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Correspondence Memorandum

Date: October 17, 2022

To: Group Insurance Board

From: Molly Dunks, Disease Management and Wellness Program Manager
Office of Strategic Health Policy

Subject: Wellness Program Background

This memo is for informational purposes only. No Board action is required.

Background

Wellness programs are one tool, among others, that the Group Insurance Board (Board) has access to for supporting overall population health, quality, member experience, and program affordability, as modeled in the Triple Aim Framework adopted by the Board in 2019 (Ref. GIB | 11.13.19 | 5D). The purpose of this memo is to ensure the Board is aware of decisions regarding wellness made by prior Boards and to summarize the current state of the Well Wisconsin program in advance of the Request for Proposals (RFPs) recommendation in February 2023.

Foundation for Wellness

Wellness is included as part of the State of Wisconsin Group Health Insurance Program (GHIP). It was originally offered as a benefit by each of the participating health plans dating back to pre-2009, when they were required to offer programing to members identified as moderate or high risk.

The Well Wisconsin program began to take shape when the Board approved requiring health plans to design a wellness program that included Health Risk Assessments (HRAs) and biometric screenings in 2013 (Ref. GIB | 05.22.12 | 5A). Plans could offer up to $150 in incentives to members for participating in these activities. Wisconsin statutory language changes, as well as executive budget direction in 2011, supported this requirement. The 2011 Wisconsin Act 10 modified Wis. Stats. § 40.03 (6)(c) to clarify that the provision's requirements to maintain or reduce premium costs, and "[should] not be construed to prohibit the Board from encouraging participation in wellness and disease management programs…" On page 70 of the 2011–2013 Budget in Brief ETF and the Board were directed "to implement health risk assessments and similar programs aimed at participant wellness…"

Eileen K Mallow
Reviewed and approved by Eileen Mallow, Director, Office of Strategic Health Policy
Electronically Signed 10/31/2022

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All health plans were required to offer $150 to members who completed an HRA and biometric screening starting in 2014. Furthermore, the Board approved allowing the Department of Administration (DOA) to procure a third-party administrator for onsite biometric screenings for state employees (Ref. GIB | 08.27.13 | 3A).

Even with the changes to the incentive design and single administration of biometric screenings, member participation in the Well Wisconsin incentive program remained at or below 14% from 2013–2015 (Ref. GIB | 05.18.16 | 3E).

Regulatory Considerations
Wellness programs are regulated by federal law, including the Health Insurance Portability and Accountability Act (HIPAA), the Americans with Disabilities Act (ADA) and the Genetic Information Nondiscrimination Act (GINA).

On May 17, 2016, the Equal Employment Opportunity Commission (EEOC) published final regulations on wellness programs under the ADA and GINA, limiting incentives for wellness program participants to no more than 30% of the cost of self-only health insurance coverage. Further, the 2016 GINA regulations prohibited wellness programs from offering any incentives to child dependents (adult children, included). As a result, child dependents are not eligible for Well Wisconsin.

In 2017, a federal circuit court vacated the 30% limit on incentives effective January 1, 2019. In response, the EEOC proposed new GINA regulations, which would have allowed for de minimis incentives to both spouses and children. The EEOC withdrew those proposed regulations based on a January 20, 2021, regulatory freeze memorandum issued by the President. Most wellness programs still adhere to the 30% limit documented in the 2016 GINA regulations as guidance in determining the maximum incentive available under a wellness program. The $150 incentive offered by the Board is well below the 30% limit.

Staff continue to monitor regulations governing wellness programs.

Wellness Program Carve Out
The Board approved Segal's recommendation to carve out the wellness program in 2017 from the health plans to a single administrator to increase program impact and outcomes as part of a total health management model (Ref. GIB | 02.09.16 | 5C).

While health plans stopped administering the $150 Well Wisconsin incentive and health assessments in 2017, some continued offering additional wellness incentives, such as fitness centers or community-supported agriculture membership reimbursements. The Board agreed to prohibit non-Medicare Advantage plans from offering wellness incentives beginning in 2021 to reduce the administrative burden associated with these additional incentives, and to offer one uniform wellness program through Well Wisconsin (Ref. GIB | 05.13.20 | 5A).

Since making the transition to a single administrator in 2017, wellness program participation has increased, consistently reaching approximately 25%–29% of eligible members earning the annual incentive.

Eligible Members

Eligibility information for all subscribers and their spouses enrolled in the GHIP is sent on an eligibility file to WebMD. Members then choose whether they want to utilize the wellness program benefit by creating a web portal account. WebMD sends multiple communications to members via home mailers, emails, handouts, and videos throughout the year. Examples of promotional materials can be viewed on the "Well Wisconsin for Members" page on the ETF website. ETF also helps communicate the program via various communication channels like open enrollment materials, emails, and social media. Most recently, it has been included in the "2023 Schedule of Benefits."

The Board's Medicare Advantage members can utilize the Well Wisconsin program resources but cannot earn the annual $150 Well Wisconsin incentive. Instead, they have access to UnitedHealthcare's (UHC's) wellness incentive program. This program supports UHC's star ratings, which impact the Centers for Medicare and Medicaid Services' (CMS') reimbursements and insurance premiums. Removing the wellness administration fee from the Medicare Advantage overall premium rate and excluding these members from accessing Well Wisconsin program resources should be considered.

Staff will bring a recommendation to the Board at a future meeting.

Funding

Since wellness was originally included as a health insurance benefit, the costs have been, and continue to be, included in the total premium rate. As with the total cost of health insurance premiums, Board members have a fiduciary duty to ensure that costs associated with the wellness program are reasonable and that the program offering is in the best interest of GHIP members.

