



Kentucky Employees' Health Plan Wellness Focus Executive Summary



- The actuary for the health plan, PricewaterhouseCoopers, estimates the changes **already** made over the past two years will total over **\$300 million** in savings for KEHP plan years 2008, 2009, and 2010. These savings have come from a variety of measures, including: more effective plan designs; enhanced wellness efforts; contract negotiations; changes in billing processes; improved pharmaceutical utilization; and ActiveHealth's estimate of **over \$60 million** in savings from improved disease management. The Center for Disease Control estimates that as many as five years may be necessary before comprehensive workplace wellness programs show returns on investment. Nonetheless, strong wellness programs provide significant dividends.
- ActiveHealth sent out **179,270** Wellness Care Considerations to KEHP members in 2009. In addition, 5% of KEHP members were actively engaged with a nurse in 2009, compared to 2.7% in 2007. Also, participation in the *Maternicheck* program increased **343%** between 2007 and 2009, with 2,298 participants in 2009.

- Thousands of members were reached, from Hazard to Henderson to Florence, by the KEHP Wellness and Humana's Wellness Teams as they traveled to every corner of the state providing more than 75 wellness presentations and activities in the past year.



- Almost **15,000 pounds** have been lost by more than 3,500 members in the state-wide Weight Wise Challenge and the Why Weight Kentucky Program.



Before After
Diane Marraccini,
Kentucky Labor Cabinet

- Almost 12,000 Virgin HealthMiles participants have walked more than **10 billion** steps equivalent to more than **5 million miles**, equivalent to **500 million calories burned**, and equivalent to **145,018 pounds**.



Fitness Challenge participant (lost 10 lbs.) and got her kids involved!
Employee, Phil St. John, hikes Appalachian Trail!
Bike to Work Day participant



Kentucky's wellness program and Director Stephanie Marshall, on the cover of The Human Resource Magazine. Article discusses strategies for successful worksite wellness programs.

- "...You have definitely sharpened the skills of Kentucky's state government employees. We have no excuse for ignorance about how to improve our health. Thanks so much." (Education Professional Standards Board employee)

• "... I am loving Virgin HealthMiles Program – best thing that's ever happened for state employees." (CHFS employee)

INTRODUCTION

When the Beshear Administration took office near the end of 2007, it gave the Personnel Cabinet's Department of Employee Insurance (DEI) responsibility for administering wellness programs for state employees and other members of the Kentucky Employees' Health Plan (KEHP). At that time, DEI had little or no wellness infrastructure and no employees dedicated to the administration of wellness programs. During the next 12 months, DEI methodically laid the groundwork for implementation of a comprehensive wellness program. Among the initial actions taken by DEI were:

Initiation of Wellness Care Considerations:

In February of 2008, DEI adopted a new preventive care initiative known as "Wellness Care Considerations" (WCCs). WCCs are written reminders which are mailed to KEHP members on a quarterly basis by KEHP's medical management contractor. The WCCs remind individuals of the need to obtain over 50 different types of preventive services, such as immunizations and cancer screenings. That first February, over 61,000 WCCs were mailed to KEHP members. An additional 358,000 WCCs have subsequently been mailed.

Initiation of "Journey to Wellness" Pilot Program:

In March of 2008, DEI developed and implemented a worksite wellness pilot program for employees in the Personnel Cabinet. Although the pilot program was originally scheduled to run a full 12 months, it was such a success that only 6 months into the program, the Governor asked that it be extended to all state cabinets and agencies. Participation in the program — known as "Journey to Wellness" — was offered to all Commonwealth employees in January of 2009.

Initiation of KGHIB Best Practices Committee:

In April of 2008, DEI initiated a Best Practices Committee under the auspices of the Kentucky Group Health Insurance Board (KGHIB). The Committee was comprised of representatives of large organizations like Eon, Ford Motor Company, and the United Auto Workers, and was established so that DEI and KEHP could learn from private sector experiences and "best practices." Most of the private sector organizations had operated worksite wellness programs for many years. A principal focus of the Committee was an assessment of DEI's vision for wellness. The Committee concluded DEI was doing "all the right things."

