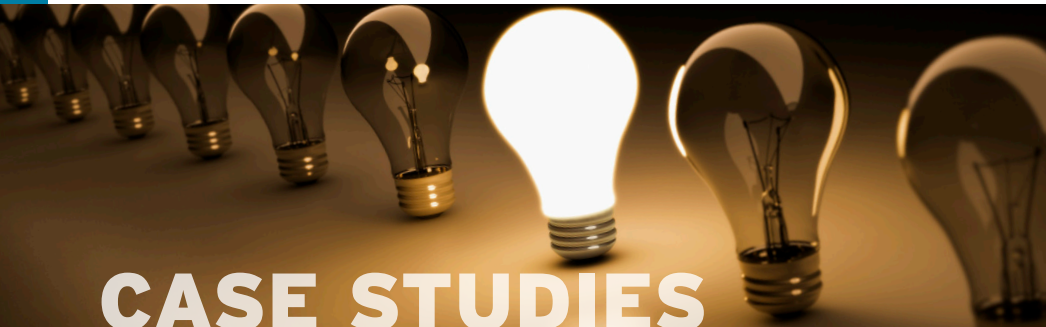


HEALTH CARE VIGILANCE PAYS OFF FOR ROCK COUNTY



CASE STUDIES

“Diligence and vigilance” in administering a self-funded health benefit plan has led to significant cost savings for Rock County, Wisconsin.

Diligence in addressing the rising cost of health benefits for its approximately 1,200 employees led Rock County to join The Alliance® in 2006. The Alliance is an employer-owned, not-for-profit cooperative with 180 members who provide coverage to more than 80,000 individuals in southern Wisconsin and neighboring counties in Iowa and Illinois.

Initial reviews based on 15 months of health claims data projected that joining The Alliance would reduce Rock County’s health benefit costs by \$400,000 in the first year. Revised projections later increased the anticipated cost reductions to \$600,000.

Both projections fell far short of the actual first-year reduction in health benefit costs of \$1.2 million.

The Alliance is able to control health care costs within Rock County’s \$16 million budget for health benefits largely due to a focus on providing access to a broad network of health care providers at a reasonable price, according to a former Rock County executive.

The executive says Rock County’s willingness to explore new options shows the importance of continual “diligence and vigilance” for employers with self-funded health plans.

“You can’t take for granted that what is working for you today will work for you tomorrow, especially in the health care industry,” the executive says.

A Public Employer

Rock County is home to roughly 154,000 people who live in a 720-square-mile area bordered on the south by the state line and on the north by Lake Koshkonong and the community of Edgerton. Its largest cities are Beloit and Janesville.

“Every decision that we make is in the public eye and is scrutinized,” the executive notes. “Everything we do is public record and every single citizen that lives in this county has access to our county board just by picking up the phone.” That scrutiny could have caused problems if switching to The Alliance was difficult for employees. Instead, The Alliance’s broad network of providers allowed the transition to go smoothly, with employees able to continue seeing their provider of choice. “The disruption to employees was negligible,” the executive says.

Five Steps To Improve Health Care And Lower Costs

Step One:

Become a member of The Alliance to gain access to a broad network of health care providers and data on the cost and quality of network hospitals. Rock County reduced annual health costs by \$1.2 million by joining the cooperative.

Step Two:

Create a wellness-based health benefit plan to expand coverage for preventive care and allow employees to “earn” additional health coverage with fitness activities.

Step Three:

Introduce mandatory clinical health risk assessments (CHRAs) for employees and make the CHRAs available to spouses participating in the health plan. In Rock County, initial CHRAs alerted 114 of the 607 participants to potentially serious health conditions that were previously undiagnosed.

Step Four:

Reinforce the value of prevention by promoting participation in fitness activities and wellness events in the workplace.

Step Five:

Take advantage of membership in The Alliance to continually seek ways to control health care costs and improve employee health.

Promoting Wellness

The implementation of a wellness-based health plan that rewards employees for pursuing fitness activities and preventing health problems is another example of Rock County's commitment to seek out ways to maintain health benefits while restraining health costs.

Rock County's wellness-based model pays 90 percent of employee health costs and allows employees to earn the other 10 percent by participating in wellness activities. Employees earn points toward the additional coverage by attending educational activities such as a CPR class, keeping a fitness journal, taking preventive health actions such as getting a flu shot or a dental cleaning, or donating blood.

The plan also provides coverage for a wide range of preventive care that employees were previously required to pay for themselves. "What we've done is significantly increase preventive care in our health plan coverage in exchange for added responsibility on the part of employees," the executive says.

Rock County tied the introduction of its wellness-based health plan to a greater range of wellness activities. A contest that measures time spent in wellness activities drew 100 employees in 2008, marking a "huge" jump in participation. Currently, the county's Wellness Committee is running a month-long fitness challenge that has more than 350 active participants.

"With the groups participating in this new health plan that is focused on wellness," the executive says, "wellness is really becoming infectious."

Using Clinical Health Risk Assessments Helps Identify and Manage Disease

A clinical health risk assessment (CHRA) is required for all employees and is made available to spouses covered by the wellness-based model. A total of 607 employees and spouses took the CHRA for the first time in February 2008.

The vendor who performs the CHRAs, sends individual results directly to employees so they can act on the information. Rock County never sees individual data; instead, the county receives aggregate data that lists the health conditions that were found without linking them to individual employees.

Health conditions revealed by CHRAs included 38 people with high cholesterol, 26 with potential liver disease, 19 with thyroid disorders, 12 with anemia, nine with diabetes, seven with high blood pressure, and one each with probable prostate cancer, kidney disease, and a bleeding disorder.

"We've had numerous employees come to human resources

and thank us for this program, because they found out about significant health problems," the executive says. "I've only heard positive comments."

CHRA data also reinforces the need to educate employees about the importance of taking a proactive approach in addressing existing health conditions. Test results showed that 72 employees were aware they had diabetes, high blood pressure or high cholesterol, yet failed to take prescribed medications or otherwise failed to control those conditions.

While the names of individuals with these results were not disclosed to Rock County, their wellness provider made outbound calls to people who fell into high-risk categories to offer assistance.

The Alliance Difference

Rock County's transition to a wellness environment has been supported by reports, information, and vendor relationships that are part of membership in The Alliance. The Alliance mission is moving health care forward by controlling costs, improving quality and engaging individuals in their health.

"The knowledge of the staff, their resourcefulness, and their eagerness to find solutions to the issues that arise really differentiate The Alliance," the executive says. "Right down to the people who answer the phone, everyone there is dedicated to serving the employers and the health plan participants by getting answers."

The executive believes Rock County will continue to take an innovative approach to health care. As part of that effort, Rock County will continue to network with other Alliance employers who are redesigning benefit plans to improve health while controlling costs.

"One of the impressive innovations of The Alliance is their move toward contracting for results-based compensation for medical providers," the executive says. "The framework that is emphasized within their contracts is that there is a higher level of compensation when a provider takes care of a problem efficiently and effectively. In the long run, that approach will serve us all well."



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The Alliance moves health care forward by controlling costs, improving quality, and engaging individuals in their health. An employer-owned, not-for-profit cooperative, our 180 members provide coverage to more than 80,000 individuals in Wisconsin, Illinois, and Iowa.

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