

2020 Wellness Program Changes

Item 5C: Group Insurance Board

Molly Heisterkamp

Wellness & Disease Management Program Manager

Office of Strategic Health Policy





Action Needed

ETF Staff requests the Board:

- Approve expanding Ignite, a group-based weight management and diabetes prevention program for 2020
- Increase the Well Wisconsin incentive value, starting in 2020



Background

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Program Highlights

2014

Well Wisconsin established
uniform wellness incentive program

2017

Third-Party administration begins

- Participation rates increase substantially
- Health improvements are being recognized
- Wellness and disease management program data is being reported to data warehouse (DAISI)



WELL WISCONSIN
Healthier starts with you

Program Goals



40% participation in Well Wisconsin incentive by 2022



Reach and maintain high satisfaction rates



Improve health outcomes



Expand Ignite

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Rationale

67% of adult members are overweight or obese (StayWell)

Allowed amount per member with obesity is \$3,624 greater than someone with a healthy weight in 2018 (DAISI)

Prevalence of diabetes rose by .5% points costing \$3.6M more in diabetes-related costs in 2018 (DAISI)

Ignite Pilot Results

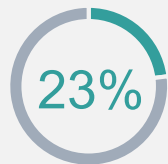
12-week group-based program, 2 pilots with 50 participants each

2017

University of Wisconsin institutions
outside of Dane County



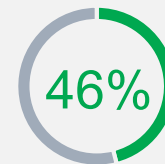
Lost an average of
14.5 pounds



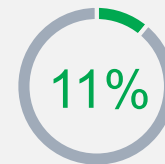
Maintained weight

2018

Department of Corrections and
ETF



Lost an average of
12.6 pounds



Maintained weight

Expanding Ignite in 2020

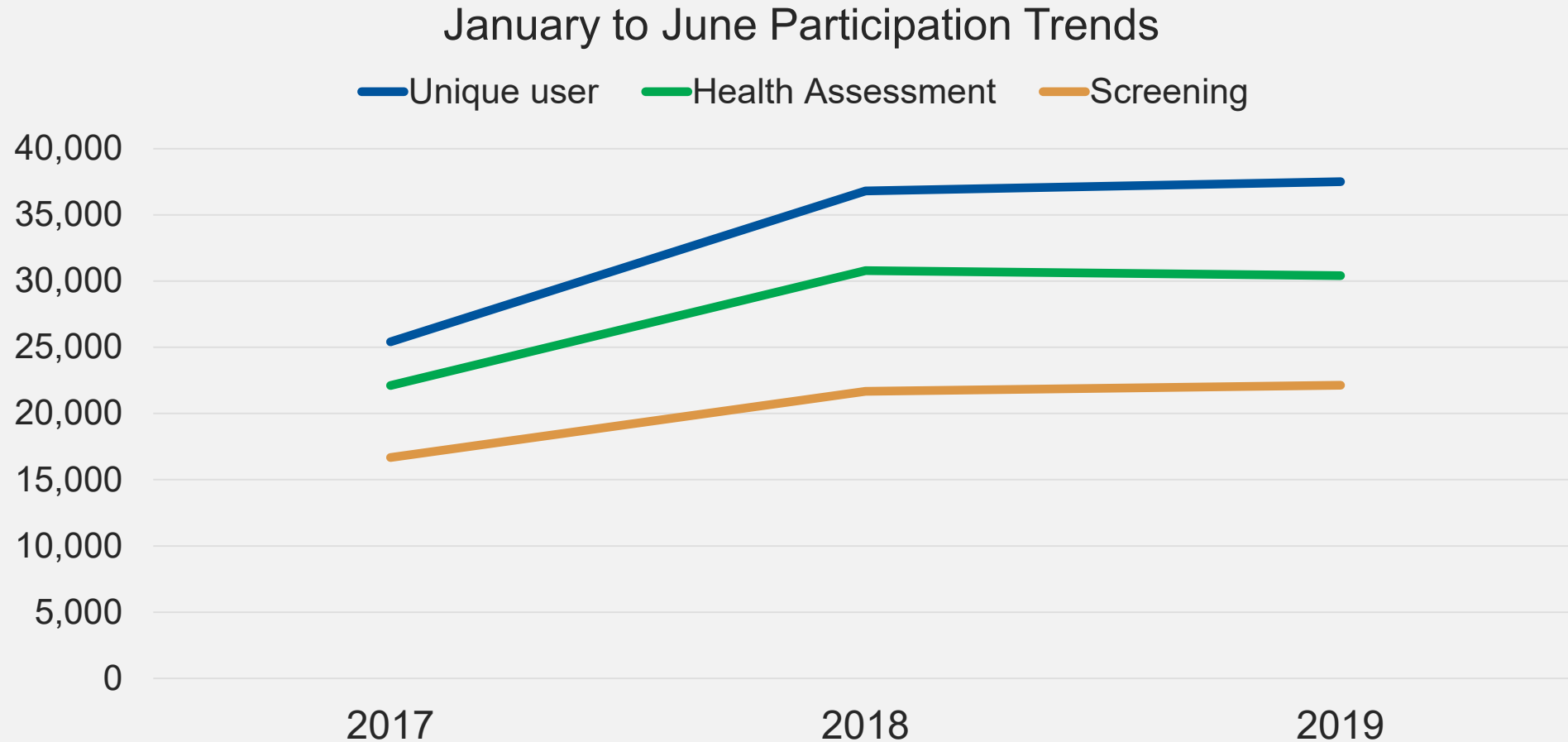
- 200 members
- Total cost:
 - \$115,000
 - 1% of the total estimated administration fees for Well Wisconsin (excluding the costs of the incentive)
 - \$.09 per employee per month (PEPM)



