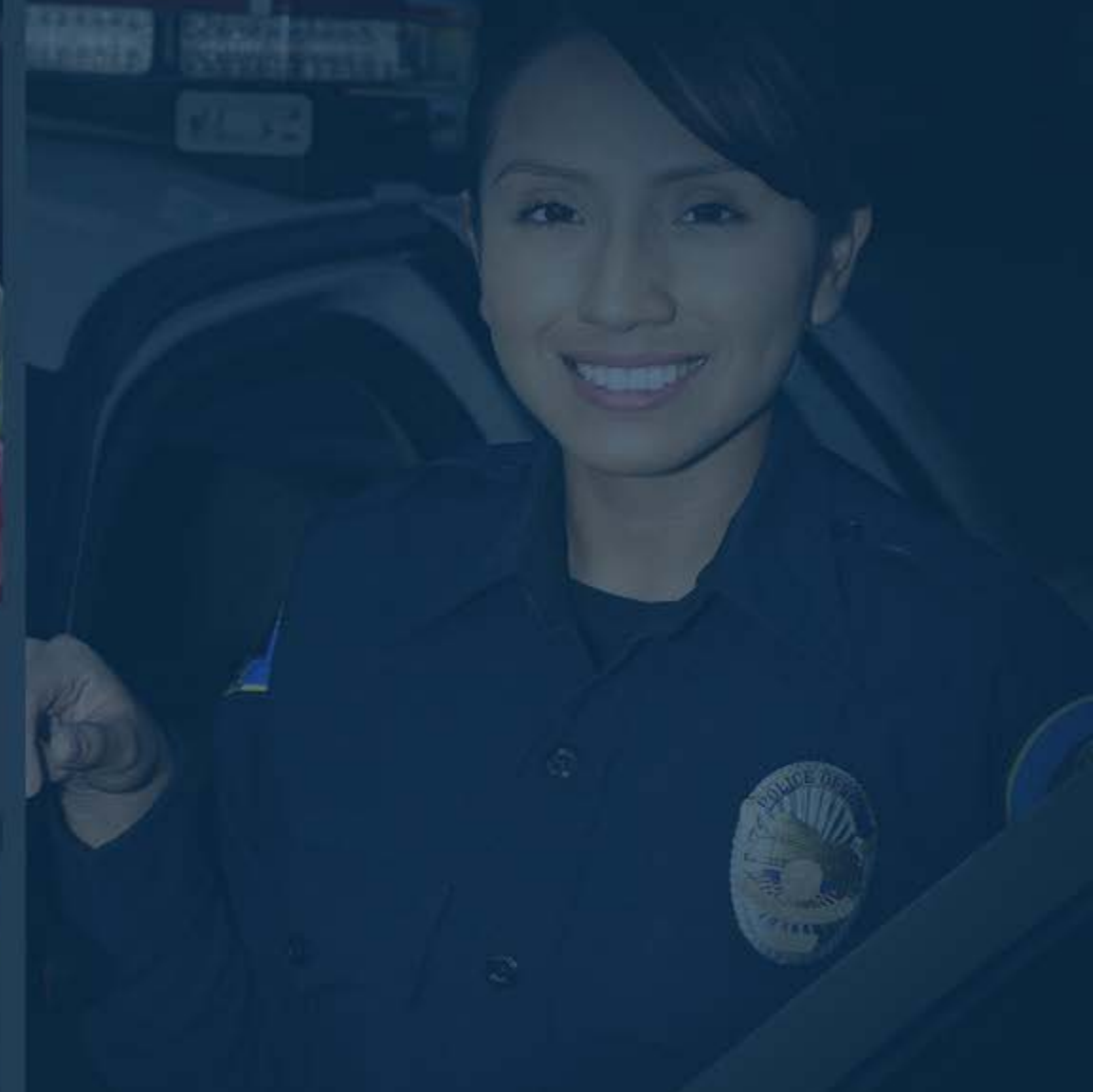
StayWell

For 2019-2020 Contract Extension

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StayWell's Impact

- Increased awareness

- Consistent message and experience

- Enabled employer groups to better incorporate programing into worksite wellness programs

- Increases data analytics for the program*

Incentive Participation

■ All ■ Active State Employees ■ Active Local Employee

12.9%	13.5%	14%	34%* / 26% / 26%
2014	**2015**	**2016**	**2017**
	Health Plans		StayWell

