

King County

Healthy
INCENTIVES



King County Healthy IncentivesSM

American Medical Group Association
March 14, 2013

Agenda

- Overview of King County Healthy Incentives
- Results/Program Effects
- Lessons Learned
- Next Steps

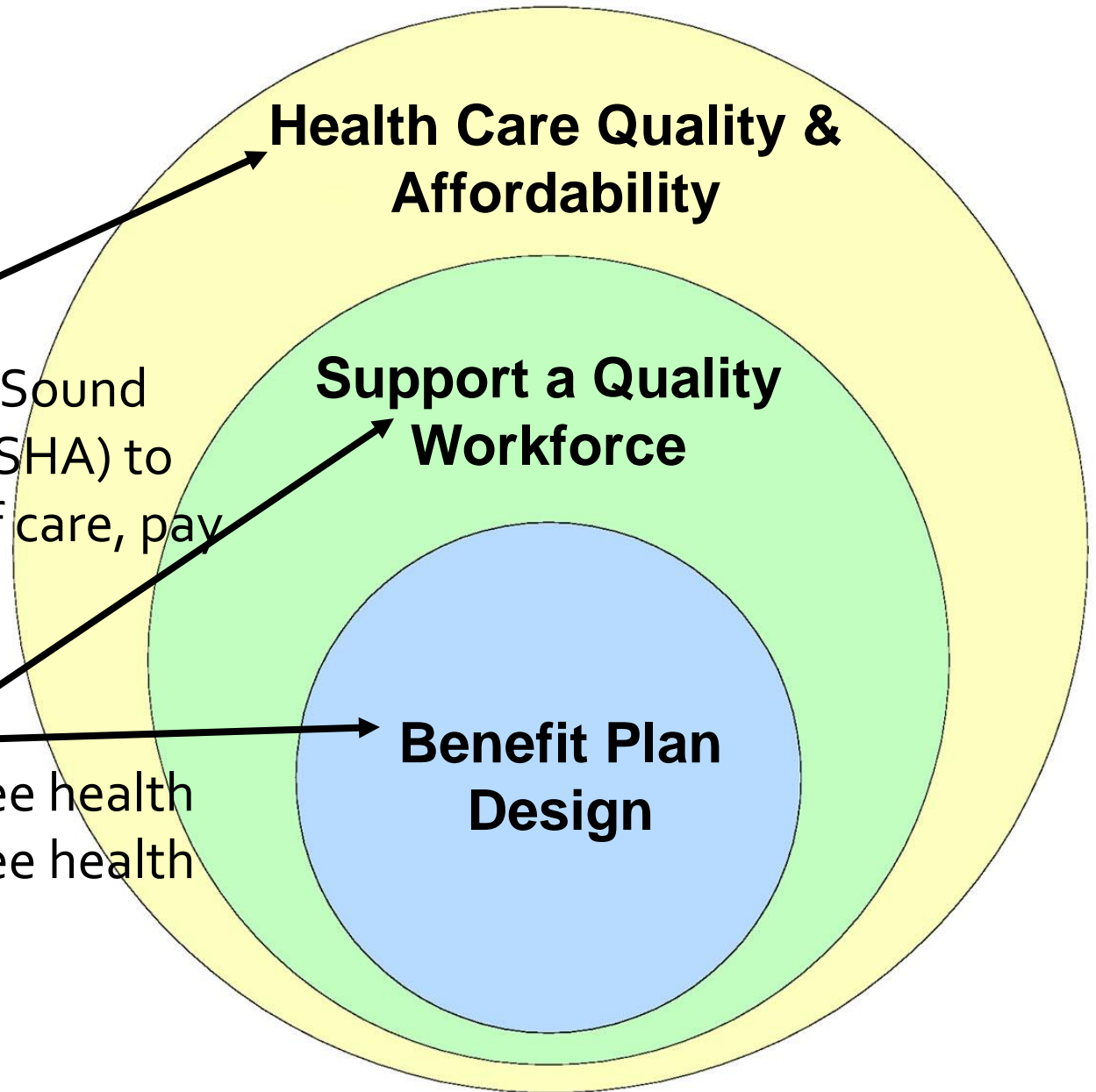
Strategy

Supply Side:

- Work with Puget Sound Health Alliance (PSHA) to improve quality of care, pay for value

Demand Side:

- Improve employee health
- Increase employee health consumer skills



Supply Side

Puget Sound

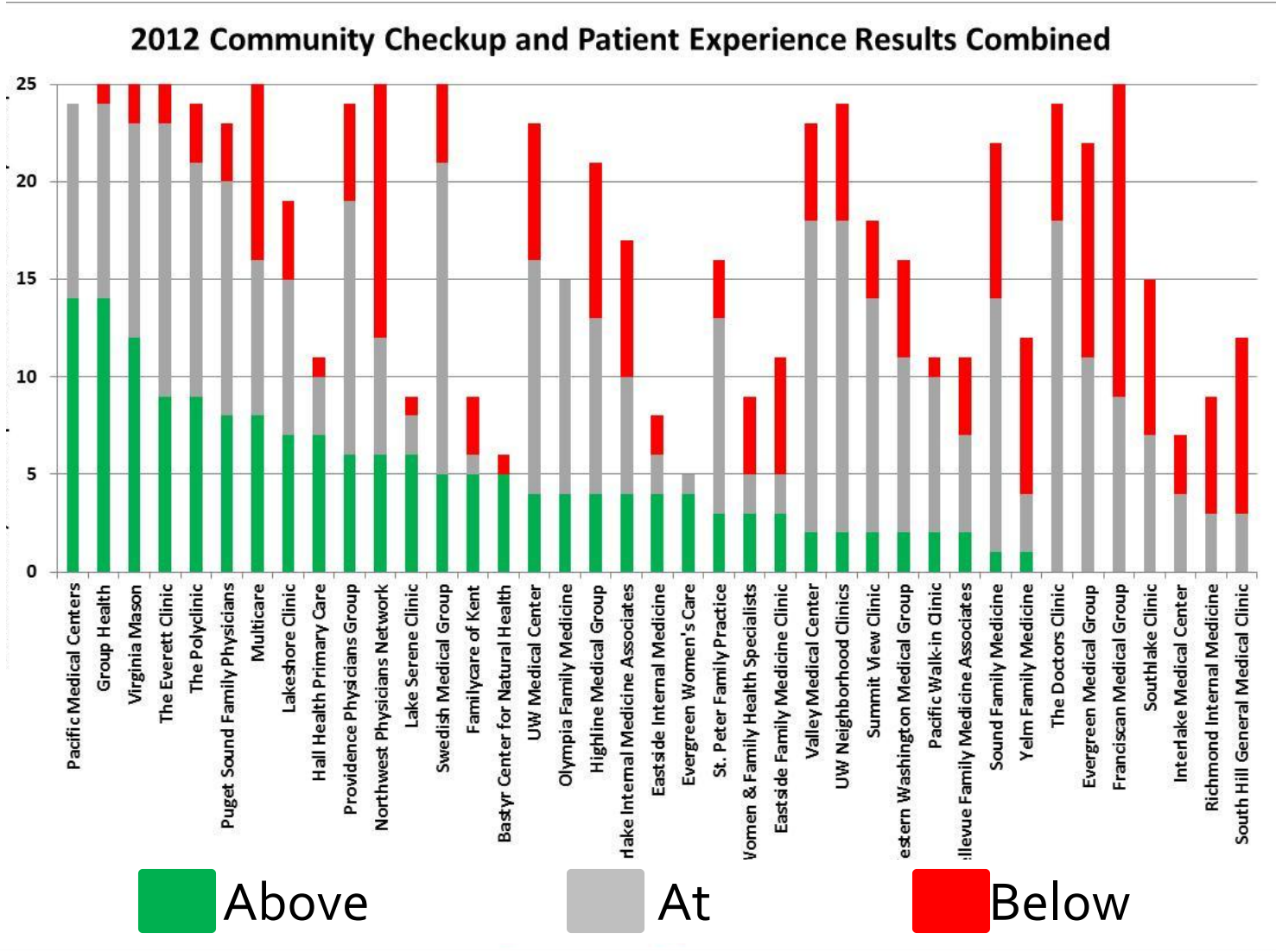
Health Alliance

Employers, physicians, hospitals, patients, health plans working together to measure and report quality

- **eValue8**
- **Community Check-Up Report**
- **Next Step: price transparency**




