Curbing Health Care Costs: Practice what you preach

Heartland Health
March 2013
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Discussion Topics

• The Landscape
• Caregiver Health Plan
• Results
The Landscape
Heartland is...

- A small integrated delivery system – with BIG ideas
- A 350 bed acute hospital, approximately 250 ADC
- 160+ employed multi-specialty physicians
- 75+ employed APRN’s
- A long-term acute care hospital (LTACH)
- Level II tertiary center that can meet most medical needs
- 3,400 caregivers
Heartland is...

• Targeted, and close to achieving, top decile performance with the triple aim™ approach of quality, satisfaction and efficiency
• A 2009 Baldrige National Quality Award winner
• Aligned in current developments with Aetna and Cerner

The term triple aim is a trademark of the Institute for Healthcare Improvement.

www.heartland-health.com
Primary Service Area
Population: 114,857
Market Share: 82%

Secondary Service Area
Population: 179,192
Market Share: 18%
Our Health Care Dilemma
Vision
To make Heartland Health and our service area the best and safest place in America to receive health care and live a healthy and productive life.
Bending the Cost Curve

Federal spending for Medicare and Medicaid under assumptions about the Health Cost Growth Differential

Differential of:
- 2.5 Percentage Points
- 1 Percentage Point
- Zero

Percent of GDP

Source: Premier 2010

Tax rates 2050:
- 10% → 26%
- 25% → 66%
- 35% → 92%

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Our Baseline

• $25 million* annual spend on 2,800 caregivers

*Number rounded to closest million dollars
Workforce Wellness

• Created in Fall 2000 with the goal to affect the health of the individual’s body, mind and spirit.
• Offerings include free annual wellness screenings to caregivers, spouses, dependents, hospital volunteers, medical staff, and board members (including free personal training).
• Screenings include a Health Risk Appraisal, biometrics, and a 1-on-1 visit with a wellness specialist to review risks and set personal health goals.
Workforce Wellness  (continued)

- Variety of programs to meet caregiver’s health needs: Nutrition, Weight Loss, Stress, Physical Activity, Cooking, Tobacco Cessation and Financial Guidance.
- Wellness Point Incentive Program which rewards participation and healthy behavior change.
- Program includes two full-service fitness centers, including group exercise classes.
- Staff includes 15 wellness caregivers (dietitians & fitness specialists)
Prior State

Two plans for caregivers to choose from:

- Plan 1 (similar to PPO) (21%)
- Plan 2 (similar to HMO) (79%)

Wellness Discounts (100% of HIPAA allowable)

- Non-tobacco discount for caregiver & dependents
- BMI discount based on caregiver
Guiding Principles

• Align with future of healthcare including first steps (pilot population) to ACO
• Maximize services within Heartland Health and Heartland providers
• Increase consumerism
• Focus incentives on Wellness
HRA

• Vested after two years in HRA
• HRA contributions made January 1 (Start of Plan Year)
• Unused contributions can be rolled over each year
• After separation of employment, balance falls below $500, must be used during the calendar year
Wellness Screenings

- Conducted by current Wellness Staff
- All Caregivers and spouses enrolling must complete a wellness screening
- Grand prize drawings i.e. 10, $100 gift cards, entered in if screening completed on a timely basis
- Tobacco screening
  - Random screenings completed at Wellness Screening (5%)
  - Newly enrolled spouses
  - Individuals who did not qualify in 2011 can re-test for 2012 plan year
Wellness - BMI Discount

Announce during annual enrollment that as of January, 2012, BMI discount will be determined by caregiver and spouse.

<table>
<thead>
<tr>
<th>Year</th>
<th>Caregiver</th>
<th>Spouse</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>&lt;33</td>
<td>n/a</td>
</tr>
<tr>
<td>2012</td>
<td>&lt;32</td>
<td>&lt;35</td>
</tr>
<tr>
<td>2013</td>
<td>&lt;31</td>
<td>&lt;34</td>
</tr>
<tr>
<td>2014</td>
<td>&lt;30</td>
<td>&lt;33</td>
</tr>
<tr>
<td>2015</td>
<td>&lt;30</td>
<td>&lt;32</td>
</tr>
<tr>
<td>2016</td>
<td>&lt;30</td>
<td>&lt;31</td>
</tr>
<tr>
<td>2017</td>
<td>&lt;30</td>
<td>&lt;30</td>
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</table>
# Example - Family

