

# Public Employees' Benefit Board *Health Engagement Model*

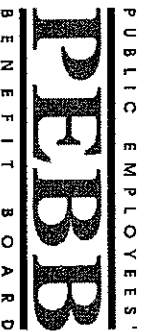
*Overview for House Health Care Committee*

*February 17, 2012*

*Sean Kolmer, PEBB Chair*

*Diane Lovell, PEBB Vice Chair*

*Joan Kapowich, PEBB Administrator*



# Current trajectory is unsustainable

- Over last decade, regular inflation = 2% per year; medical price inflation = 10% plus
- Trend at 7 to 10%, likely to continue
- PEBB mirrors national trends for obesity, diabetes, heart disease, other chronic illness

# Efforts to contain costs

- Negotiate for lowest possible rates
- Move to self-insurance
- Support medical home and expand availability
- Make changes to plan design
  - Adjust cost share to encourage care based on informed choice and evidence of value
  - Eliminate barriers to preventive and chronic care

# Efforts to restrain future trend

- Engage employees in their health
- Focus on behaviors that account for 30% of more of preventable illness
- Help healthy *stay healthy*
- Help less-healthy *improve or not get worse*
- Help those with chronic disease *be as healthy as possible*

# What are others doing?

- Employee health improvement programs by other states as employers: Tennessee, Missouri, Alabama, Arkansas, Rhode Island
- Programs of other large regional employers: SAIF Corp, Intel, HP, OHSU

# What is working for others?

- Illinois AFSCME Council 31
- King County, Washington
- Large private-sector employers (*Zero Trends*,  
Dee W. Edington, PhD, University of Michigan,  
Health Management Research Center)

# Keys to employee wellness programs

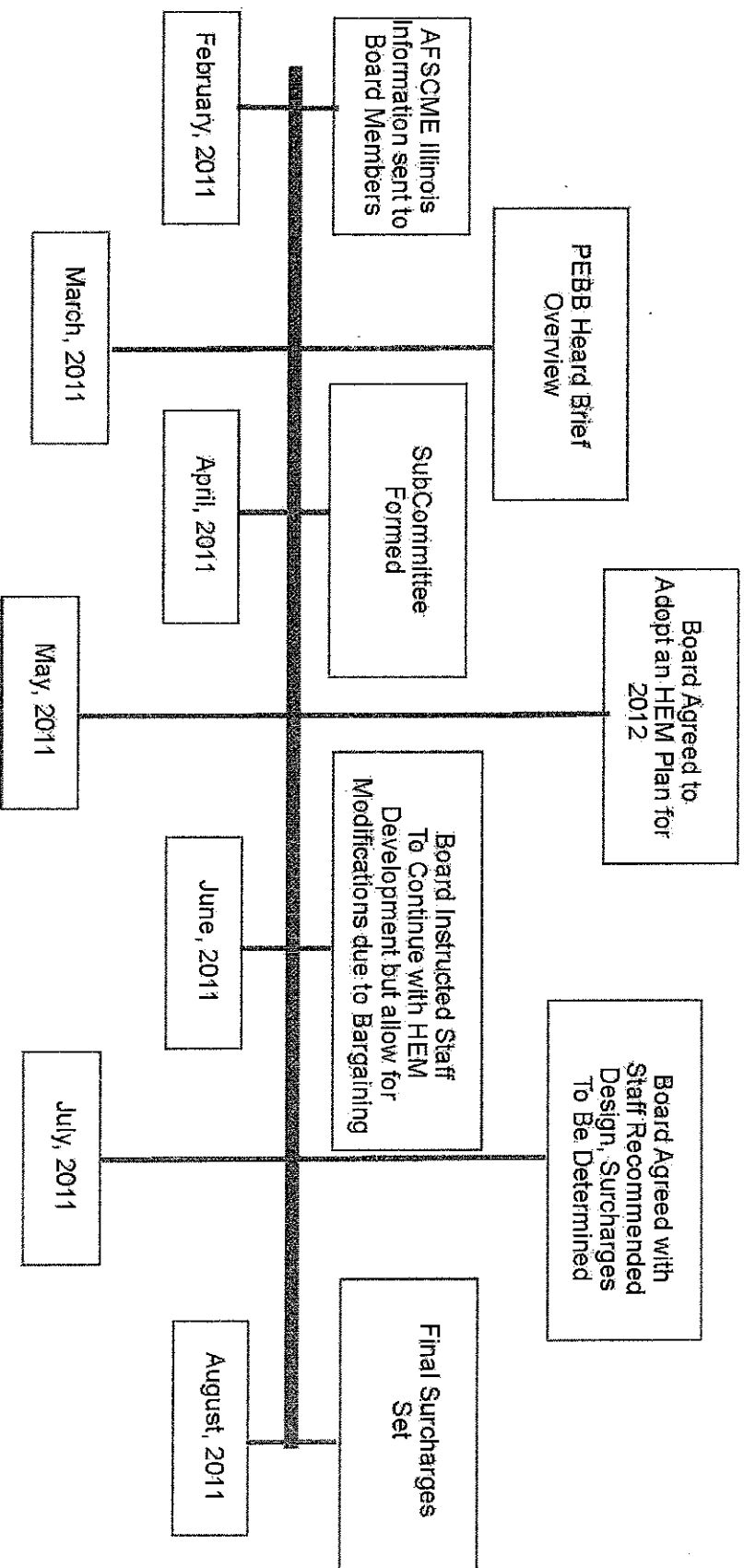
- Help employees know individual health risks
- Provide pathways for
  - Independent action
  - Health education
  - Health support services
  - Advice, assistance from physician

# What makes it work?

- Overcoming inertia
- Financial incentive large enough for impact
- Identifying and tracking modifiable health risk
- Worksite support: tobacco cessation, weight management, behavioral health
- Consistency among decision makers, employer, plans, providers, employees



# HEM chronology



# HEM incentive rationale

- No budget: Positive \$ incentives would require benefit cuts
- Negative \$ incentives show highest participation rates

# HEM timing rationale

- Established, successful program offers savings of \$7 million per year
- Delay by 1 year = \$47 million delayed savings

# Participation makes it work

- No \$ incentives = 20% participation
- Positive \$ incentives = 55% participation
- Negative \$ incentives = 90% participation

# HEM participation

- Elect to participate during Open Enrollment
- Deductions only for not participating
- No requirements on biometrics, achievements
- Health information protected under HIPAA

# Participation to date

- 85% elected to participate
- 40% have completed health assessment
- 10% have completed e-lessons

# For additional information

PEBB staff: 503-373-1102

<http://www.oregon.gov/DAS/PEBB/Wellness/>