Well Wisconsin Incentive

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Participation is leveling out



Incentive Considerations

Participation will increase 5-10% points for every additional \$100 (StayWell)

Payroll centers have requested the incentive amount be divisible by 12

Current incentive value is well below industry norms (Mercer, 2018)

- **\$300**/employee in government sector
- **\$450**/employee across business sectors with more than 20,000 employees

Restrict non-Medicare Advantage Health Plans from issuing additional incentives if increasing Well Wisconsin incentive

Participation Improves Health

 **2.1%**

Overall health risk reduction
for members that participated
in 2017 & 2018

 **10.2%**

Overall health risk reduction
for repeat members that also
participated in coaching

 **6.5%**

Overall health risk reduction for
repeat members that also
participated in disease management

Return on Investment

Population	Adjusted ROI	Unadjusted ROI
2017 – Active Employees	\$2.85	\$2.92
2017 – Retirees	\$30.66	\$31.36
2018 – Active Employees	\$.39	\$.41
2018 – Retirees	\$21.12	\$25.56

Options for Consideration

Option 1: Continue with the \$150 incentive and allow health plans to offer additional wellness incentives

Option 2: Increase the incentive to \$180 and allow health plans to offer additional wellness incentives

Option 3: Increase the incentive to \$240 and restrict non-Medicare Advantage health plans from offering additional wellness incentives

Option 1

Hold at \$150; allow health plan issued incentives

Pros:

- No cost increase to program
- No impact to participants who currently receive incentives from their health plan
- Allows time for StayWell to perform ROI analysis

Cons

- Participation is not expected to increase
- Incentive value is less than industry standards
- Not well prepared for transition to premium differential
- Administrative burden of reporting health plan issued incentives for tax purposes continues

Option 2

Increase to \$180; allow health plan issued incentives

Pros:

- Participation likely to increase slightly
- Incentive value will be slightly more aligned to industry standards
- Better prepared for transition to premium differential
- No impact to participants who currently receive health plan issued incentives

Cons

- Program costs increase
- Administrative burden of reporting health plan issued incentives for tax purposes continues

Option 3

Increase to \$240; restrict non-Medicare Advantage health plan issued incentives

Pros:

- Participation likely to increase
- Incentive value will be more aligned to industry standards
- Better prepared for transition to premium differential
- No major monetary loss to members who previously received health plan issued incentives
- Less administrative burden of tax reporting for ETF and employers

Cons

- Program costs increase

Associated Costs and Impact on Participation

	Cost of program	Change in program costs	Estimated cost impact to employers in FICA taxes	Expected impact on participation
Option 1: \$150	\$13.50 PEPM		No additional impact	30% (no impact)
Option 2: \$180	\$15.02 PEPM	\$1.52 PEPM	\$0.12 PEPM	32%
Option 3: \$240	\$18.96 PEPM	\$5.46 PEPM	\$0.42 PEPM	37%



Action Needed

ETF staff is requesting the Board to:

1. Expand Ignite to 200 participants in 2020; and
2. Approve either:
 - Option 2, increase the Well Wisconsin incentive value to \$180 in 2020; or
 - Option 3, increase the Well Wisconsin incentive value to \$240 and restrict non-Medicare Advantage health plans from offering wellness incentives.



Questions?

Thank you



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608-266-3285
1-877-533-5020