In 2013, the line item "wellness benefit component" was added in the health plans' best and final offers to fund the costs of the health assessment and possible incentive payments (since incentives were not yet required in 2013). The weighted average cost was $12.04 per contract per month. The wellness benefit component rate decreased in 2014 to a weighted average of $8.25 per contract per month. However, an additional wellness fee of $.80 per contract per month was added to the ETF administration fee to cover the expenses for the single administration of biometric screenings with Optum beginning in 2014.

In 2017, the wellness benefit component was removed from the health plan premium and the wellness fee increased to $9.00 per contract per month. The wellness fee has changed slightly since 2017 and will be $9.80 per contract per month in 2023. This is approximately 1% of the total GHIP premiums. Approximately half of the wellness fee funds the program's administration and the other half funds the $150 incentive payments to participants.

Program Impact
WebMD, ETF, and Segal have shared program data with the Board. Highlights from each are included in this memo for the Board's reference, and an updated analysis follows. Members who earned the annual Well Wisconsin incentive from 2017–2019 experienced reductions in aggregate health risks as measured by WebMD, and lower rate of increase in relative risk scores, better healthcare utilization rates, and greater savings when comparing actual medical/pharmacy spend to the amount that was predicted compared to those who did not earn the incentive as measured in Data Analytics and Insights (DAISI) (Ref. GIB | 11.18.20 | 7B).

Return on Investment (ROI) is another analysis that can be used to understand program impact. Segal completed the analysis for the Board in 2020 and identified a net return of $.12 for every $1 spent in the first three years under the single administration of the program (2017–2019) (Ref. GIB | 08.18.21 | 6). An ROI of at least 1:1 would indicate the program has realized healthcare savings greater than the Board's investment. According to the Department of Health Services' (DHS') 2018 publication, "Introduction: Why have a Worksite Wellness Program," studies that show a higher ROI often include "comprehensive wellness initiatives that included multiple areas of the company (programming, benefits, policies, and environmental changes), and that looked at data from many areas (medical claims, pharmacy claims, workers compensation claims, disability claims, absenteeism and turnover rates)." Since the Board's purview does not include all these areas, like workplace policies or environment, or have access to or responsibility over all claims or rates, like workers compensation or turnover; it's unreasonable to expect a return as large as industry reports. While staff do not have actual data from the GHIP membership on these items, when asked in a survey designed to collect feedback on the program, 80% of survey respondents indicated, "It's important to have the Well Wisconsin program available to employees." Lastly, the StayWell Culture of Health survey results showed 13% improvement in the workplace culture from 2017–2020 (Ref. GIB | 08.18.21 | 6).

WebMD provided considerations for the Board in its response to Segal's ROI analysis. At the time, WebMD commented that "most organizations require more than three program years with comprehensive evidence-based programming to yield strong ROI results." WebMD included coupling an increase to the incentive with a points-based strategy that weighs higher impact behavior change programs more heavily in their recommendations to improve ROI. The Board and ETF staff had a conversation about this and WebMD's other recommendations. The Board did not want to entertain an increase to the incentive value and understood this would impact the ability to drive engagement in higher impact behavior change programs; therefore, limiting ROI capabilities. However, transitioning the incentive design to a points-based program is worth considering.

Staff will discuss with the vendor who is awarded the Well Wisconsin contract(s) for 2024 and bring a recommendation to the Board at a future meeting.

While a couple of years have passed since the last ROI analysis, staff do not recommend repeating it at this time, since the COVID-19 pandemic drastically impacted healthcare utilization.

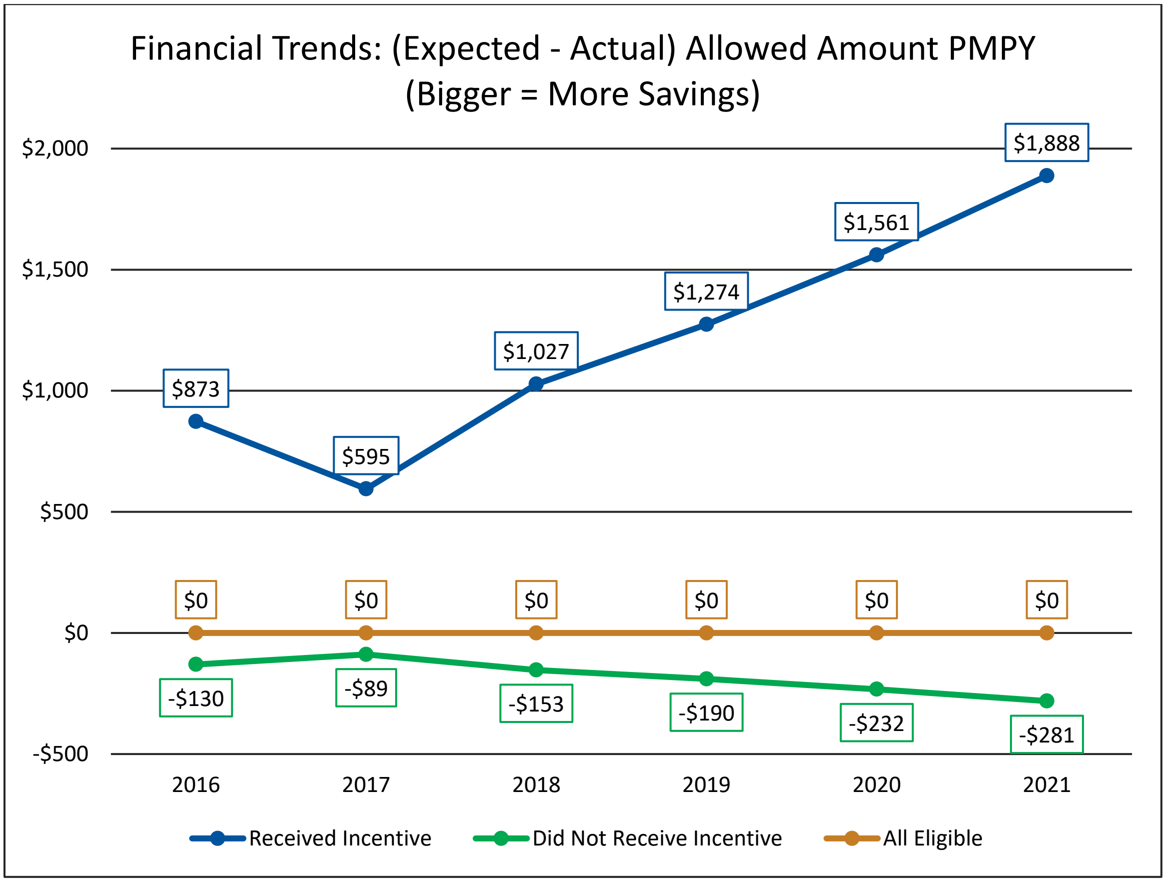
More recently, WebMD presented preliminary data to ETF staff comparing year-over-year health risk prevalence for participants that completed the health assessment in 2021 and, again, in the first or second quarter of 2022. The average number of risks improved by 7.9% for the cohort of 23,904 individuals. The average number of health risks improved 10.6% for the 4,307 individuals who also engaged in health coaching.