Initiation of Wellness Vendor Summit:

In April of 2008, DEI also convened a wellness "Vendor Summit." For the very first time, representatives of virtually all KEHP contractors and subcontractors met in a single room to identify ways to work more closely together to improve KEHP's medical management and other wellness efforts. Many plan wellness and benefit design changes were developed based on recommendations in these summit meetings. The Vendor Summit was repeated in 2009 and has now become an annual event.

Initiation of Virgin HealthMiles Pilot Program:

In May of 2008, DEI and KEHP's third party administrator began evaluating a pedometer-based, wellness program known as Virgin HealthMiles. Kentucky is the first state in the nation to implement this program. Participants in the program earn cash rewards by walking, bicycling, or engaging in other forms of physical activity: the more physical activity in which one engages, the more cash one can earn. KEHP commenced a Virgin HealthMiles pilot program in October of 2008, and opened the program to all KEHP members in January of 2009. Virgin HealthMiles has proven to be a very popular program, with nearly 12,000 KEHP members enrolling during the first 12 months.

Expansion of Participation in Consumer Driven Health Plans:

There is evidence participants in account-based, Consumer-Driven Health Plans (CDHPs)—such as those involving Health Reimbursement Accounts (HRAs)—are more likely than individuals in traditional PPO plans to participate in wellness programs. In October of 2008, during Open Enrollment for the 2009 Plan Year, KEHP successfully transitioned nearly 25% of all KEHP members from traditional PPO plans into CDHPs. KEHP later built upon this success during Open Enrollment for the 2010 Plan Year by increasing enrollment in KEHP healthcare Flexible Spending Accounts (FSAs) by 26%.

Systematic Review of Medical Management Programs:

In November of 2008, DEI and its healthcare consultant began planning a systematic evaluation of the case management, utilization management, disease management, and other clinical programs administered by KEHP's medical management contractor. When this "due diligence" review was completed, it resulted in nine major recommendations for improving KEHP's clinical wellness efforts.

Hiring of State Wellness Director:

By December of 2008, it was apparent DEI needed a highly-qualified individual to lead its burgeoning wellness efforts. With that in mind, DEI hired a State Wellness Director. That individual, Stephanie Marshall, has a Bachelor's Degree in Fitness and Wellness Management (with a minor in Nutrition); a Masters Degree in Exercise Physiology and Health Promotion; a Master of Business Administration degree; and 10 years experience running community and corporate wellness programs in a large hospital system.

WELLNESS INITIATIVES DURING 2009

With a solid foundation in place, DEI and KEHP have continued to build and expand upon the wellness program. Wellness initiatives developed and/or implemented during the past 12 months have included more than 18,000 wellness contacts in the following categories:

Know Your Numbers/Awareness

- Increased participation in the Humana Health Assessment from 179 in 2007 to almost **7,000** in the last two years
- Over **1,700** health screenings by Summit Health in 18 months
- Reached out to employees in every corner of the state, from Hazard to Henderson to Florence, through over 75 presentations, as well as state-wide Wear Red Day and Wear Blue Day celebrations
- Provided free blood pressure, BMI/Body Fat Analysis and access to Virgin HealthMiles kiosks at First Onsite Clinics in Frankfort

Prevention

- First Onsite Clinics provided 1,442 medical visits since opening in October 2009
- 529 employees received H1N1 vaccinations at First Onsite Clinics, as well as other vaccinations and allergy shots
- Offered telephonic health coaching services, available to all KEHP members, with a nurse in the areas of weight management, back care, nutrition, stress management, and tobacco cessation
- Celebrated Great American Smokeout
- Increased state-wide awareness of Cooper Clayton Smoking Cessation classes; over 300 people in the last two years have participated in smoking cessation classes
- Provided breast and colorectal cancer toolkits to all Wellness Coalition Liaisons

Nutrition/Weight Management

- **1,300** participants lost almost **7,000** pounds in two weight loss challenge events
- Farmers' Market Summer Kick-off
- Healthy restaurant initiative in progress