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Contract Costs and Increase

	Cost Detail	Estimated 2017 Cost	2019 Fee Increase
Per Eligible Per Month Fee	Program Administrative Fees	$6.1M	4%
Per Participant Based Fee*	On-site Health Screening	$1.6M	4%
	Disease Management Coaching	$.05M	4%
	Health Coaching	$.05M	2%
	On-site Flu Shot	$.11M	3%

* Future annual cost dependent on actual service utilization

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Additional Considerations

For 2019-2020 Contract Extension

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# Base Contract Renewal 2019 Data Driven Programming

- Currently, ETF is requesting approval for the renewal of the **base services** of the StayWell contract

- As 2017 participation and aggregate risk data is reviewed, additional resources & opportunities may be considered

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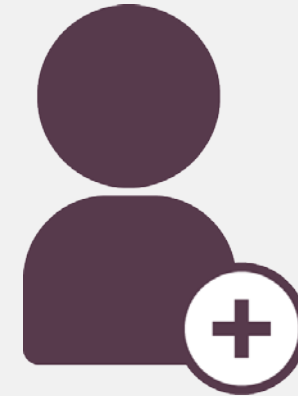# Opportunities
Contract Expansion

2017
50,000 Portal Users

Leverage for health and benefits education needs of the ETF population
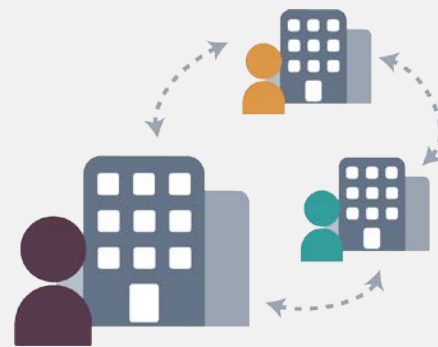
Additional
On-site Staff

Employer wellness program integration and participant education/awareness

Innovative Disease Management

Explore new delivery methods for high touch, high impact programs
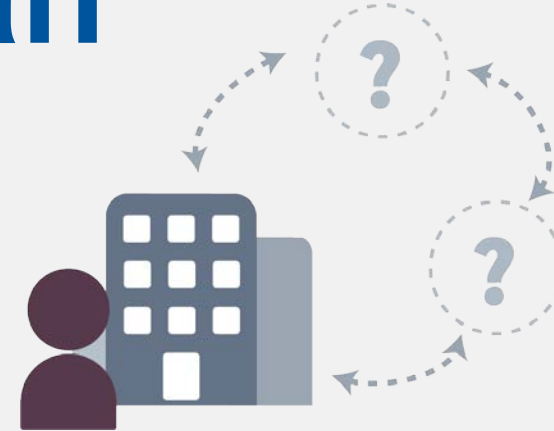
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Impact of On-Site Staff

