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LONG TERM CARE MANAGEMENT

featurearticle

BY JIM HODGE

Lowering healthcare premiums by increasing staff wellness

A staff wellness plan increased the return on investment of healthcare insurance plans for one Pennsylvania organization

The rising cost of healthcare was dramatically affecting Redstone Presbyterian SeniorCare—our organization had been receiving double-digit increases in healthcare insurance premiums over previous years. In July 2002, Redstone experienced a 44% increase in premiums that received the full attention of senior management, who determined that the time had come to develop a strategy to address rising healthcare costs.

Redstone is a not-for-profit continuing care retirement organization located approximately 40 miles east of Pittsburgh. It has three facilities in Westmoreland County and more than 300 employees. As with many similar organizations, one of our key challenges is providing quality health insurance coverage to employees at a reasonable cost.

Decision Time

The first steps in the process were to step back, take ownership of the situation, analyze, and assess. What were we doing right? What could we do better? During the decision process, our leadership eliminated the option of passing the increased cost on to employees. This might have been the easiest solution and fully justifiable, but we were determined to find another way. Another option was to seek alternative insurance carriers but, considering Redstone's use, finding a more affordable carrier was doubtful. Specifics on utilization are not available because



The wellness team. Front row (from left): Jim Hodge, Kim Kelly, Diana Patula. Middle row: Margie Bauer, Deb Walker, Sheryl Shevchik, Martha Martel, Tamara Stidham. Top row: Candy Kubinec, Jennifer Caretti, Nancy Sickenberger. Not pictured: Gloria Cavada, Sandy George, Mike Heining, Debbie Eckrich

of confidentiality; however, an example of a claim we have encountered is gastric bypass surgery—two employees who had the procedure left after the surgery was completed, and a third couldn't return to work because of serious complications that involved high recovery costs. The most sensible alternative was to negotiate with our current carrier, Highmark Blue Cross Blue Shield.

Following several meetings and numerous telephone conversations with Highmark representatives, Redstone initiated changes

to address the increased insurance use that was a driving force behind the annual cost increases. A partnership was developed between Redstone and Highmark with a unified mission to continue to provide quality health insurance coverage while controlling premiums for participants.

Health plan changes included eliminating the "free" concept of the traditional plan and adopting plans with deductibles, out-of-pocket maximums, coinsurance reimbursements, and some larger copayments.

Under our old plan, prospective employees would apply to Redstone, knowing it offered a health insurance plan that had no deductibles or out-of-pocket maximums. Then, after being hired, employees were having expensive surgical procedures and then resigning. To prevent prospective employees from “shopping for insurance,” a plan covering the first 12 months of employment was initiated that contained higher deductibles and out-of-pocket maximums. Under this plan, after completing 12-months of employment, employees are enrolled in the enhanced plan that has lower deductibles and out-of-pocket maximums. Based on recent expense information provided by Highmark, the medical cost associated with the 12-month employee is considerably lower since the implementation of the new program.

Leadership had concerns about the plan changes. Would the changes make recruitment more challenging, especially for nursing personnel? Would the changes eliminate shopping for coverage? Could/would new employees survive the 12-month period until the enhanced program became available? How would employees respond to the new plans?

While there was some initial resistance, as this was a major modification from the traditional health plan, we soon discovered that the new benefit structure did not affect recruitment, it eliminated the “shopping” concept, and staff did not experience significant difficulty during the initial employment period.

Implementing the Wellness Plan

Employees had to take ownership of the situation by becoming educated consumers to improve their health, well-being, and knowledge about healthcare choices. To that end, the enhanced program requires staff to complete three annual requirements to maintain the coverage. Each year, an employee is asked to have a physical examination by his or her personal physician, have a personal wellness screening provided by Highmark, and participate in one wellness program (see sidebar, “Wellness Programs Available Through Highmark Blue Cross

Blue Shield”). If an employee does not meet these requirements, his or her coverage is returned to the higher deductible plan until the requirements have been completed.

The next step was the development of a wellness program. Initially, no one realized or understood the value of a wellness component, but we decided that if we had to do this, we would. Embarrassing but true, the decision to include a wellness component was motivated by money, not as a best practice. This major initiative required the commitment of the board of directors and the support of senior leadership. That was the easiest task; establishing the wellness committee proved to be more difficult. Senior leadership selected the initial five committee members; the standard response

from employees selected for the committee was, “Why me? I don’t know anything about a wellness program.” However, Highmark provided much assistance and support in designing our wellness program. Redstone learned that the expertise of the medical carrier was of great help throughout the development process.

With guidance from a Highmark wellness coordinator, the committee initially composed a vision statement, planned a few wellness programs, and developed a basic strategic plan. Today, the committee is actively involved in publishing a large quarterly newsletter, presenting the wellness program overview at each new employee orientation, sponsoring annual wellness picnics at each facility, and coordinating five



One of the signs placed at each facility to promote walking exercise, including the 10,000 Step Challenge.

to seven wellness programs annually. The committee also planned measured walking routes at each facility and arranged for a new vending machine carrier that provided healthier food and beverage choices.

As it evolved, the committee became a *team*, and the group increased from 5 to 14 members. The members' excitement in preparing for events, writing articles for the newsletter, and planning new programs and activities resonates daily. The team members are identified by a different color name badge and are recognized by employees for the very active role they play in the wellness initiative. Annually, the team participates in a one-day retreat to discuss and develop the strategic plan for the upcoming year.