Staff will provide a full analysis for 2022 at a future Board meeting.

For this memo, ETF extended the 2017–2019 DAISI analysis to include data through 2021. The relative risk score is a numeric value assigned based on several demographic categories, such as age, gender, and healthcare utilization. Relative risk scores are expected to increase over time as members age. Members who earn the incentive saw an increase to their relative risk scores by 39% since 2016. Those who did not earn the incentive saw an increase by 47%. While the lower rate of increase may be a result of inherent differences between the two groups, it is still valuable to have the program resource available to support those who are interested in managing their health risks.

Better utilization of healthcare services continues to be observed for members earning the Well Wisconsin incentive compared to those who do not. Attachment A contains a series of graphs that express healthcare utilization patterns sourced by Merative Advantage Suite (charts created on October 10, 2022).

A dynamic adjustment can be applied to the actual per member per year (PMPY) healthcare spending amounts retrospectively to compare the claims experiences of members earning the incentive compared to those who do not. The difference between actual and expected PMPY healthcare spending continues to grow larger in favor of those who participate, spending less than expected based on age and gender.



(*Source: Merative Advantage Suite*, *created October 10, 2022)*

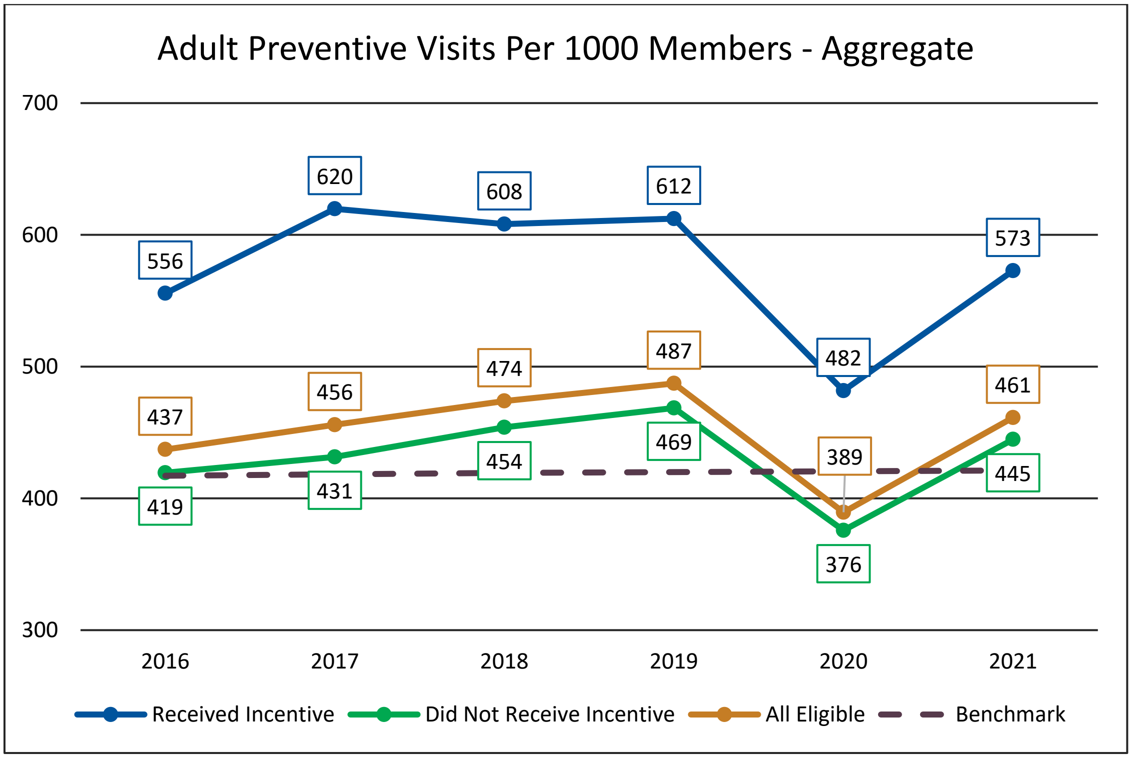
Future of the Third-Party Administration Contract
The contract with WebMD is set to expire December 31, 2023. As approved by the Board on August 18, 2021, ETF released an RFP for Well Wisconsin in 2022 (Ref. GIB | 08.18.21 | 6). To help ensure the Board is receiving best in class services for well-being, mental health, and chronic condition management, three separate RFPs were released (Ref. GIB | 11.17.21 | 7). The evaluation team is reviewing vendors' proposals and preparing a recommendation for the February 2023 Board meeting. ETF is also seeking additional ways to share and analyze data across GHIP programs and vendors to refine and target services that reap the greatest value under the Triple Aim framework.