State and UW Employer Groups

- Growing wellness resources and networks

- Communities of best practices

- Integration of Well Wisconsin into worksite wellness
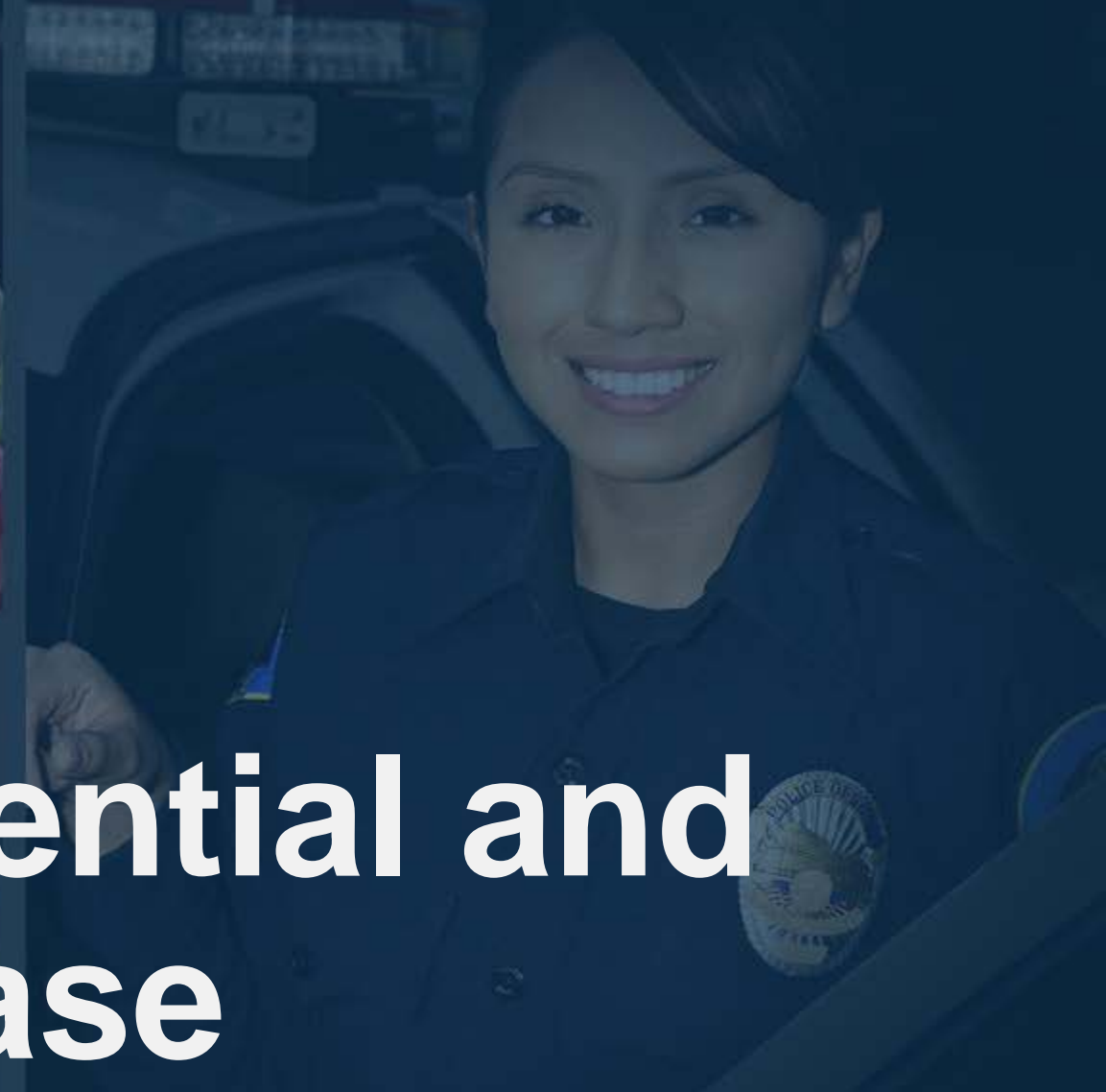
2017 StayWell On-site Staff

- Visited 60+ employer sites

- Direct contact with over 8,000 employees

- Supported over 75 wellness champions

Wisconsin Public Employers lack a wellness network

Additional on-site staff could:

- Provide more assistance establishing wellness champions at employer sites

- Provide on-site promotion and programs

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Premium Differential and Incentive Increase