The Wellness Philosophy

Health Tracks was a major program initiated in August 2005 that significantly changed the philosophy of Redstone's wellness program. Previously, the education focus was only on employees participating in the health insurance programs. *Health Tracks* proactively presents wellness opportunities to every employee regardless of insurance participation and includes each staff member's immediate family. An employee can earn rewards for preventive actions, for wellness participation, and by going the extra



Wellness team members Deb Walker (left) and Jennifer Caretti at one of the wellness bulletin boards.

mile by participating in programs such as marathon events, fitness center programs, and weight-control programs. Family members can participate in any of the three tracks and can have the rewards "deposited" in the employee's account. Rewards can be accumulated and "cashed in" at different levels in exchange for prepaid gasoline cards, gift cards, treadmills, cruises, and more.

Wellness programs for 2006 have involved more active participation in aerobics, line dancing, yoga, and weight-control programs. Additionally, the team is planning and designing fitness centers for each Redstone location that will include fitness equipment that can be used both by employees and residents. The creation of a variety of work-site wellness programs encourages staff to take personal responsibility to improve their health and lifestyles.

Results

Initially, staff acceptance of the plan's redesign and implementation of the wellness program varied. Although the media have provided almost daily information on rising healthcare costs, employees had mixed emotions about the changes that were about to affect them personally. Now that we are in our fourth year of wellness education, there is a noticeable difference in employee buy-in and participation. Staff are becoming educated consumers of healthcare and are taking individual responsibility for improving their own health to achieve and live healthier lifestyles.

Thanks to the collective actions of the partnerships and every employee at Redstone, the results have been nothing short of dramatic. We learned that by taking action on an individual level, we were able to completely change the situation. The wellness initiatives not only worked, but they also are now well recognized in the community and are respected as a best practice. Our program is being studied by other organizations seeking to achieve similar results.

The employee efforts and the partnerships have reaped the benefit of lower healthcare premium increases. They trended downward in 2003 to a 12.2% increase, decreased further in 2004 to a 5.7% increase, and

Wellness Programs Available Through Highmark Blue Cross Blue Shield

- **Eat Well for Life** provides an integrated approach to wellness and long-term weight management through good nutrition, exercise, and stress management.
- **Relaxation for Mind & Body** is designed to help employees identify and reduce stressors through learned relaxation techniques, and learn coping skills and stress management techniques, including deep breathing, visualization, and progressive muscle relaxation.
- **HeartBEATS** focuses on education and lifestyle factors related to cardiovascular health and discusses how nutrition, physical activity, stress management, and social support can decrease the risk for cardiovascular disease.
- **Osteoporosis Prevention: Build Strong Bones for Life** provides an overview of osteoporosis that includes risk factors, signs,

and symptoms. It emphasizes lifestyle factors that can be modified to prevent osteoporosis, such as nutrition, strength training, and medication use.

- **Clear the Air** is designed to help people quit tobacco when they are ready and begins with identifying personal motivation to quit.
- **10,000 Step Challenge** has participants wear a pedometer to record the number of steps they take each day, and its goal is for people to increase their number of daily steps by 2,000 over the baseline.
- **Strides for Health** introduces walking as an exercise option, and the self-paced program helps participants develop a regular commitment to walking for fitness, improving fitness, and experiencing the benefits of an active lifestyle.
- **Smokeless Tobacco Cessation Programs** consist of two programs: a self-

administered path that gives participants unlimited access to a toll-free tobacco cessation hot line, and a telephone-based program that uses a professional tobacco cessation counselor to help participants quit.

- **HealthMedia Online Lifestyle Improvement Programs** are personalized, Web-based lifestyle improvement options that include Smoking Cessation, Nutrition, Self-Management, Weight Management, and Stress Management.
- **Health Awareness Programs** are one-hour sessions on a variety of topics, including blood pressure control, cancer prevention, and coping with job-related stress.
- **Maintain, Don't Gain** is a seasonal approach to helping people maintain their weight during the holiday season, and includes weekly newsletters, healthy recipes, and other motivators.

underwent a modest 6.1% increase for 2006. The most recent 12-month renewal period brought an 8% *reduction* in premiums. This is a dramatic improvement over the 44% increase in premiums Redstone experienced in 2002. The focus of the wellness team will continue through education, innovation, and action. The team is planning to contact physicians to encourage their support of the wellness initiatives.

Redstone is a member of the Faith-Based Network, an alliance of nonprofit LTC organizations in western Pennsylvania. The Network adopted wellness programs that best fit its members' needs. Redstone shared its own successful wellness initiative, helping other members of the alliance develop their programs. Members now meet monthly to review information and share thoughts, concerns, and successes regarding their health insurance and wellness programs. The alliance increased the number of covered lives and provided an opportunity for the larger

group to negotiate the best rates possible. TRIAD USA became the broker of record because of its demonstrated experience with this concept. This developed into another strong partnership: service providers, Highmark, and TRIAD USA.

Deborah Rice, senior vice-president of regional markets at Highmark says, "Thanks to the innovative efforts through our extraordinary partnership with an employer that takes the health of its employees seriously, our efforts have paid off and have resulted in a 'win-win-win' situation for Redstone, its employees, and Highmark." And here at Redstone, I can talk about health insurance with a smile on my face. ■

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Tracking Success

Through *Health Tracks*, staff members are awarded points for participating—or for their family members participating—in the following programs:

Prevention (1 reward each)

- screenings
- vaccines
- medical and wellness tests/visits

Wellness (2 rewards each)

- Eat Well for Life, Relaxation for Mind & Body, HeartBEATS, 10,000 Step Challenge, Strides for Health
- line dancing and yoga classes

Extra Mile (3 rewards each)

- weight-loss/nutrition-management program
- exercise/aerobics class and fitness center/gym membership (12 weeks)
- Healthy at Heart
- marathon running
- smoking cessation (6 months smoke-free)

Wellness Committee Membership

(5 rewards)

- Employees must be on the committee for at least six months to earn the reward points.