



BOARD OF DIRECTORS

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**Meeting Location:
Tulare County Employee Retirement
Association Board Chambers
136 N Akers St
Visalia, CA 93921
February 21, 2014 9:00 AM**

AGENDA DATE: February 21, 2014

ITEM NUMBER: 13

SUBJECT: Discussion and Direction for the Efficient Use of Wellness Funds and Incentivizing Participation

REQUEST(S): That the Board Authorize Use of Wellness Funds to Increase Participation and Direct Staff to Implement Pilot Programs

DESCRIPTION:

The SJVIA budget and rates include \$2.50 per employee per month for the purpose of wellness and \$.50 per employee per month for communication. The proposed revised 2013-14 SJVIA budget confirm that these line items generate approximately \$325,800. Last fiscal year, the SJVIA focused efforts on having employees complete an onsite health risk assessment and biometric screening through Delta TeamCare (Reference: April 19, 2013 SJVIA Board Meeting, [Item 10](#) and [Item 10 Report](#)). The effort resulted in 716 employees participating at the County of Fresno, County of Tulare and City of Tulare at a cost of approximately \$140,000 (\$195 per participant). Additionally, the SJVIA offered onsite mammograms the last two fiscal years through Pacific Coast Medical at a cost of \$95 per participant or approximately \$37,000 per year based on participation.

Gallagher Benefit Services and SJVIA staff have reviewed these efforts and determined the following:

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- Participation in health risk assessments is an important part of the SJVIA Wellness strategy. The focus has been on employee awareness of their health conditions and providing a detailed report, coaching and resources for setting wellness goals.
- Despite the importance of this effort, participation has been minimal compared to SJVIA enrollment (8% of enrollment).
- Participation in both of these efforts were more cost efficient for the SJVIA compared to the cost of an employee claim for the same service as summarized below. Additionally, the convenience of offering the services onsite increases participation.

Service	Health Risk Assessment & Blood Screening	Mammogram
Anthem Blue Cross	\$410	\$300
SJVIA Wellness Vendor	\$195	\$95
Savings Per Claim	\$215	\$205

- The nature of these wellness efforts are bringing services to employees that could also be accessed as a claim through Anthem Blue Cross. Since these wellness expenses meet the criteria as medically eligible health claims, they could appropriately be paid for as part of claims expenses and would then allow for further use of the wellness budget line item
- As the SJVIA wellness efforts have not had high participation rates, a recent survey of other entities confirmed that incentives bolster and encourage participation. For example, a near-by County experienced consistent annual (four year program) participation of nearly 45% of their employees with small incentives. The County of Tulare has recently launched an incentive based wellness program that has already increased participation.

In consideration of these factors, staff is recommending that the SJVIA launch a pilot program that uses incentives for participation in existing wellness programs. The incentives would be modest and funded through the SJVIA Wellness line item of the budget while the cost of the health risk assessment and screening would be paid for appropriately as an SJVIA claim.

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The proposed pilot programs would allow the participating entities to pay the incentives to participating employees with reimbursement from the SJVIA Wellness funds. Specific pilot programs proposed are:

1. Health Risk Assessment & Biometric Screening (Delta TeamCare)

- Participation in HRA & Biometric Screening = \$50 Incentive
- Participation in a minimum of 2 individual health improvement courses available onsite and online = \$50 incentive

The pilot program would be designed to increase both participation in the HRA & Biometric screening but also in following up with Delta TeamCare's health coaching and online resources. Delta TeamCare would track and report the participation.

2. Weight Watchers at Work

Although the SJVIA has not offered such a program, claims data confirms that obesity and its related conditions are a major driver of claims cost. In an effort to incentivize participation, Entities may choose to offer a "Weight Watchers at Work" program. Employee who pay for and complete the 12-week program would be eligible for full reimbursement of the program (\$156).

Approval of the recommended action will allow the SJVIA to pilot the use of incentives in an effort to increase participation in SJVIA wellness efforts. The results of this pilot program will be reported back to your Board to determine if this strategy should be used or expanded in the future.

FISCAL IMPACT/FINANCING:

Approval of the recommended action would not increase SJVIA FY 13-14 budget but would allow the appropriate payment of medically eligible claims offered through wellness efforts. Incentives may lead to increased participation.

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ADMINISTRATIVE SIGN-OFF:



Paul Nerland
SJVIA Manager



Rhonda Sjostrom
SJVIA Assistant Manager

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

IN THE MATTER OF Efficient Use Wellness Funds Incentivizing Participation

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 That the Board Authorized the Use of Wellness Funds to
Increase Participation and Directed Staff to Implement Pilot Programs