Fitness

- Almost 1,000 participants in the Step Out Fitness program, Bike to Work Day promotion, Yoga, St. Patrick's Day parade at the Capitol, and special fitness classes throughout the state
- Secured special discount rates on membership with fitness clubs in multiple cities
- Launched Virgin HealthMiles in January 2009
 - Almost 12,000 Virgin HealthMiles participants have walked more than **10 billion** steps equivalent to more **than 5 million miles**, equivalent to **500 million calories burned**, and equivalent to **145,018 pounds**. Surpassed goal to have 10,000 participants by end of 2009 by enrolling **11,650** participants
 - Over 83% of participants utilize the program eight or more times per month; and over 95% of participants complete health snapshot questionnaire
 - Provided numerous Virgin HealthMiles presentations throughout the state

Changing Culture and Creating Partnerships

- Implemented Wellness Hotline – 877-KEHP WELL; more than **28,000** calls received since October 2009
- Developed Wellness Coalition with representation from each Cabinet/Agency
- Established wellness committees/champions in multiple agencies
- Implemented cafeteria messaging in state office building cafeterias; pilot for future Kentucky State Parks program
- Hosted presentations to Cabinet leadership teams to garner support
- Implemented policies supporting physical activity and wellness activity participation on work time; healthy meeting policies
- Coverage of wellness programs in multiple publications and electronic media outlets throughout the state
- Partnerships with internal and external agencies including: Kentucky School for the Blind, AGR-Kentucky Proud, CHFS, Finance Cabinet, TAH and Parks, Governor and First Lady, YMCA, Frankfort Chamber of Commerce, Bluegrass State Games, American Cancer Society, American Heart Association, Kentucky State University, University of Kentucky Institute for Workplace Innovation (iWIN)
- Participated in ten community outreach efforts in 2009
- Assisted Kentucky State Reformatory with inmate wellness program efforts which sparked an inmate weight loss challenge in addition to the employee weight loss challenge that resulted in 100 inmate participants collectively losing 522.3 pounds

PREVENTION AND CARE CONSIDERATION PROGRAMS

Care Management: The KEHP includes disease and care management programs managed by ActiveHealth Management and Humana. These programs provide disease management to members who have one or more of over 30 identified chronic conditions. Through their Care Considerations program they relay confidential communication to the member and/or physician regarding important clinical information that is directed at improving health outcomes.

- Estimated plan savings based on all disease and care management programs as reported by ActiveHealth Management was an average of **\$14.35** per member/per month, for the past two years, an increase of more than \$3 per member/per month over 2007.
- Nurse Care engagement increased **108%** in the past two years with 13,388 members engaged with nurse coaching in 2009.
- 5% of KEHP members were actively engaged with a nurse in 2009, compared to 2.7% in 2007.
- ActiveHealth sent out **179,270** Wellness Care Considerations, reminders to members regarding preventive health gaps in care, to KEHP members in 2009.
- Engagement in care management programs continues to increase with 18% of the KEHP members engaged in 2009, up from 10% in 2007.
- The Why Weight Kentucky program had a **71%** increase in participation in the last two years compared to the first two years; since inception

more than 2,315 people have lost more than **8,000** pounds.

- Significant strides have been made with participation in the *Maternicheck* program with participation at 2,298 members in 2009, a **343%** increase over 2007.

Preventive Care: Preventive care may lead to the early detection of health problems, allowing treatment options that are less drastic and expensive. It shifts the healthcare focus from treating disease to preventing disease and allows for a better quality of life. The KEHP continues to see improvement in this area.

- Data available for the first six months of 2009 reveals that KEHP member compliance is above Humana's national norm for colorectal screenings, mammograms, cervical screenings and prostate screenings.
- Participation increased between 2007 and 2008 for cervical screenings, mammograms, and colorectal screenings in the active population and increased cervical and cholesterol screenings in the retiree population.
- The 2010 KEHP benefit plan design was enhanced to include the removal of polyps during a preventive (routine) colonoscopy as a preventive procedure.

Addition of Vaccinations to Pharmacy Benefit: During the past two years, KEHP has enhanced the pharmacy benefit in all four of its benefit plans by

adding coverage for specified vaccinations including Zostavax (shingles), seasonal flu, and H1N1 flu. Preventive shots of these types were previously covered solely under KEHP's medical benefit.