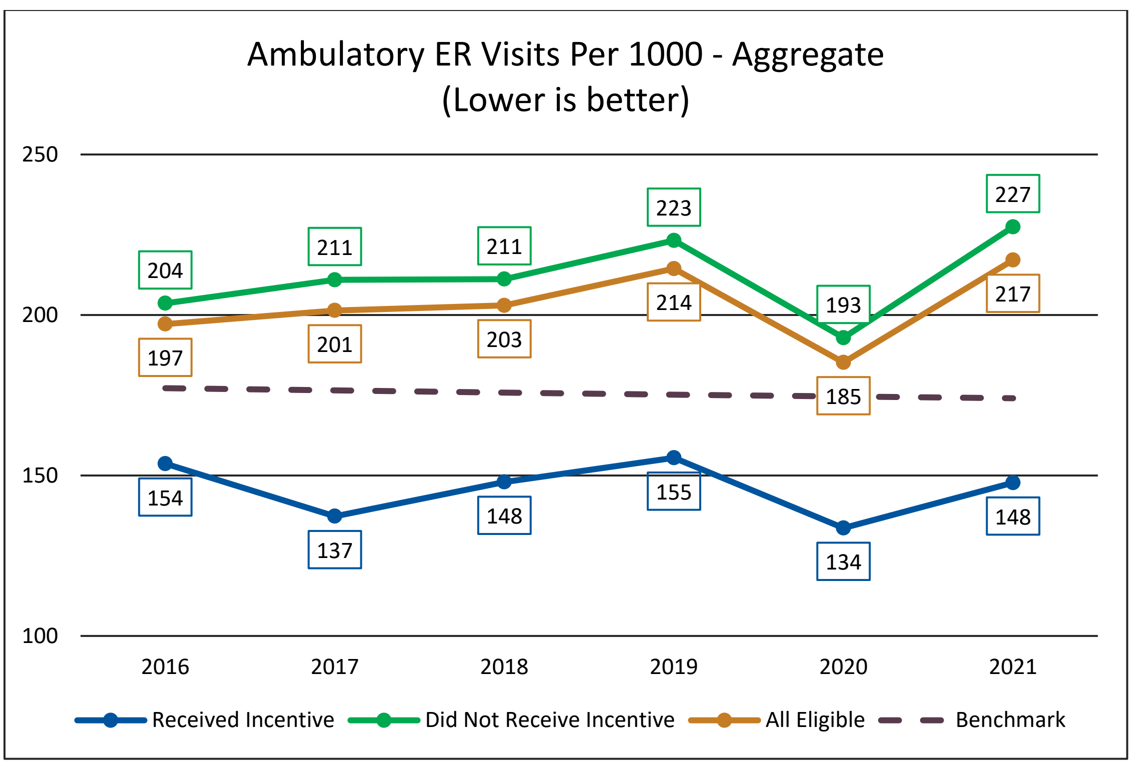
Attachment B includes a summary of the Well Wisconsin program evolution.

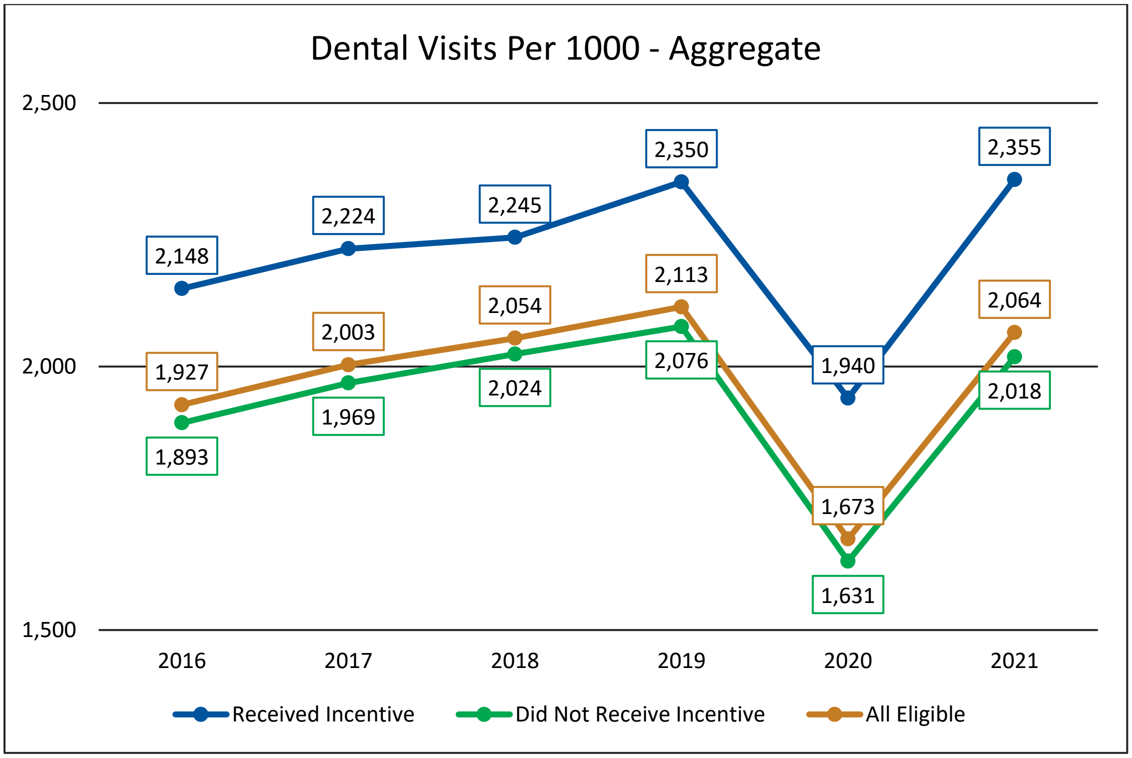
Staff will be available at the Board meeting to answer any questions.