Quality Comparison Data

Number of measures/Results
Reported in the Alliance Checkup



Financial Incentives to choose quality health care

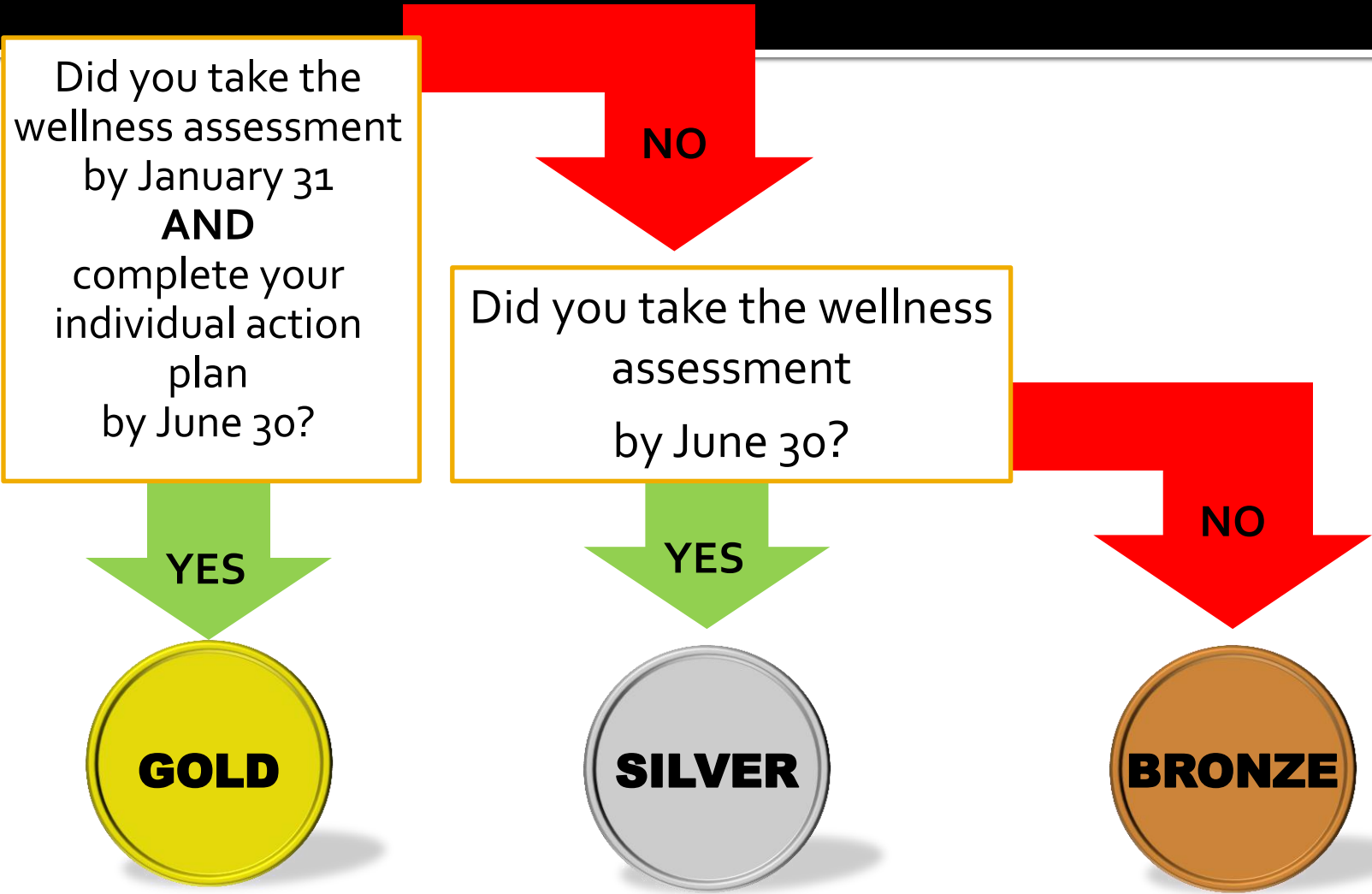
Difference in out-of-pocket expenses

| | Difference | KingCare | Group Health |
|---|------------|----------|--------------|
|  | \$1,013 | \$1,409 | \$396 |
|  | \$1,336 | \$2,020 | \$684 |
|  | \$1,701 | \$2,406 | \$705 |

Demand Side--Healthy IncentivesSM

- **Improve employee health**
 - Healthy Incentives program—annual wellness assessment and individual action plan
 - Worksite health promotion—Eat Smart, Move More, Stress Less, Quit Tobacco

Benefit Plan: How It Works



Financial Incentives to Participate in Wellness Program

| | KingCare SM | | Group Health | |
|--------|------------------------------|----------------|---------------------|---------------------|
| | Annual Deductible | Co-Insurance * | Office Visit Co-Pay | Hospital Co-Pay |
| Gold | \$300/ Ind. \$900/Family | 15% | \$20 | 100% after \$200 |
| Silver | \$600/Ind. \$1,800/Family | 25% | \$35 | 100% after \$400 |
| Bronze | \$800/Ind. \$2,400/Family | 25% | \$50 | %100 after \$600 |