Non-Smoking Incentive: KEHP members who do not smoke are rewarded with lower monthly health insurance premiums than those who smoke. During the past two years, KEHP has raised the amount of the non-smoking incentive for "employee only" coverage from \$17 per month to \$24 per month (an increase of 41%); and the amount of the non-smoking incentive for all types of "dependent" coverage from \$34 per month to \$48 per month (also an increase of 41%). KEHP has one of the highest non-smoker incentives of any state in the nation.

Availity Health Information Network: An information technology network owned by several large, competing health plans which have joined together to reduce healthcare costs by streamlining provider workflow and by eliminating provider billing and claim transaction fees. Availity optimizes the information exchange between multiple health care stakeholders through a single, secure electronic network. Availity gives hospitals and doctors real-time access to patient eligibility and benefits, authorizations and referrals, claims, claim status, and remittances.

Kentucky Employee Assistance Program: The Kentucky Employee Assistance Program (KEAP) is dedicated to helping employees find solutions to the personal problems that may hinder their effectiveness at work.

Problems concerning marital, family, or emotional distress, alcoholism and drug abuse, financial or even medical issues can seriously diminish an individual's job performance. As a progressive employer, the Commonwealth of Kentucky recognizes there are positive, workable solutions to many of these

problems that trouble employees.

State employees and their dependents are eligible for KEAP services. There is no cost for information or referral. All contact with KEAP is confidential as required by state and federal law. Employee involvement with KEAP is permitted on state time with the supervisor's prior approval. Supervisors may refer employees to KEAP when job performance deteriorates, however, participation is voluntary.

Patient-Centered "Medical Home": A partnership among KEHP, Humana, and various primary care physician practices in Northern Kentucky. Under this pilot program, physician practices agree to function as centralized, "medical homes" for patient care. The physicians earn higher fees for providing higher levels of preventive care; for meeting higher standards of quality of care; and for better coordinating specialty care. In other areas of the country where these types of arrangements have been tried, patient care has improved and claims costs have stabilized.

Step Therapy: The practice of beginning drug therapy with the most cost-effective and safest drug saves the KEHP an average of \$13 million annually. The overall focus to increase the generic drug fill rates has resulted in over \$40 million in savings.

Healthy Alliance: A partnership between the American Heart Association and the William J. Clinton Foundation. Two organizations that have come together to fight one of the nation's leading health threats – childhood obesity. The goal is to introduce benefit design changes to keep future health care costs low and to improve the overall health and well-being of children and families. The KEHP will begin a three-year pilot in 2010. Children, ages 3 to 18 who have an 85% or higher Body Mass Index, will have access four times a year to primary care physicians and four visits per year to a registered dietician.

PROGRAMS UNDER CONSIDERATION

More Diabetes Disease Management Programs: KEHP is studying additional disease management programs which utilize current laboratory data and "physician to patient" correspondence to increase interaction between diabetics and their primary care physicians. Clinical trials have shown certain efforts may cause a decrease in primary care physician visits, emergency room visits and hospital admissions over the long term.

Local Best Practices Partnerships: KEHP is looking at ways that may increase local accountability for cost, quality and capacity; shared savings; and performance measurement.

One way may be to establish local best practice partnerships to establish better quality and efficiency goals. Over a number of years, some localities may improve some quality and cost measures.

Member Success Stories:

“I enjoyed your visit and presentation at our building last week. Your idea of just cutting out even 100 calories a day stuck in my mind. I have been packing for about a month, Richard’s lunch for him in the mornings. I had already taken most of his carbs from him like potato chips and substituted fresh fruit, watermelon, grapes, etc. But, the 100 calorie suggestion stuck with me. Then it dawned on me, he had me putting on two slices of cheese with his sandwich. I just took one away and got back 80 calories. Just in 1 slice, and he never noticed. To get the other 20 I just put the mayo on one of the two slices of bread, and again he never noticed. I also told him to pick only one of the extras from a list each day, like peanut butter and celery, carrots and dressing, granola bar, sugar free pudding, sugar free jell-o, popcorn, nuts, etc. instead of packing several. He also stopped taking fruit water, and is only taking water now. So more calories gone. In the week so far, since I did it to him, he has dropped three pounds. Now I am going to work on his other meals. Oh and since he was not eating a healthy breakfast, being a guy, ha. He had been starting his day off by going through the drive thru for bad stuff. I put him on slim fast shake in the a.m., made with skim milk. He has told me that has kept him from being hungry for hours after heading to work. The added plus to his losing weight, eating healthy, is saving money. It is amazing when he saw the grocery bill add ons for lunch and breakfast things and took and compared it to the old method he had of eating breakfast and lunch out all the time.”

(Labor Cabinet employee)

“So many inmates have come up to me and talked about how much they learned from your presentation, you definitely made an impact! The staff that was available was also very excited about meeting the person behind the “Journey for Wellness”. Those of us participating can’t wait for the new information you get out to us each week. I think we all have learned so much from the Weight Wise Challenge. Thank you again for being available for us on so many levels. Your knowledge is needed and your passion is contagious.”

(DOC employee involved with inmate project)

“Two years ago I was diagnosed as a Type II Diabetic and immediately went into denial about my condition. I thought I could manage the disease on my own. Wrong...Early in the Journey to Wellness campaign I was asked to be a Wellness Champion for my office. I thought to myself now that is a joke. All of my coworkers are healthy and fit I am the least likely person to represent wellness in my office. Reluctantly, I agreed and since becoming involved in the Wellness Campaign I have benefited from attending a bimonthly wellness group meeting with some of my coworkers, attended a diabetes management class, lost 20lbs, started a daily exercise routine by walking using my GoZone pedometer. I would have never attended the diabetes management classes if it had not been for an email flyer sent to all of the Wellness Champions. Since making these small but very effective lifestyle changes I have noticed a marked difference in my attitude, managing the stresses of the day and in the control of my blood glucose levels each day.”

(Finance Cabinet employee)

“ [The pedometers] are awesome and “my people” loved them. Most whipped them out, put them on and started walking/counting the rest of the day and several have been in this a.m. to “report” their steps.”

(Eastern Kentucky School System employee)

“I just wanted to thank you for the Virgin Health Miles program. A small group from my agency signed up we have had such a great time with the program. We measured a one-mile walking track around our office parking lot. Every day during our 15 minute breaks, we go outside and walk a mile. The group has slowly gotten much larger and we have all become so much closer as an agency. It has been a great experience for us and I hope this is not your first thank you letter.”

(EEC employee)

“Thanks Stephanie. Even though I’m a returning retiree I already have nine years under my belt this time, and I AM LOVING Virgin HealthMiles Program—best thing that’s ever happened for state employees.”

(CHFS employee)

“Just wanted to take a few minutes to encourage you in your journey as the state wellness director. You are doing a great job.

Although my full time job is state government, I have been in the fitness industry since 1994. I understand how difficult it can be to motivate people from all walks of life who want to improve their health to actually make the change to improve life-time habits. The Virgin HealthMiles program is motivating; the walk at the capital was motivating; the recent Journey to Wellness-Step Out Fitness Challenge is motivating. Aside from personally moving each individual, I don't know how you could do a better job engaging state employees. I'm sure you'll continue to implement more fun ideas, but I just wanted to take a few minutes to tell you that I personally appreciate your enthusiasm and dedication to involve others.

There is a Proverb in the Holy Bible that states, “As iron sharpens iron, so one man sharpens another.” You have definitely sharpened the skills of Kentucky's state government employees. We have no excuse for ignorance about how to improve our health. Thanks so much!”

(Education Professional Standards Board employee)

“Stephanie, thank you for your understanding! I am back in the office today, and I will report my weight on Thursday, as per previous e-mail. But, I just was so happy that I want to go ahead and share some great news (which will be “official” after my Weight Watchers meeting tonight!) I go to Weight Watchers and am a lifetime member, but in recent years, I've had a lot of trouble keeping the weight off. The weight that I report to you is the “official” weight that I weigh on Tuesday evenings, when I am “weighed in” at the watchers meeting.