## Caregiver Per Pay Period Contributions

<table>
<thead>
<tr>
<th>Plan</th>
<th>Discount</th>
<th>Annual HRA contribution</th>
<th>Full–time</th>
</tr>
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<tbody>
<tr>
<td><strong>Caregiver only</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>BOTH: BMI and tobacco–free</td>
<td>$500.00</td>
<td>$16.00</td>
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<tr>
<td></td>
<td>BMI &gt; 32/Tobacco–free</td>
<td>$400.00</td>
<td>$34.60</td>
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<tr>
<td></td>
<td>BMI &lt; 32/Tobacco user</td>
<td>$400.00</td>
<td>$34.60</td>
</tr>
<tr>
<td></td>
<td>No discount</td>
<td>$300.00</td>
<td>$53.20</td>
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<tr>
<td><strong>Caregiver + 1</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>BOTH: BMI and tobacco–free</td>
<td>$1,000.00</td>
<td>$32.00</td>
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<tr>
<td></td>
<td>BMI greater than**/tobacco–free</td>
<td>$900.00</td>
<td>$50.61</td>
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<tr>
<td></td>
<td>BMI less than**/tobacco user</td>
<td>$800.00</td>
<td>$69.21</td>
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<tr>
<td></td>
<td>No discount</td>
<td>$600.00</td>
<td>$106.44</td>
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<tr>
<td><strong>Family</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>BOTH: BMI and tobacco–free</td>
<td>$1,500.00</td>
<td>$48.00</td>
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<td></td>
<td>BMI greater than**/tobacco–free</td>
<td>$1,400.00</td>
<td>$66.61</td>
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<td>BMI less than**/tobacco user</td>
<td>$1,200.00</td>
<td>$103.82</td>
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<td></td>
<td>No discount</td>
<td>$900.00</td>
<td>$159.65</td>
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<tr>
<td></td>
<td>Tier 1 Heartland Health</td>
<td>Tier 2 In-Aetna Network-</td>
<td>Tier 3 Out of Aetna Network</td>
</tr>
<tr>
<td>----------------------</td>
<td>-------------------------</td>
<td>--------------------------</td>
<td>-----------------------------</td>
</tr>
<tr>
<td>Deductible</td>
<td>$1,500/$3,000</td>
<td>$1,500/$3,000</td>
<td>$3,000/$6,000</td>
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<tr>
<td>Co-insurance</td>
<td>20%</td>
<td>20%</td>
<td>50%</td>
</tr>
<tr>
<td>Out of Pocket Max</td>
<td>$3,000/ $6,000</td>
<td>$3,000/$6,000</td>
<td>Unlimited</td>
</tr>
<tr>
<td>Caregiver Quick Care Clinic</td>
<td>$0</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>PCP Visit co-pay</td>
<td>$10</td>
<td>$40</td>
<td>Ded +50% coinsurance</td>
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<tr>
<td>- Heartland</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Specialist Visit</td>
<td>$20</td>
<td>$20</td>
<td>Ded +50% coinsurance</td>
</tr>
<tr>
<td>Inpatient Stay</td>
<td>Ded +15% coinsurance</td>
<td>Ded +25% coinsurance</td>
<td>Ded+50% coinsurance</td>
</tr>
<tr>
<td>Out patient</td>
<td>Ded +15% coinsurance</td>
<td>Ded +25% coinsurance</td>
<td>Ded+50% coinsurance</td>
</tr>
<tr>
<td>Rx</td>
<td>$10/$30/30%</td>
<td></td>
<td></td>
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<tr>
<td>Health Reimbursement Acct</td>
<td>Applies</td>
<td>Applies</td>
<td>Applies</td>
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<tr>
<td>Flexible Spending Acct</td>
<td>Applies</td>
<td></td>
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</tbody>
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Caregiver/Spouse Wellness Center Usage 2012

- Employee
- Spouses
- Personal Training

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Caregiver Health Plan – Total PMPM Spend

2008: $417
2009: $417
2010: $450
2011: $438
2012: $429

0.8% Trend
Life Connections
Engagement of all resources allow for the right care based caregiver needs

Wellness Screening

- Call center
- Wellness Dietitians
- Care Management
- Fitness Specialists / Wellness Center
- Diabetes Center
- Caregiver Assistance
- Medical Home
- Wellness Programming
- High Risk Health Coaching / Wellness

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