

How Waunakee School District achieved a 5-year rate hold on health insurance

It's often difficult to tie an employee wellness program to a solid return on investment, but when your commitment to health and wellness results in an unprecedented 5-year rate freeze for health insurance, the task becomes much easier.

"This is really unheard of in the education industry," said Waunakee School District Business Manager Steve Summers. "The rate freeze represents a strong, long-term commitment to the district from our insurance company, Dean/SSM Health."

The rate freeze means that while health insurance rates are increasing by double digits for many employers, the Waunakee School District will enjoy no increase for at least five years. The estimated savings exceed \$2 million, according to Al Jaeger, Waunakee's benefits consultant from Associated Benefits and Risk Consulting (ABRC).

"This is much better than the usual year-to-year renewal arrangement, of course," Summers said, "where you just hold your breath and wait to see what your renewal will be."

How did the district earn this commitment?

Summers and Jaeger described various tactics and strategies they employed to prove that the district deserved the rate freeze. However, Summers emphasized the importance of focusing on the big picture.

Jaeger and Summers partnered with Dean/SSM Health to share their strategy and big picture philosophy to earn such a valuable, long-term commitment.

"I see two fundamental paths when looking at healthcare benefits," Summers said. "You can focus on health plan design changes and cost shifting or employee wellness to reduce health plan costs. While you can do both, we chose to focus on

employee well-being and stabilizing our claims experience. Our long-term strategic plan and commitment to improving employee health helped us earn the 5-year rate freeze."

Jaeger added, "A strategic plan using tactics that stabilize healthcare costs by addressing the root cause produces long-term results. There are no quick fixes or magic bullets. Meaningful change takes time, transparency and commitment from all stakeholders — staff, board members and providers."

In other words, focusing solely on plan design changes and cost shifting is like rearranging the deck chairs on the Titanic, as the old idiom goes, which is to say it's a futile act in the face of impending catastrophe. Improving employee wellness and reducing medical claims, on the other hand, gets closer to the heart of the matter.

Commitment to employee health: The wellness clinic

Waunakee School District partnered with Dean/SSM to establish a wellness clinic for their health plan members. Waunakee is currently the only school district in Dane County that has its own wellness clinic for staff and their families.

The school board approved the Dean/SSM wellness clinic proposal on a trial basis through June 30, 2019. During that time, the board's insurance committee will review the wellness services and programs available to staff. District officials are looking at usage at the wellness clinic and how it affects the number of health insurance claims made by staff. Summers said claims will be a "huge factor" five years from now when the district goes out again for health insurance proposals. So far, the numbers are looking good.

In the second quarter of this

school year, 13.2 percent of eligible members visited the clinic. That number rose to 21 percent in the third quarter and spiked again to 26 percent in the fourth quarter. Total visits also increased, going from 229 in the second quarter and 231 in the third quarter to 306 in the fourth quarter.

The clinic has resulted in a cost reduction as well. The district's gross retail savings in the fourth quarter were \$77,271, compared to \$39,812 in the second quarter and \$48,010 in the third quarter. The district also experienced an estimated \$34,772 in health plan savings, as opposed to \$21,556 in quarter three and \$18,234 in quarter two. A total of \$4,680 was avoided in out-of-pocket costs.

Other employee wellness resources

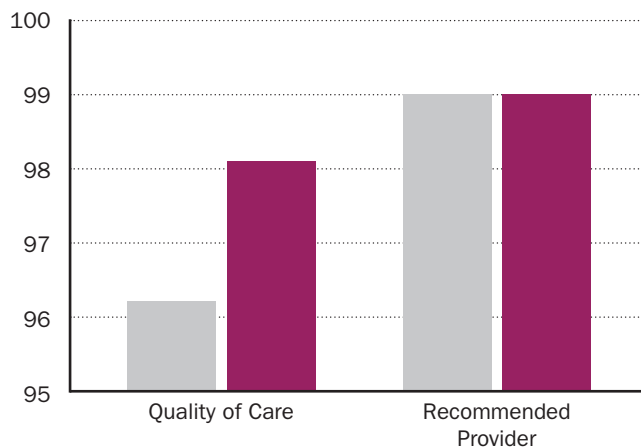
While the employee clinic is a large component of Waunakee's plan, it is surrounded by several other resources. Many tools and resources exist to improve employee health and wellness, such as health risk assessments and biometrics, disease management programs, medical claims analysis, on-site clinics, employee education — the list goes on. The district understands the importance of utilizing resources collectively to greatly boost their value and effectiveness. When all the "moving parts" are working, they can form a program that is greater than the sum of its parts

