

San Joaquin Valley Insurance Authority

BOARD OF DIRECTORS

SUSAN B. ANDERSON

JUDITH CASE

MIKE ENNIS

ALLEN ISHIDA

PHIL LARSON

DEBORAH POOCHIGIAN

PETE VANDER POEL

Meeting Location:
Tulare County Employee Retirement
Association Board Chambers
136 N. Akers Street
Visalia, CA 93291
May 6, 2011
9:00 AM

AGENDA DATE: May 6, 2011

ITEM NUMBER: 10

SUBJECT: Wellness/Disease Management RFP

REQUEST(S): That the Board Provide Direction for Staff to Request Formal Proposals for the SJVIA Wellness/Disease Management Vendor

DESCRIPTION:

Wellness and disease management programs have been a topic of much interest in recent years to all health plans. Your Board gave direction to staff and GBS at the January 14, 2011 meeting to explore and report on options that would create savings and incent participants to become more aware of and responsible for their health.

Gallagher Benefit Services locally is working with their dedicated wellness consultants to recommend a plan package best suited for the needs of the SJVIA. A successful wellness program is built using data from the client that is gathered over a period of at least 12 months. This data provides information regarding specific disease states of the participant population as well as allows for a targeted approach for disease management. The SJVIA is currently into its second plan year as an entity and therefore has the utilization data needed to develop a customized program.

A wellness program that is built efficiently will provide results based on a data-driven action planning approach.

Results include:

- Appropriate use of clinics, hospitals, emergency and urgent care facilities
- Reduced employee absenteeism, turnover and overall healthcare costs
- Increased employee productivity
- Recruitment and retention of valued employees

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- A happier and healthier employee culture
- A sense of community among employees

Currently the SJVIA is participating in the Anthem 360 health program which provides disease management and reporting regarding risk categories of the SJVIA population. While providing some of the services needed for a successful wellness program, it is the desire of staff to explore alternatives that prove to be more efficient and well-suited to the SJVIA. Staff is requesting direction to request formal proposals from targeted wellness vendors with the assistance of Gallagher Strategic Wellness Consulting. The process will include an assessment of employee interest, health status, and willingness to change. An analysis of the data available will assist in defining health cost savings opportunities, thus allowing the SJVIA to maximize its current resources including health plans, vendor relationships, and community partners. The GBS dedicated wellness consulting division works with a number of vendors and will assist in the selection of those best suited to the needs and interests of the SJVIA. The request for proposal process takes approximately 6 weeks with results and recommendations available for the next SJVIA meeting.

FISCAL IMPACT/FINANCING:

The budget for the SJVIA included a \$2.50 per employee per month fee, which currently generates approximately \$261,000 per plan year. Employee communication is also an integral part of a wellness and disease management program. The SJVIA health rates also include \$.50 per employee per month for communication totaling around \$52,000 per year. The current balance of the claims mitigation and communication fund along with future contributions will be the basis of building a suitable strategy for the SJVIA. Costs for the plan will be built into the 2012 health plan renewal rates.

ADMINISTRATIVE SIGN-OFF:



Paul Nerland
SJVIA Manager



Rhonda Sjoström
Interim Assistant SJVIA Manager

**BEFORE THE BOARD OF DIRECTORS
SAN JOAQUIN VALLEY INSURANCE
AUTHORITY**

IN THE MATTER OF Wellness/Disease Management RFP

RESOLUTION NO. _____
AGREEMENT NO. _____

UPON MOTION OF DIRECTOR _____, SECONDED BY DIRECTOR _____
_____, THE FOLLOWING WAS ADOPTED BY THE BOARD OF DIRECTORS, AT AN
OFFICIAL MEETING HELD _____, BY THE FOLLOWING VOTE:

AYES:
NOES:
ABSTAIN:
ABSENT:

ATTEST:

BY: _____

* * * * *

That the Board Provided Direction for Staff to Request Formal Proposals for the SJVIA
Wellness/Disease Management Vendor