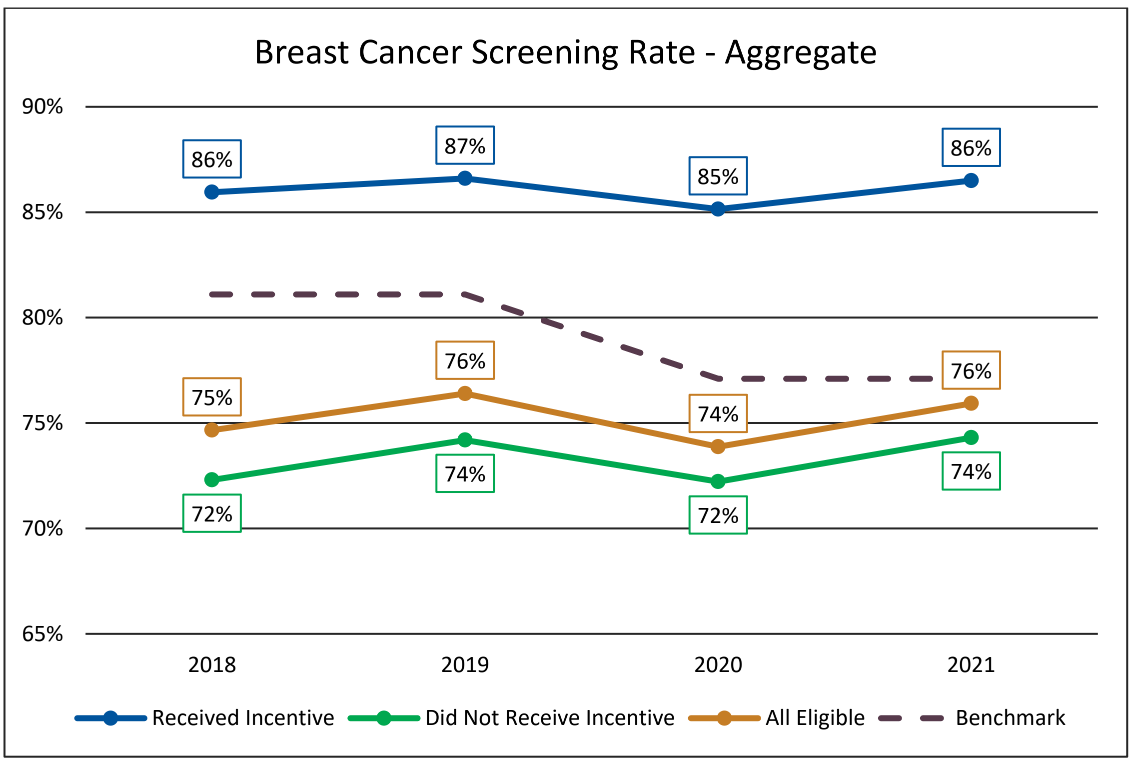
Attachment A: Healthcare Utilization Patterns (Source: Merative Advantage Suite)
Attachment B: Summary of Well Wisconsin Program Evolution