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May 2017 Board Approval

- Transition $150 incentive to premium differential in 2019

  - Would apply to active state employees

  - Retirees or local employees would continue to earn the $150 cash incentive

  - ETF evaluating system feasibility of 2019 implementation

- Addition of a new health engagement activity requirement for all participants

Current Incentive

$150 Wellness Incentive

2018 is the 5th year

Represents a 2.3% "discount" of the
lowest cost single coverage plan

Ideal
70-90%

2017
26%

2015
13.5%

2016
14%

Participation

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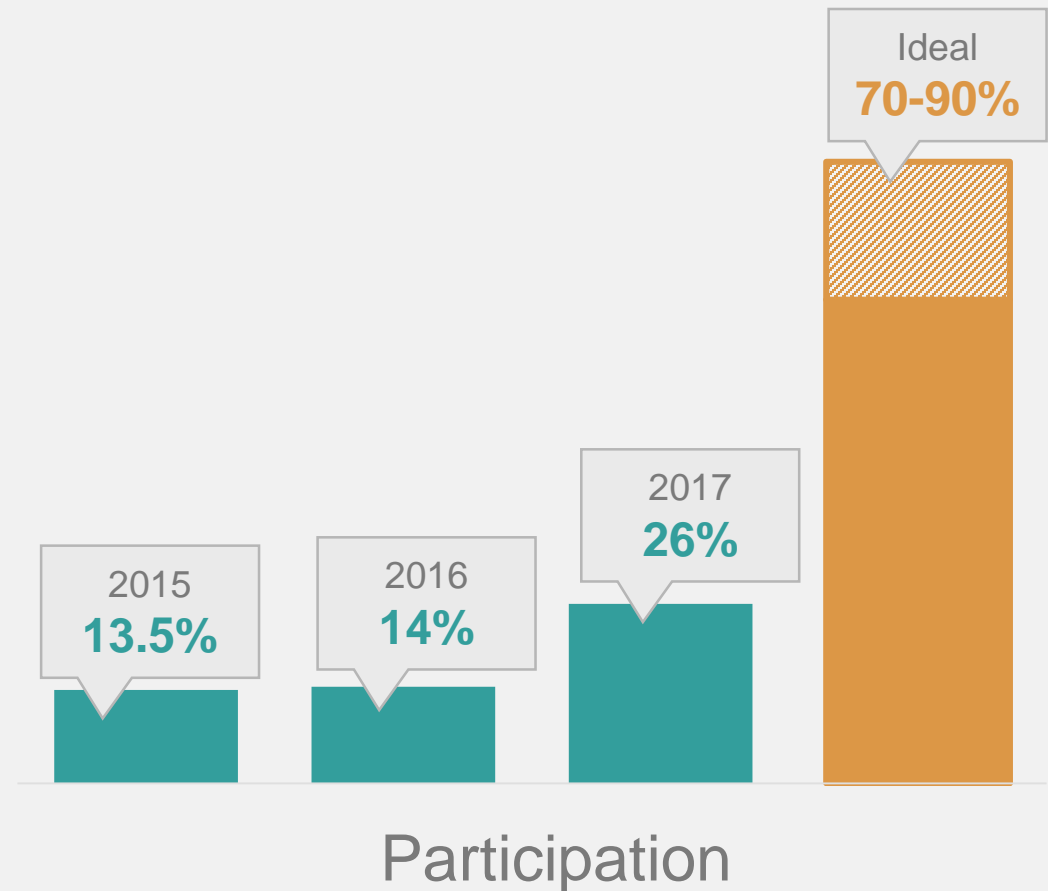
Increase Proposal for 2019

**Active State Employees
Premium Differential**

**Retirees and Local Employees
Cash Incentive**

$180
($15/month)

$150
($12.50/month)

Single

$360
($30/month)

$300
($25/month)

Family*

$150
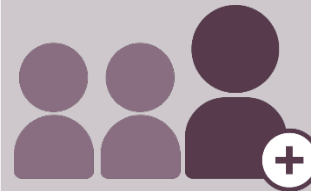Cash incentive

Single

$300
Cash incentive

Family*

*if both subscriber and spouse participate

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Reasons for the Increase

Participation Perception

Cash incentives offer an immediate sense of "reward"

Increase Participation

Minimal increase recommended to evaluate premium differential transition
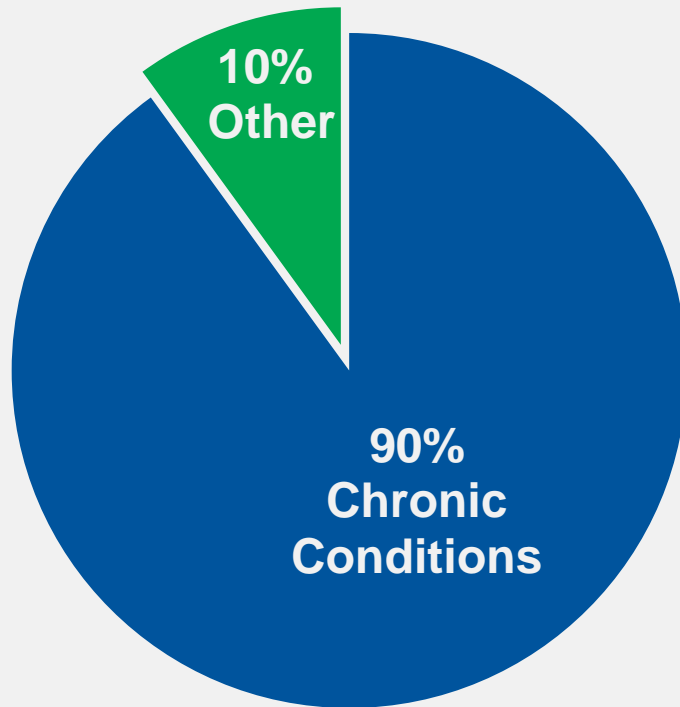
Benefits Integration

