

May 3, 2019

### **SJVIA Board Meeting: Consultant's Report on Wellness Allocation**

The SJVIA has an annual wellness budget of approximately \$392,000. The wellness funds come from three sources 1) Kaiser \$50,000, 2) Anthem \$50,000, and 3) the \$2.50 PEPM built into the premium rates for \$292,000.

For the past two years, the SJVIA has attempted to develop a wellness plan that fits the needs of both the County of Tulare and the County of Fresno. To date the plan has not been finalized and approved by the Board. This is primarily due to the two Counties having different approaches towards wellness.

#### **County of Tulare**

The County of Tulare promotes activities that improve employee's physical, mental, and financial health. The County has invested a great deal of time and money to help employees make healthier lifestyle choices, offering a wide array of health and wellness programs and incentives, such as biometric screenings (35-panel blood draw, PSA, A1c, blood pressure, and BMI), onsite mammography screenings, health coaching, weight management, healthy cooking class, smoking cessation, onsite exercise class, and fitness challenges, such as Walking Works. The County wants to provide greater onsite and online access to healthcare by encouraging employees to seek medical services when they need it or to check their blood pressure or weight as a form of prevention.

#### **County of Fresno**

The County of Fresno would like to use the wellness budget to incentivize members to become more engaged in activities that improve health such as completing annual preventive care exams and tests, and participating in challenges through an online platform.

Keenan suggests that the SJVIA assist both Counties in pursuing their objectives by outlining specific dollar amounts from the wellness budget. Keenan completed an analysis to determine whether the budget allocation should be made based off enrollment or premium or a blended combination of both. The following chart shows the monthly enrollment and monthly premium assumption used for the allocation.

| SJVIA                          | Wellness Dollar Allocation |                  |                    | Total        |
|--------------------------------|----------------------------|------------------|--------------------|--------------|
|                                | County of Fresno           | County of Tulare | City of Marysville |              |
| <b>Anthem</b>                  |                            |                  |                    |              |
| Premium                        | \$ 3,995,904               | \$ 2,333,355     | \$ 68,843          | \$ 6,398,102 |
| Enrollment                     | 4,067                      | 3,003            | 38                 | 7,108        |
| <b>Kaiser</b>                  |                            |                  |                    |              |
| Premium                        | \$ 2,137,296               | \$ 142,310       | \$ 17,880          | \$ 2,297,487 |
| Enrollment                     | 2,441                      | 173              | 12                 | 2,626        |
| <b>Total Anthem and Kaiser</b> |                            |                  |                    |              |
| Premium                        | \$ 6,133,201               | \$ 2,475,665     | \$ 86,723          | \$ 8,695,589 |
| Enrollment                     | 6,508                      | 3,176            | 50                 | 9,734        |

Based on the premium and enrollment assumptions, Keenan developed the following wellness budget allocation:

| SJVIA                            | Wellness Dollar Allocation |                  |                    | Total      |
|----------------------------------|----------------------------|------------------|--------------------|------------|
|                                  | County of Fresno           | County of Tulare | City of Marysville |            |
| <b>Anthem \$50,000</b>           |                            |                  |                    |            |
| Premium                          | \$ 31,227                  | \$ 18,235        | \$ 538             | \$ 50,000  |
| Enrollment                       | \$ 28,609                  | \$ 21,124        | \$ 267             | \$ 50,000  |
| Blend                            | \$ 29,918                  | \$ 19,680        | \$ 402             | \$ 50,000  |
| <b>Kaiser \$50,000</b>           |                            |                  |                    |            |
| Premium                          | \$ 46,514                  | \$ 3,097         | \$ 389             | \$ 50,000  |
| Enrollment                       | \$ 46,478                  | \$ 3,294         | \$ 228             | \$ 50,000  |
| Blend                            | \$ 46,496                  | \$ 3,196         | \$ 308             | \$ 50,000  |
| <b>\$2.50 PEPM Allocation</b>    |                            |                  |                    |            |
| Enrollment                       | \$ 195,240                 | \$ 95,280        | \$ 1,500           | \$ 292,020 |
| <b>Total Wellness Allocation</b> |                            |                  |                    |            |
| Premium                          | \$ 272,981                 | \$ 116,612       | \$ 2,427           | \$ 392,020 |
| Enrollment                       | \$ 270,327                 | \$ 119,698       | \$ 1,995           | \$ 392,020 |
| Blend                            | \$ 271,654                 | \$ 118,156       | \$ 2,210           | \$ 392,020 |

Since all three approaches produced similar results, the SJVIA staff recommends the blended approach be used to determine wellness dollars available for each entity. The SJVIA's role going forward in wellness for each County will be limited to budget allocation and sponsorship of minimal budget-impacting events such as the "Walking Works!" challenge. However, there are other wellness activities, such as biometric and mammography screening events that are charge to through Anthem and/or Kaiser claims and scheduled throughout each year. Further, the County of Tulare Board has annually committed \$70,000 to their wellness program that has been in existence since 2013.