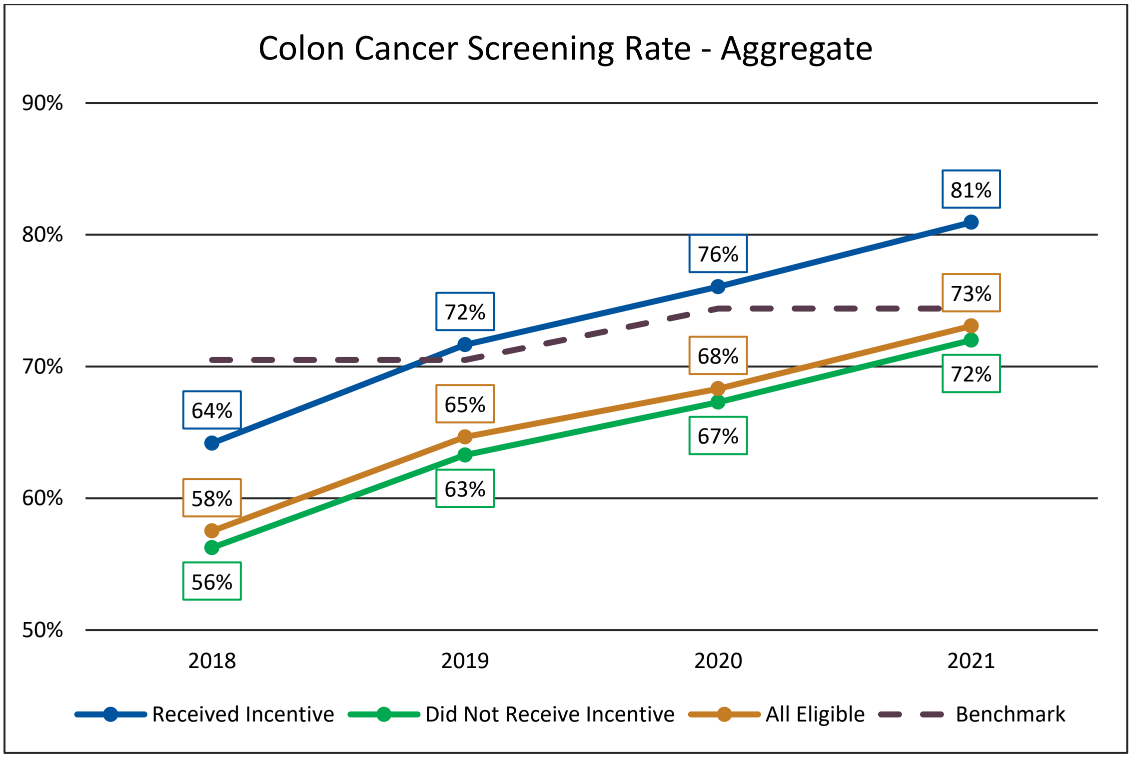
Attachment A: Healthcare Utilization Patterns