Educates participants on cost savings shared with those who actively monitor and address preventable health risks

Enrollment and Payroll System Limitations
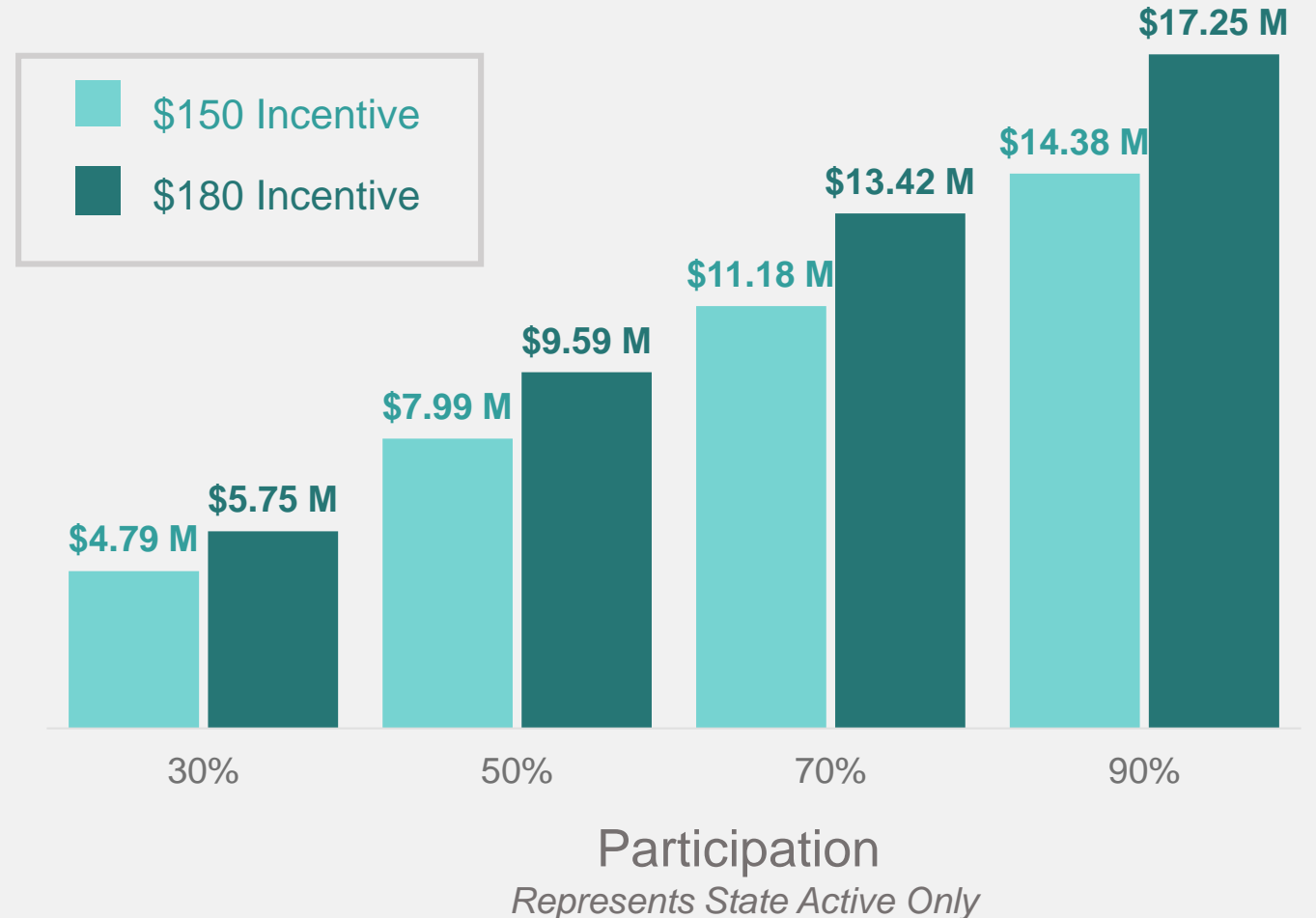