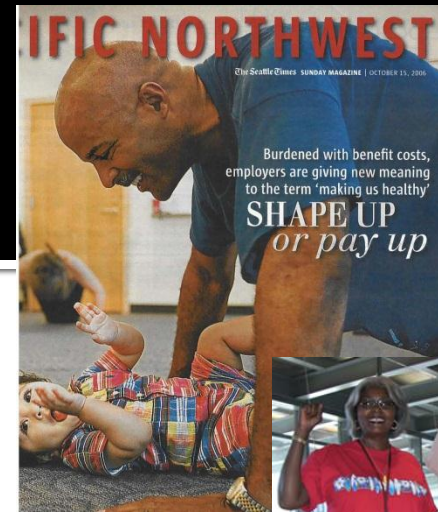
*In-Network Provider

Individual Action Plans Offered

- Text in healthy activity
- Diabetes Prevention and Control
- Online reporting of exercise, stress management, nutrition, weight management
- Paper reporting of stress management, nutrition, exercise
- Weight Watchers at work, online and in the community
- King County Parks Fitness Challenge
- Workshop that supports management of chronic conditions
- Team health competition
- Tobacco cessation

Worksite Wellness

- Gym discount program
- Farmer's market
- Farm to Work fresh produce delivery
- Employee Demonstration/Giving Garden
- Healthy vending
- Choose well consumer education/Own Your Health campaign
- Flu shots
- Health Heroes
- Lunch and Learn sessions on timely topics



Results

- Squillions of Dollars Saved
- Rate of Chronic Disease Cut in Half
- ROI of 3:1

NOT



Results

Real Results We're Proud Of:

- Engagement
- Costs
 - PPO vs. HMO
- Risk Factors
- BMI

Facts About King County Employees

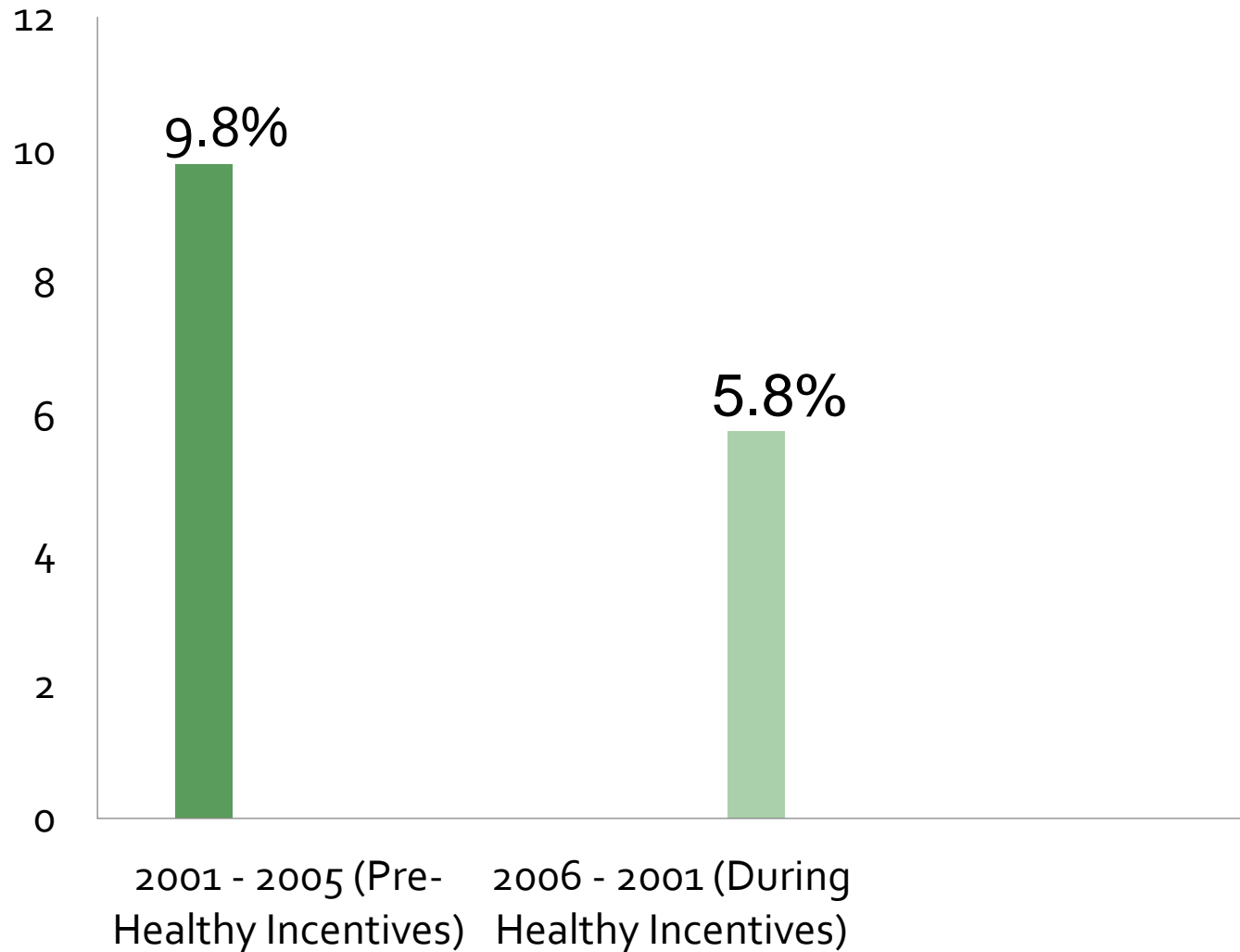
- 13,000 Benefits-eligible employees
- Average age—50 years
 - Average age has increased .44 years for each calendar year of the Healthy Incentives program
- 50% male / 50% female
- Nearly 50% have 4+ years of college; nearly 40% have some college
- Nine major lines of business—including Public Safety, Metro Transit, Public Health, Natural Resources and Parks
- 83% unionized
 - 103+ separate bargaining units
 - 70+ union contracts
 - Benefits bargained in coalition