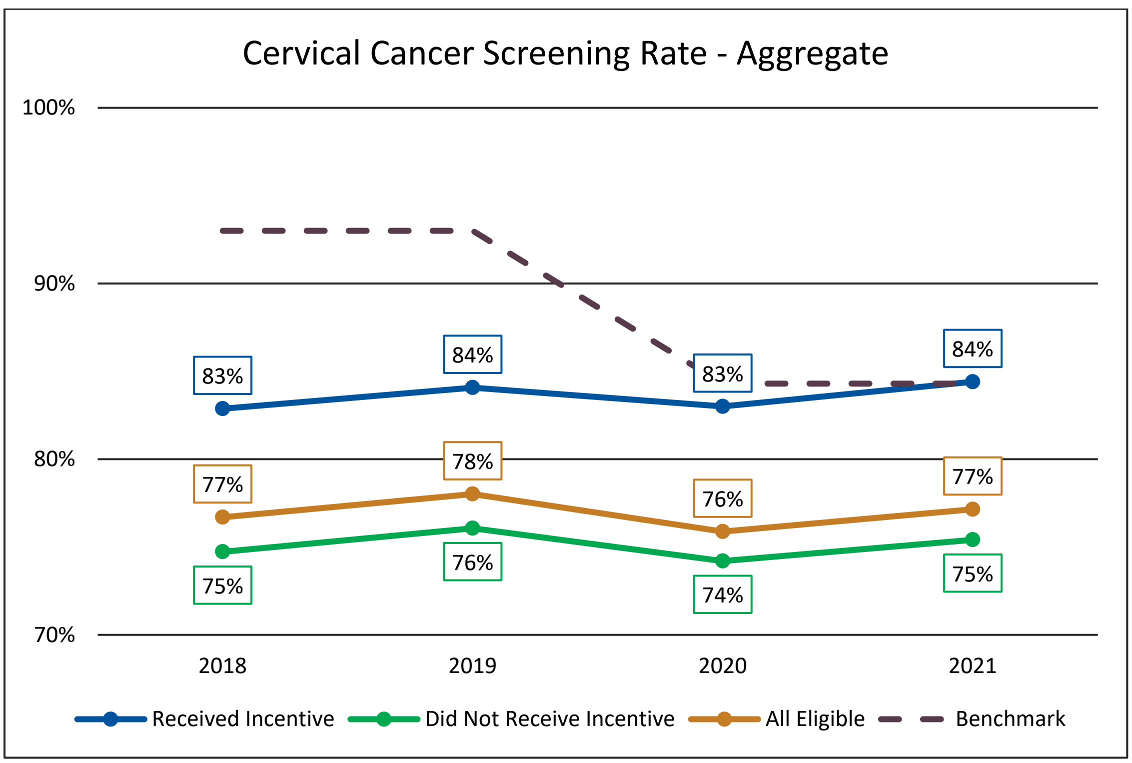


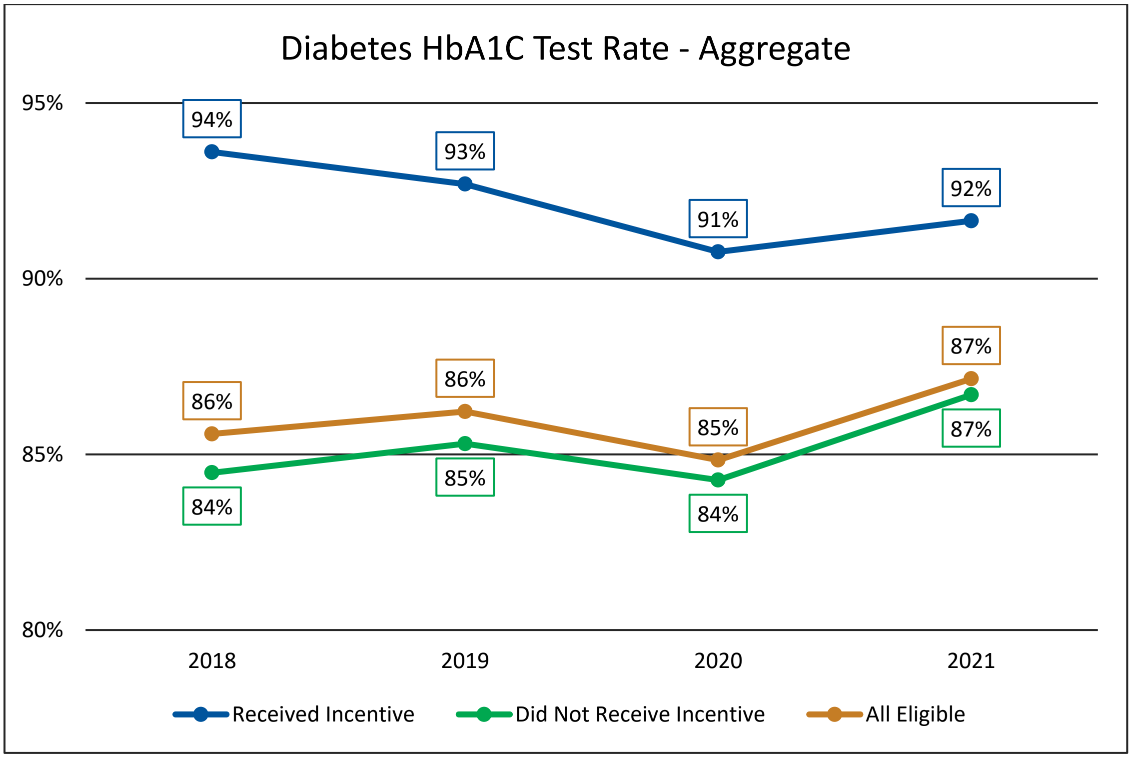


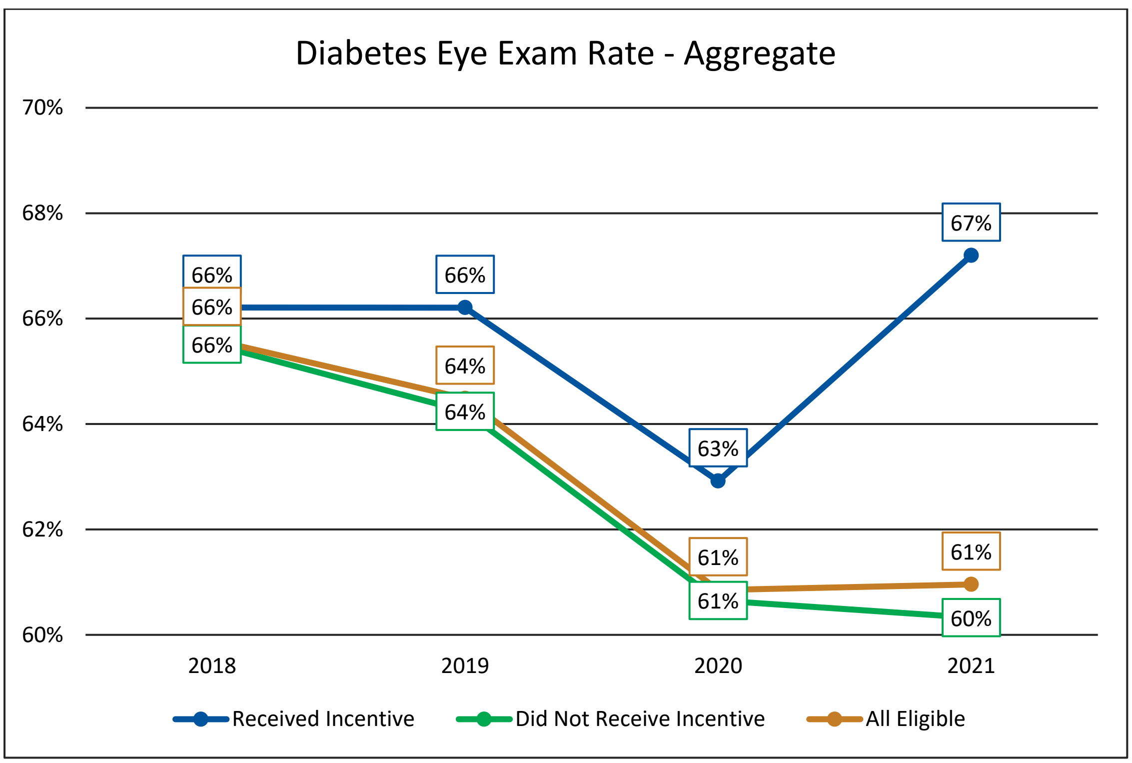

Dental Visits Per 1000 - Aggregate
2,500
2,000
1,500
2016
2017
2018
2019
2020
2021
2,148
2,224
2,245
2,350
1,940
2,355
1,927
2,003
2,054
2,113
1,673
2,064
1,893
1,969
2,024
2,076
1,631
2,018
Received Incentive
Did Not Receive Incentive
All Eligible


Breast Cancer Screening Rate - Aggregate
90%
85%
80%
75%
70%
65%
2018
2019
2020
2021
86%
87%
85%
86%
75%
76%
74%
76%
72%
74%
72%
74%
Received Incentive
Did Not Receive Incentive
All Eligible
Benchmark