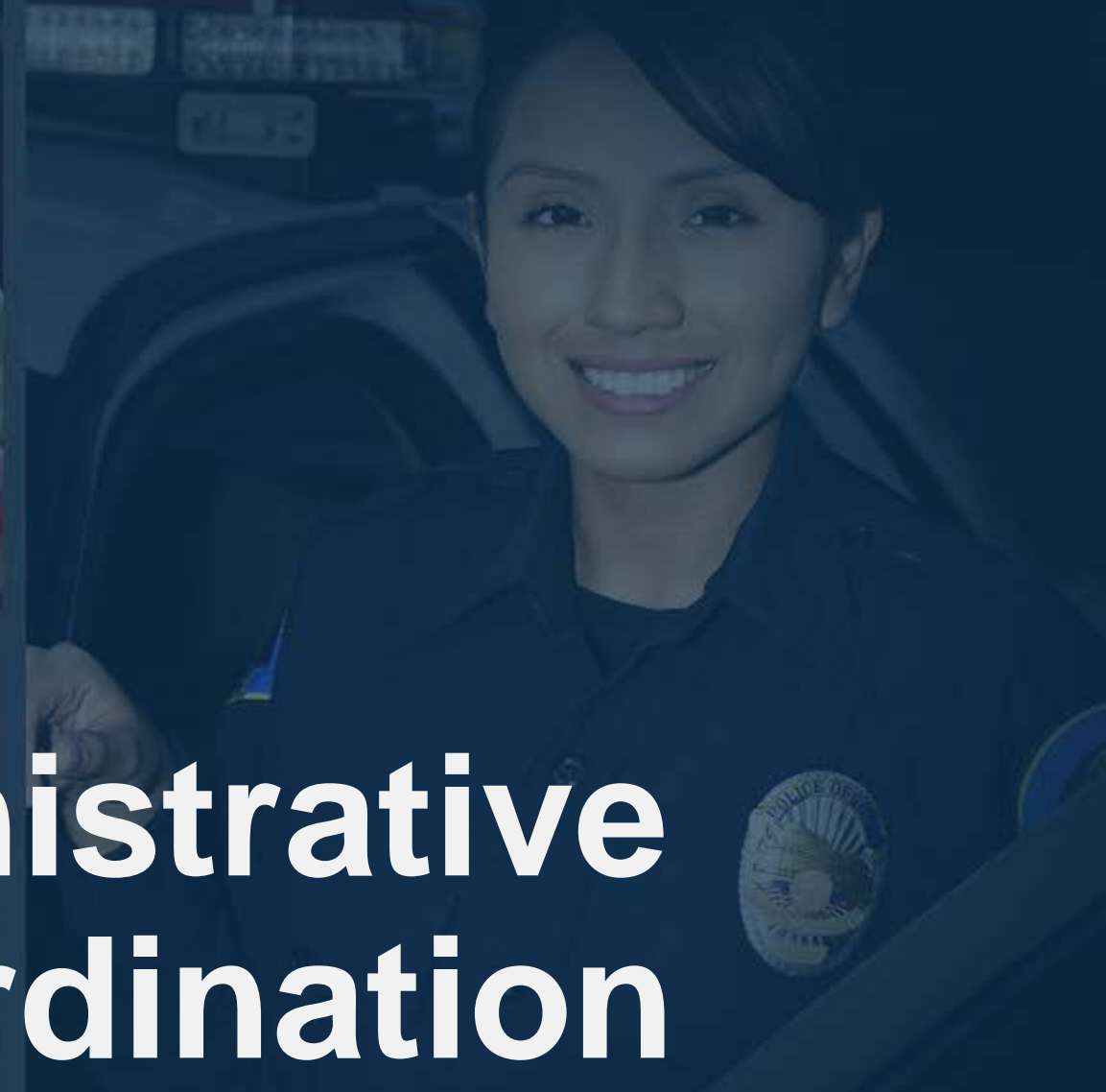
Segal 2015 Recommendation

Claims Cost

- Incenting members to engage in wellness could result in long term savings of **$60 – 80 million**