- Health risk assessments.** It's not enough to simply offer health risk assessments. Waunakee School District also seeks to reduce touch points and streamline the assessment process to give employees and spouses a convenient screening experience. It can be challenging to persuade

employees to fill out a risk assessment and, more important, to persuade them to use the resulting insights to become proactive about their health. A proven incentive is a reduction in employee contributions to health insurance premiums.

- **Improved accountability.** Effective healthcare requires a strong partnership between the patient (employee), the employer (school district), the healthcare provider and the insurance company. Therefore, accountability is key. Waunakee School District uses a benchmarking tool or “scorecard” that assigns and keeps track of the various responsibilities and “moving parts.”
- **Biometrics.** The multi-year agreement with Dean/SSM Health includes biometric screenings. “Our approach is not just to tell health plan members we’re doing biomet-

Patient Satisfaction



rics,” Summers said. “Our goal is to really engage them and make the screenings meaningful — to connect staff members to medical professionals in a real, concrete manner and look at their numbers.”

Biometrics top the list of wellness tools that employers use today, according to MetLife’s “U.S. Employee Benefit Trends Study.” There are a range of possible plan design options. For example, the employer can choose which biometrics to measure as well as the targets that must be achieved to earn the incentive. Commonly measured biometrics include tobacco use, body Mass Index (BMI), cholesterol, glucose and blood pressure.

- **Nurse liaison.** This person is a key resource for health plan participants to help them understand and use the health services available to them. The liaison is also responsible for a variety of health communications for the district that engage plan members.
- **Employee wellness committee.** This committee leads many wellness initiatives including a very successful steps program. This team is also a critical component of the communication plan and members serve as wellness champions.

The importance of engaging employees

The district’s insurance committee surveyed employees in December 2017 to find out what they valued, and to ensure the district’s employee benefits and wellness programs would continue to satisfy those needs. The success of this employee-centered approach was evident in subsequent participation rates as well as both formal and informal feedback from

employees. For example, the wellness clinic survey shows that satisfaction is high and increasing over time.

Summers said that such positive engagement not only helps the district’s employee benefits and wellness programs succeed, but also helps the district ultimately provide quality education to its students.

“There’s a real impact on teaching,” Summers said. “For example, consider a first-grade teacher who has a three-year-old daughter with an ear infection. She knows she has access to a nurse practitioner after work hours so she doesn’t need to miss class to bring her in. This reduces her stress level about having to miss instruction and increases her effectiveness as a teacher — not to mention her job satisfaction and morale. There’s a domino effect that ultimately improves our culture. Our commitment to health and wellness is about much more than reducing costs — it’s about helping to achieve many of our district’s other goals as well.”

ABRC has helped several school district clients achieve these results by focusing on collaboration, accountability and transparency. This approach can be implemented by any district to stabilize healthcare costs and boost their benefit program. For more, contact us at 800-258-3190 or info@AssociatedBRC.com. ■

At A Glance

BUSINESS CHALLENGE

Increasing healthcare claims costs led to increases in health insurance rates not matched by overall increases in revenues for the school district

SOLUTIONS

Strong, long-term partnership with health insurance company and provider

Wellness clinic to promote wellness, consumerism and reduce confusion about healthcare

Staff engagement at all levels, not just wellness or disease management