



Self-Insurance

# INNOVATION

## **Self-Insured Health Plans Leading the Way on Innovation**

*EDITOR'S NOTE: This is the first of a series of periodic articles highlighting innovation that is taking place within the self-insured health plan marketplace.*

**F**or an increasing number of businesses, self-insurance is a great way to move money spent to money invested, or money in the bank. And if that was not impressive enough, many self-insurers across the country are now role models for health care delivery innovation through wellness programs, education and rewards systems.

Several companies have been highlighted as implementing innovative strategies for their company. While

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most have a cost saving component, the overall agreement is that spending money on employee health creates a happier, more productive workplace.

**HILLTOP** based in Grand Junction, Colorado, which has experienced huge savings by switching to self-insurance, pointing to a 0% increase in premiums last year. They used the insurance broker **IMA, Inc.** to make the change and implement their successful wellness program. They are changing the culture of their company by emphasizing healthy meals and exercise. Further, they are required to have blood tests which alerts them to any major illnesses that may have gone unnoticed otherwise.

Hilltop has implemented a points system to encourage healthy living. Employees may earn points by doing blood screenings, going to educational programs, or exercising. Once an employee reaches 10,000 points, they benefit from a significant drop in their premiums... in addition to being healthier.

By having more control of their health care claims data, Hilltop is better able to promote wellness as well. For example, they noticed that the men in their company had higher BMI's than the women, so they targeted the men with programs to help get that number into a healthier range.

Finally, Hilltop has encouraged "shared decision-making." This means that if one doctor suggests a surgery or treatment, the employee is encouraged to ask more questions and to get a second opinion to make sure that it is the best approach to treat the ailment.

**TELLIGEN** is another such company doing more than just saving money with self-insurance. Their wellness program is named "Rev It Up" and employees are encouraged to live a healthier lifestyle with incentives and benefits such as an indoor walking track.

Doug Ventling, the company's Vice President of Human Resources and Benefits, explains, "For the several years leading up to 2014, Telligen's employee health plan was fully insured and experiencing double-digit premium increases annually. We made significant plan design changes, terminated high loss-ratio options, changed carriers, changed brokers, cost-shifted to employees, implemented wellness and yet nothing seemed to stem the wild trajectory of costs. Then in 2014, Telligen made the shift to self-funding, broadened our efforts around a culture of health and well-being and experienced only a 2% increase (even accounting for the immature claims year)."

*"In 2015," Mr. Ventling continues, "We deployed our own Telligen Health Management Solutions' DM program, implemented our partner Total Well-Being's platform and saw costs decrease 3.2%. In 2016, we are experiencing a 1.8% increase YTD through February. We project our costs to be flat to decreasing slightly in 2017 based on implementing these programs."*

## YAMPA VALLEY BANK

located in Steamboat Springs and Craig, Colorado, has focused on educating their employees. In mountain communities, there is typically only one hospital available. Yampa Valley Bank has started helping their employees find the best, most cost-effective providers for their health care even though that may be outside of the community.

PJ (John) Wharton, president and CEO of Yampa Valley Bank, said, "I am proud to say that as a result of our self-insured plan and the education provided, we have become pro-active in our medical decisions. We have implemented electronic resources such as Healthcare Bluebook as an aid for our employees to locate high quality physicians and facilities at competitive rates. This and other available tools have uncovered cost savings for both our employees and the Bank while maintaining high quality medical outcomes for our employees and their families."

Deana Von Almen, Assistant Vice President and Human Resource Officer for the bank added "Our success with this plan is largely due to our strong relationship with our Benefits Consultant, Neil-Garing and our third party administrator, **Cypress Benefit Administrators**. Over the past three years, they educated us on self-insurance and cost containment and guided us through implementation and renewals. We were then able to educate our employees so they could make informed healthcare choices for themselves and their families."

**EVANS ROOFING** located in New York, puts importance on safety of its workers and use of education and technology to keep costs down. They



used **Berkley Accident and Health** to make the switch to self-insurance in 2010, and have seen exceptional benefits to the employees and the business. Owner Mike Spinosa explains how influential their blood screening process is: "Through our

annual wellness blood screenings we are giving our participants a glimpse into their current health risk areas. In other words, by putting their numbers in front of them on an annual basis, our participants can start to see trends and/or problem areas that

they can work on. In some cases, the screenings have made employees aware of serious medical issues that they were unaware of until they had the screening."

"Our wellness program is more than just generic 'do this/don't do that' posters hung on the wall, although we do have those," continues Mr. Spinosa. "Each participating associate receives a personalized report on their individual blood health and they are given recommendations specific to them on how they can improve in those areas. They are also directed to see their primary care physician at least once a year to go over those results. We feel that kind of 'education' is worth its weight in gold."

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preach and switched to self-insurance many years ago, despite having less than 100 employees at the time. Implementing programs within their own plan, that they offer to others as well, some of their innovative ideas include their unusual payments structure. For example, there is no co-payment for employees who seek treatment at urgent care facilities as opposed to going to an emergency rooms, which is more expensive for both the employee and the company. Employees are also encouraged to save money by choosing generic prescriptions.



The group challenges its employees to pay attention to their medical bills and share any mistaken charges identified. In one such instance, a woman went to the ER and stayed overnight in a public room but was charged for a private room. She noticed the incorrect statement and was able to save around \$3,000 in her medical bills. In return, the Phia Group gave her a \$500 Visa gift card.

Ron E. Peck, Sr. Vice President and General Counsel of The Phia Group, says,

*“Working with benefit plans, The Phia Group develops tactics to achieve employers’ goals. As an employer ourselves, we also understand the goals themselves and more importantly, we share them. We want to attract, retain and reward talented staff. We want to support and promote wellbeing; after all, healthy employees are happy and productive employees. Offering robust benefits is therefore not only a wise move; it’s the right move.”*

Mr. Peck continued, “these days the only way an employer like us can offer maximum benefits where they are needed, avoid costly items that are useless

to us, address areas of need, nimbly adjusting our program whenever and however needed, is by self-funding our health plan. We customize our plan document, react to trends revealed by our claims data, select our partners based on our values and needs and ensure that our plan is truly OUR plan. That’s huge. By taking control, working with passionate advocates and implementing cutting edge programs, we’ve not only halted the upward cost-trend; we’ve reversed it – freezing premium growth and reducing plan spending.” ■

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