Healthy IncentivesSM Participation

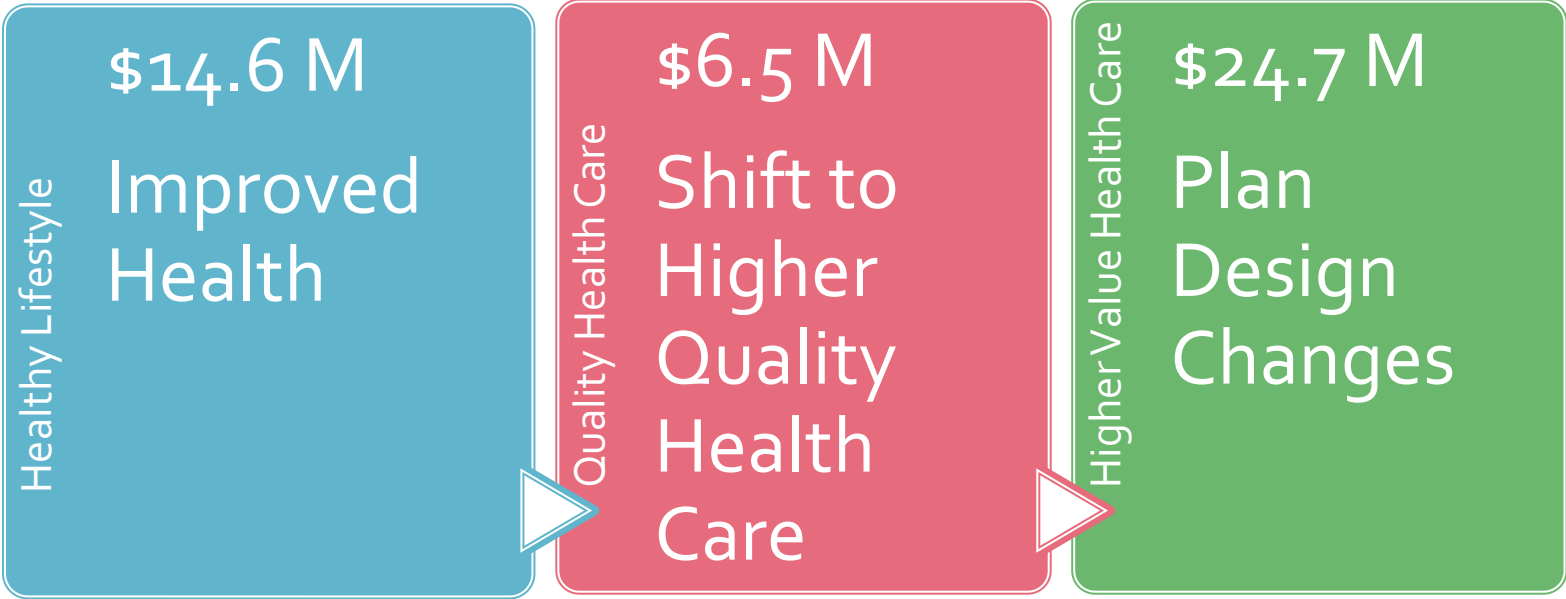


Cost Trend Comparison

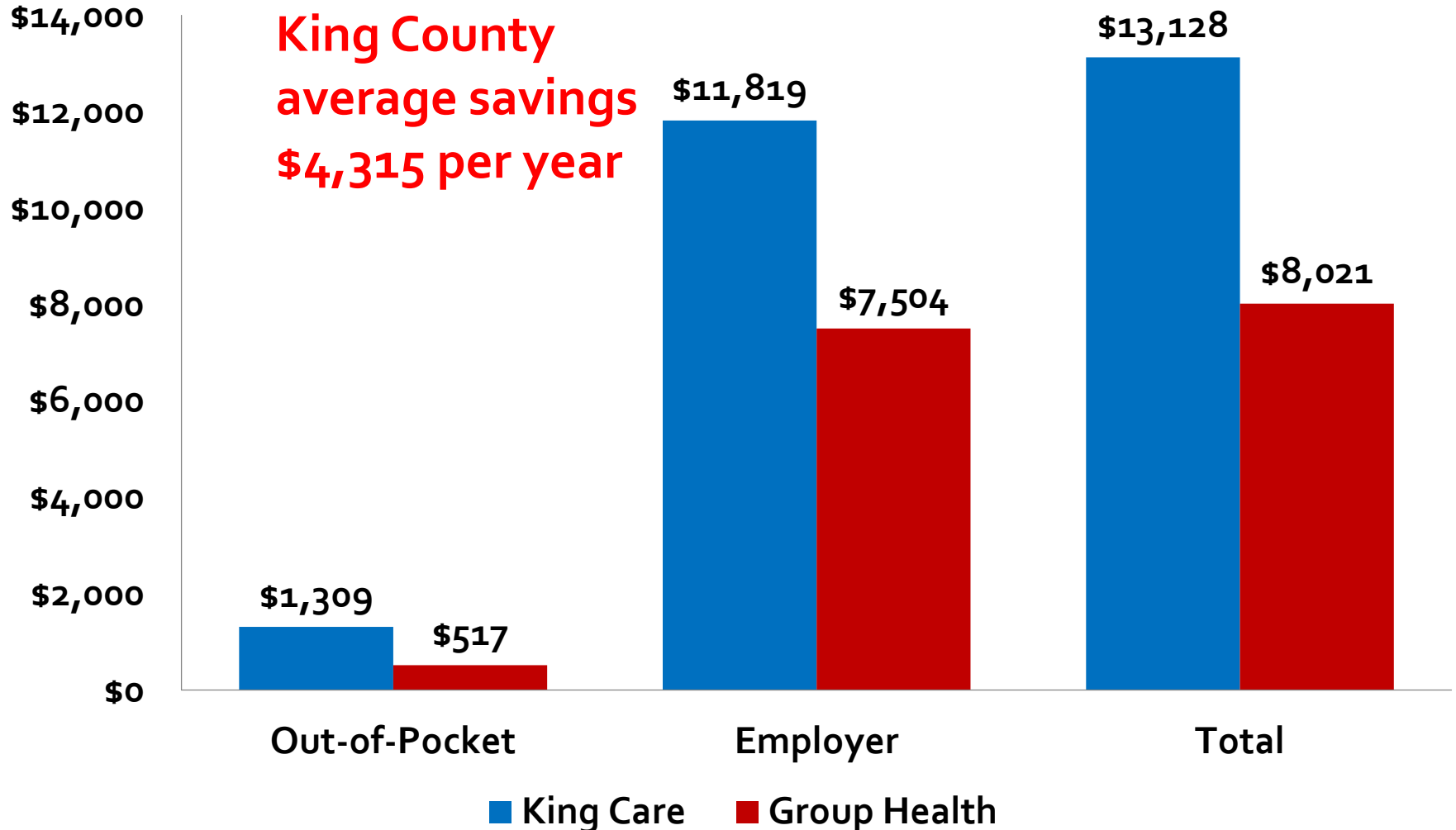


Results: Financial

\$46 million saved 2007 - 2011



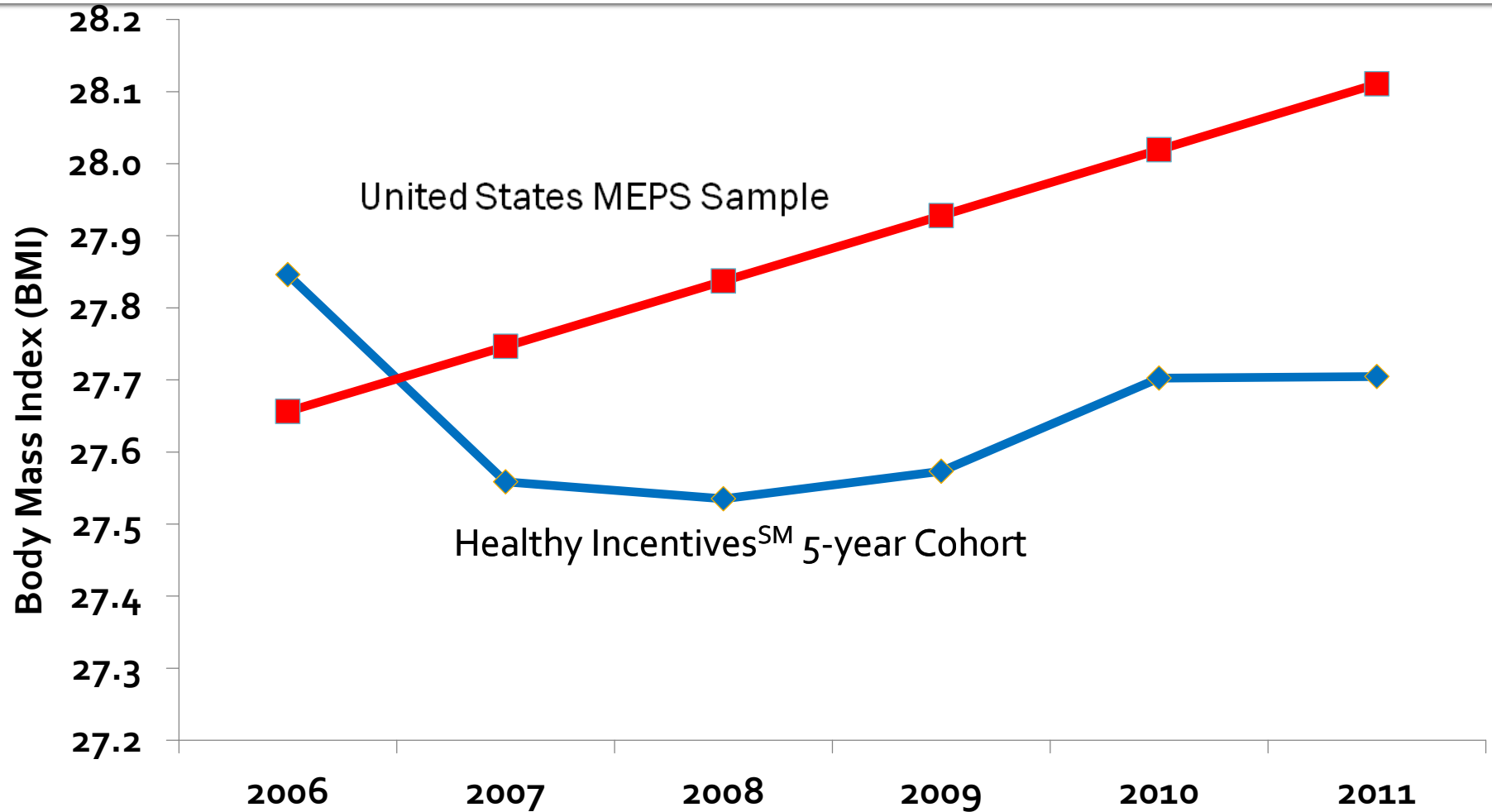
Quality Care: Group Health HMO Costs Less Than PPO



More Information on Group Health Compared to KingCareSM for the King County Employee Population

- No significant difference in the age, gender, education level, smoking, body mass, ethnicity, salary or general health status between members in Group Health and KingCareSM
- Emphasis on evidence based medicine and prevention.

Health Results: Obesity



MEPS=Medical Expenditure Panel Survey conducted annually by AHRQ (Agency for Healthcare Research and Quality)