- Investment of **1 – 3%** of health plan costs

Impact of Increase

- 20% increased investment over $150

- Potential impact on administrative fees

- Increased participation

Legend: $150 Incentive, $180 Incentive

Participation	$150 Incentive	$180 Incentive
30%	$4.79 M	$5.75 M
50%	$7.99 M	$9.59 M
70%	$11.18 M	$13.42 M
90%	$14.38 M	$17.25 M

Participation
Represents State Active Only
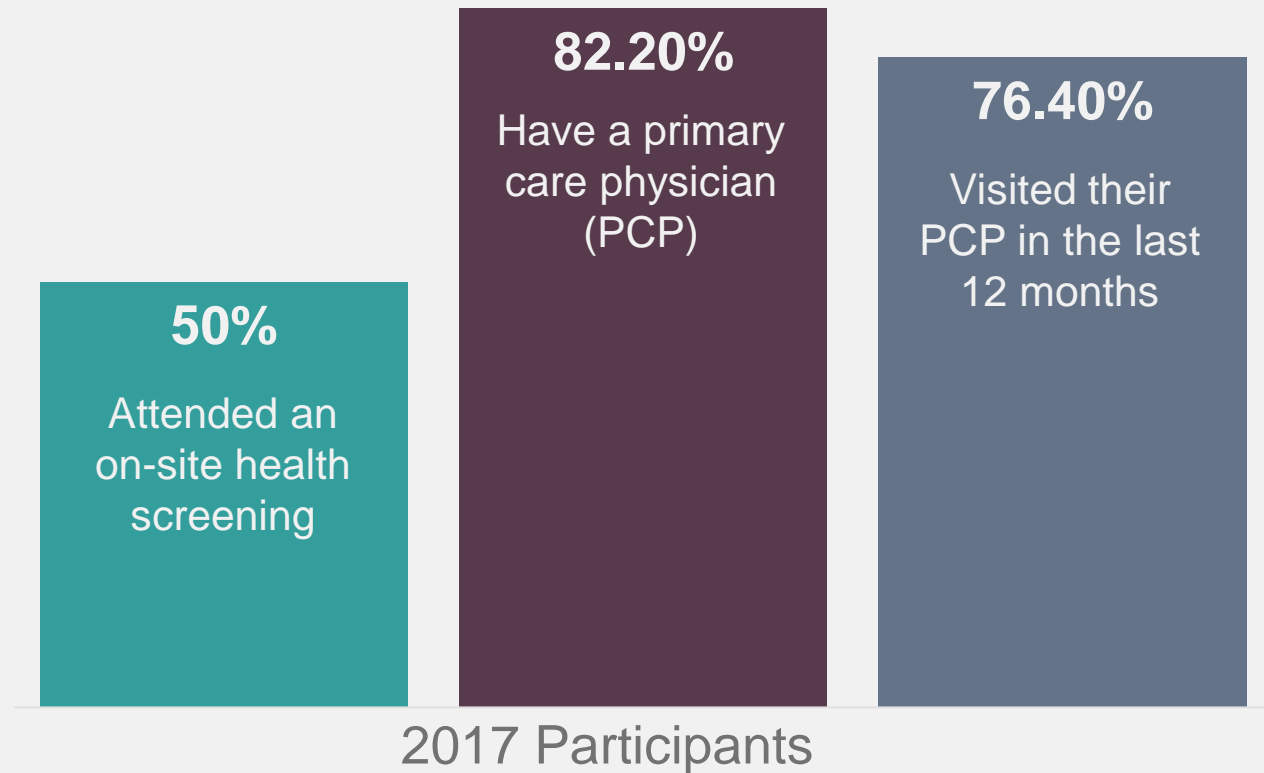
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Program Administrative Costs and Coordination

Health Screenings

Program Cost: Administrative and Services

YEAR 1 CONTRACT COSTS	Pre-Contract July 2016	Current Projection November 2017
Administrative Fees	$6.2M	$6.1M
Health Screening	$1.1M	$1.6M
Wellness Coaching	$0.3M	$.05M
Disease Management Coaching	$0.6M	$.05M
Flu Shots	-	$0.1M
TOTAL ESTIMATED COST	**$8.2M**	**$7.9M**