Before I left, I printed out your e-mails and several of the pages of resource materials that you have provided during this challenge. And I actually lost weight while I was traveling – in France, no less, with all the challenges of French cheeses, wine, chocolates, bread, you name it! Unless my scales at home are off, and they're usually not. It was not a lot but I was very concerned since I couldn't really keep track of fat grams and calories the way I generally do.”

(LRC employee)

“I have started exercising; changed my eating choices and habits; and participated in my first 5k a couple of weeks ago! I lost 33 lbs in five months and have kept it off now for almost three months. I've started wearing a patch to stop the nasty smoking habit. I need to get on the Virgin HealthMiles kick since I'm walking one mile+ daily!!

Thank you so much for the weekly information and keeping up the website. I do access it and find it very beneficial.”

(DPA employee)

“On behalf of the EEC employees (and three non-EEC employees) in the Madisonville State Office Building I would like to say a HUGE thank you for offering the Summit Health Healthy Heart Screening yesterday, Oct 28.

Twenty-four employees took advantage of the screening which is one quarter of those assigned to this building. I was proud of that turn out since approximately 90% of those assigned to the building are “field personnel” meaning they are in the office only for report and pay days. For this reason I think this was a good turn out on a day that that was not a required day in the office!!

The two ladies sent by Summit to do the screening were terrific. They were professional, knowledgeable, and a delight to work with. I have heard nothing but positive comments about them. Please give them a pat on the back!

The thing I really wish is that you could have heard the comments following some of the individual screenings. There were those who thought they were in excellent shape that found out differently to those that were in better shape than they thought. Actually, I think the biggest benefit was mentally. I heard many, many, many positive comments from those who were happy that something like this was held out in the state instead of just in Frankfort, Louisville and/or Lexington. There were several that were unable (meetings, trainings, illness, etc.) to attend the screening that made it a point to let me know that they appreciated the fact that it was available locally and wish they could take part.

Again, thank you for making this Health Screening available to us locally and we hope to see you next year! (We will aim for a report day next year!)”

(EEC employee)

RETURN ON INVESTMENT

The Center for Disease Control estimates that as many as five years may be necessary before comprehensive workplace wellness programs show returns on investment. Nonetheless, strong wellness programs provide significant dividends. The actuary for the health plan, PricewaterhouseCoopers, estimates the changes **already** made over the past two years will total over **\$300 million** in savings for KEHP plan years 2008, 2009, and 2010. These savings have come from a variety of measures, including: more effective plan designs; enhanced wellness efforts; contract negotiations; changes in billing processes; improved pharmaceutical utilization; and ActiveHealth's estimate of **over \$60 million** in savings from improved disease management.

According to the Wellness Council of America, every dollar of investment in wellness programs saves three dollars in health care costs.

A more recent Harvard University study has published the following findings:

- Medical costs fall by about \$3.27 for every dollar spent on wellness programs and that absenteeism costs fall by about \$2.73 for every dollar spent.
- The Citibank Health Management Program reported an estimated savings of \$4.50 in medical expenditures per dollar spent on the wellness program.

Three quick facts from national healthcare research:

1. The average cost of a heart attack is \$45,000;
2. Total estimated annual cost of a diabetic is greater than \$22,000 a year, which is 13 times higher than the average cost of a "healthy" employee;
3. The average cost of cancer chemotherapy is between \$1,000 and \$3,600 a month.

The participation in our smoking cessation program and our plan's increased use of non-smoking incentives have helped reduce one of the most significant causes of cancer and coronary disease.

Our weight challenges and Virgin HealthMiles have resulted in very significant weight loss. Even a modest weight loss, such as 5 to 10% of your total body weight, is likely to produce health benefits, such as improvements in blood pressure, blood cholesterol, and blood sugars.

As our programs continue, additional time will create more opportunities to calculate our overall return on investment. But, the value of the lives saved and improved through wellness and prevention are really incalculable.

Kentucky Employees' Health Plan

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For more information please call

1-877-KEHP WELL.



www.personnel.ky.gov