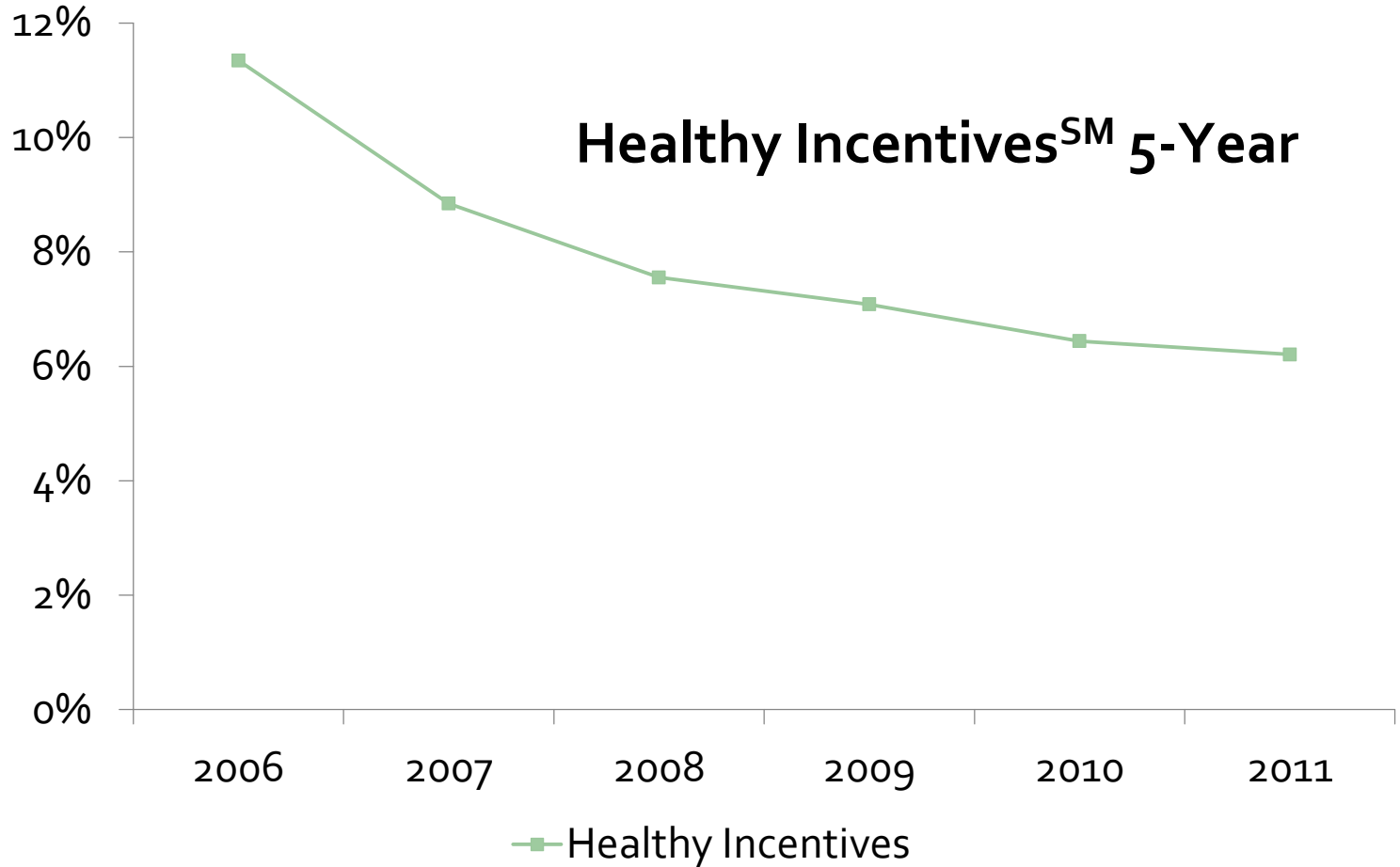
Health Results – Obesity



- 2,000 people lost 24 tons
- Women Benefit More Than Men
- 20-Somethings Don't Benefit At All
- African-Americans Benefit the Most
- College Graduates Benefit Less
- Healthy IncentivesSM successfully managed weight for King County employees, spouses and partners
- This is the first study to find significant benefits for a large percentage of employees over a multi-year period

Study report available @ J Occup Environ Med. 2011 Nov;53(11):1215-20.

Health Results -- Smoking



Lessons Learned

- Partnership with Labor is essential
- Engaged Leadership is critical
- Most effective strategy for moderating costs requires 3-part focus
 - Supply—Improve quality, reduce waste
 - Demand—better health, smarter consumers
 - Plan design that rewards both providers and patients to “do the right thing.”

Next Steps

- New benefit plan
- Work with the Puget Sound Health Alliance, Washington State and other partners to improve quality/reduce waste in healthcare
 - “Whether it’s the employee or the employer, it doesn’t matter who gets stuck with the bill if the bill itself is growing exponentially.”
 - King County Executive, Dow Constantine
- Study causes for reduced PEPM costs 2005-2012

For More Information



kingcounty.gov/employees/HealthyIncentives/ToolKit