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On-Site Health Screenings

- 2018: 5th year of requirement

- *New* PCP Requirement

- 2017 estimated cost: $1.5 million

- Overlap and potential over utilization of preventative screenings

82.20%
Have a primary care physician (PCP)

76.40%
Visited their PCP in the last 12 months

50%
Attended an on-site health screening

2017 Participants

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Requirement Alternatives

Explore alternatives to the health screening requirement

- For program year 2019 and beyond

Possible models:

- Health screening becomes a biennial process
- Using a health care provider form for reporting
- Using claims data to confirm preventative screening
- Confirming the member has an established PCP

Alternate models would reduce or eliminate cost
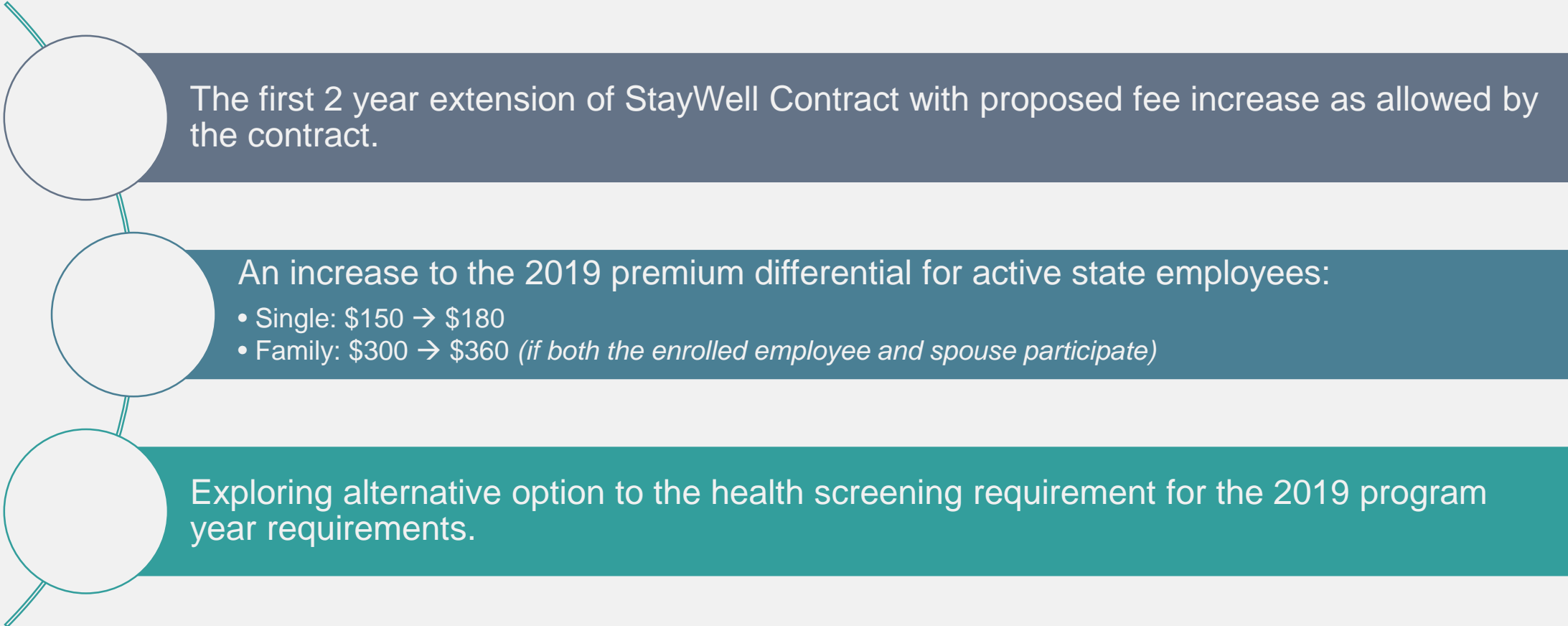
- Would partially offset increasing the incentive

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ETF Recommendations

Board Approval

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Recommendations

The first 2 year extension of StayWell Contract with proposed fee increase as allowed by the contract.

An increase to the 2019 premium differential for active state employees:
- Single: $150 → $180
- Family: $300 → $360 *(if both the enrolled employee and spouse participate)*

Exploring alternative option to the health screening requirement for the 2019 program year requirements.

Questions?

Thank you

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