Colon Cancer Screening Rate - Aggregate
90%
80%
70%
60%
50%
64%
72%
76%
81%
58%
65%
68%
73%
56%
63%
67%
72%
2018
2019
2020
2021
Received Incentive
Did Not Receive Incentive
All Eligible
Benchmark


Cervical Cancer Screening Rate - Aggregate
100%
90%
80%
70%
83%
84%
83%
84%
77%
78%
76%
77%
75%
76%
74%
75%
2018
2019
2020
2021
Received Incentive
Did Not Receive Incentive
All Eligible
Benchmark


Diabetes HbA1C Test Rate - Aggregate
95%
90%
85%
80%
94%
93%
91%
92%
86%
86%
85%
87%
84%
85%
84%
87%
2018
2019
2020
2021
Received Incentive
Did Not Receive Incentive
All Eligible


Diabetes Eye Exam Rate - Aggregate
70%
68%
66%
64%
62%
60%
66%
66%
66%
66%
64%
64%
63%
67%
61%
61%
61%
60%
2018
2019
2020
2021
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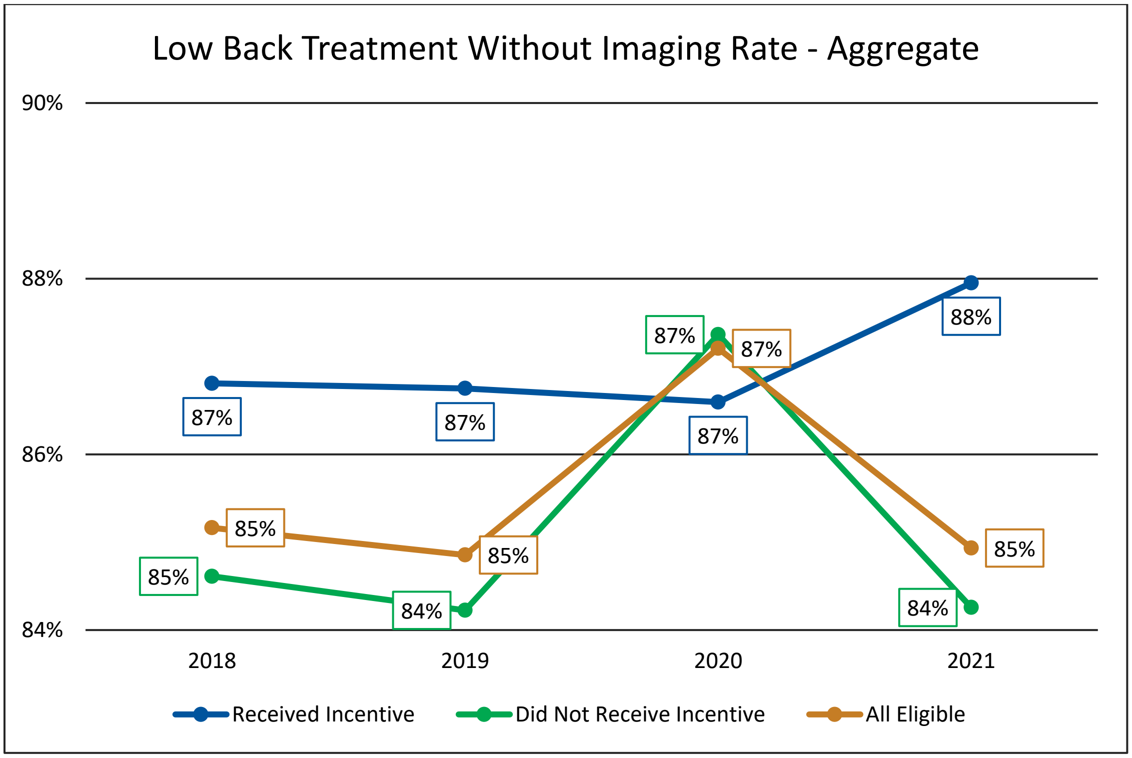
Did Not Receive Incentive
All Eligible


Low Back Treatment Without Imaging Rate - Aggregate
90%
88%
86%
84%
87%
87%
87%
88%
87%
87%
85%
85%
85%
85%
84%
84%
2018
2019
2020
2021
Received Incentive
Did Not Receive Incentive
All Eligible

Attachment B: Summary of Well Wisconsin Program Evolution

Year	Details
2013	Health Plans required to offer health risk assessment and biometric screening. They may offer up to $150 incentive to members who participate.
2014	Health plans required to offer health risk assessment. DOA contracts with Optum to administer biometric screenings. Health plans required to issue $150 incentive to members who participate. ETF and DOA are advised that incentives are taxable income. Members earning the incentive begin to have it included on their W2.
2015	No significant changes.
2016	Adult children are no longer eligible to participate in Well Wisconsin. Board approves releasing RFP for single administration of Well Wisconsin starting in 2017.
2017	StayWell begins administration of Well Wisconsin.
2018	A third activity is added to the incentive design. Members must complete a health assessment, health screening and one well-being activity to earn the $150 incentive.
2019	No significant changes.
2020	StayWell transitioned to a new web portal platform, including a new health assessment. Due to the pandemic, the health screening activity transitions to a health check and includes the options of one coaching call, a dental cleaning, or a biometric screening completed at an onsite event, via a self-collection kit, or via the health care provider form.
2021	WebMD acquired StayWell and new web portal platform, including a new health assessment is implemented. Board approved releasing Well Wisconsin RFP for 2024 program implementation. Health plans are prohibited from offering additional wellness incentives.
2022	Well Wisconsin RFPs released for well-being, mental health, and chronic condition management program administration beginning in 2024.