



# Getting What You Pay For

*Joint Health  
Management Board*

January 21, 2010 CPEEHCC Conference



# Topics

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- Controlling Health Benefit Costs
- Joint Health Management Board
- Cost Experience – Trend and Results
- Educating Our Employees
- Successes



# Controlling Health Benefit Costs

- ❑ Crisis and Call to Action – 2004/05
- ❑ Shifted risk of increasing costs from district to employee by limiting employer contribution
- ❑ Sought competition for best pricing
- ❑ Implemented retiree contribution for health benefits program
- ❑ Through 2005/06 collective bargaining process created Joint Health Management Board (JHMB) to administer all aspects of the district's health benefit plan for active and retired employees



# Healthcare Plan Design - JHMB

- JHMB Board members represent all Employee Labor Units and Management
- Labor and Management have joint seats at the table
  - One collective vote for Labor and one for Management
  - Board members are highly dedicated and focused
  - Builds unity in the pursuit of highest quality benefit plan
  - Promotes informed and responsible decision-making
  - Shares accountability for cost containment and innovation
- Proactive approach promotes wellness and outreach



# Joint Health Management Board Members for 2008-2009

Name	Organization	Name	Organization
Meher Chekerdemian	ACSA	Viola Melella	FTA
Dan Boyd	Building Trades	Bill Swanson	FTA
Don Redfern	Building Trades	Joe Tobin	FTA
Tom Rotella	Building Trades	Ossee Desmangles	FTA
Bill Yelkin	Building Trades	Mike Darling	Management
Kathyleen Gizerian	CSEA 125	Andrew De La Torre	Management
Genevive Reynoso	CSEA 125	Steve Gonzalez	Management
Margaret Reynoso	CSEA 125	Vincent Harris	Management
Mattie Thomas	CSEA 125	Kim Kelstrom	Management
Fonda Kilgore	CSEA 143	Ronald Sheppard	Management
John Stallsmith co-chair	CSEA 143	Ruth Quinto co-chair	Management
Sue Swanbeck	CSEA 143	Caran Resciniti	Management
Tomasina Kelzer	CSEA 143	Gwyndolyn Harshaw	SEIU 521
Brenda Emerson	FTA	Richard Marquez	SEIU 521
Chris Norman	SEIU 521	Andy Christiansen	SEIU 521

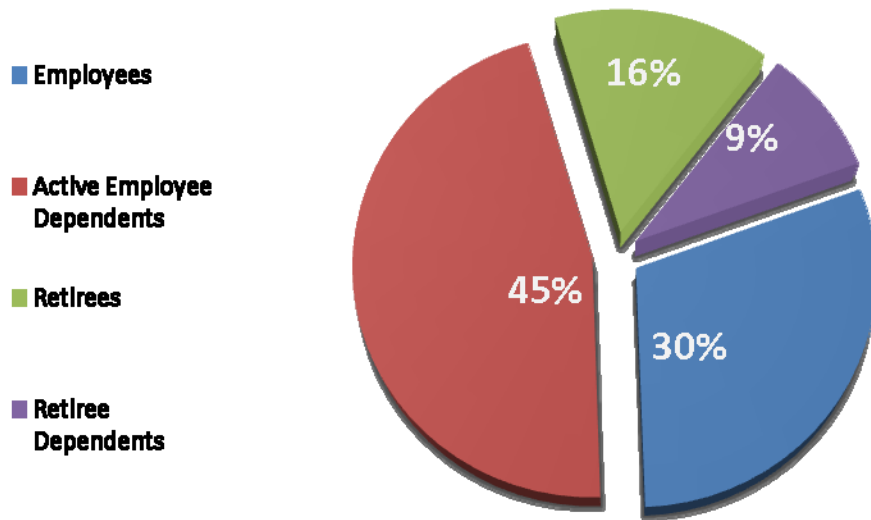


## JHMB: Key Facts

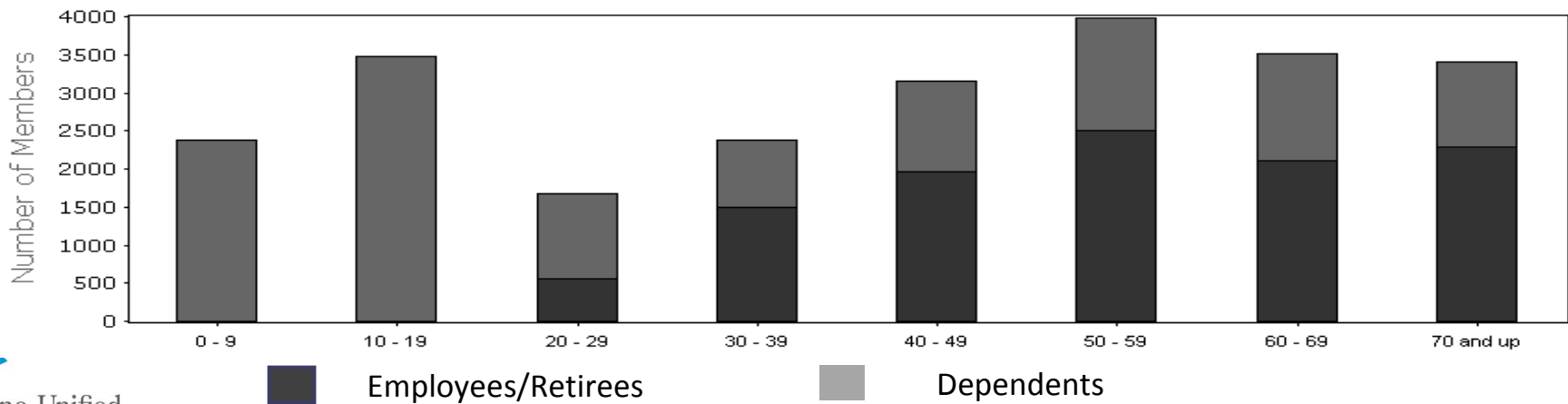
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- January 1, 2006 JHMB Established
- 25,000 covered lives (11,000 employees)
- \$112 Million Health Care Expenditures (self-insured)
- Healthcare spend approximately \$14,000 per employee
- Approximately 45% of participants had between \$1,000 to \$10,000 in claims
- Top 3 Disease States: Asthma, Diabetes and Cancers

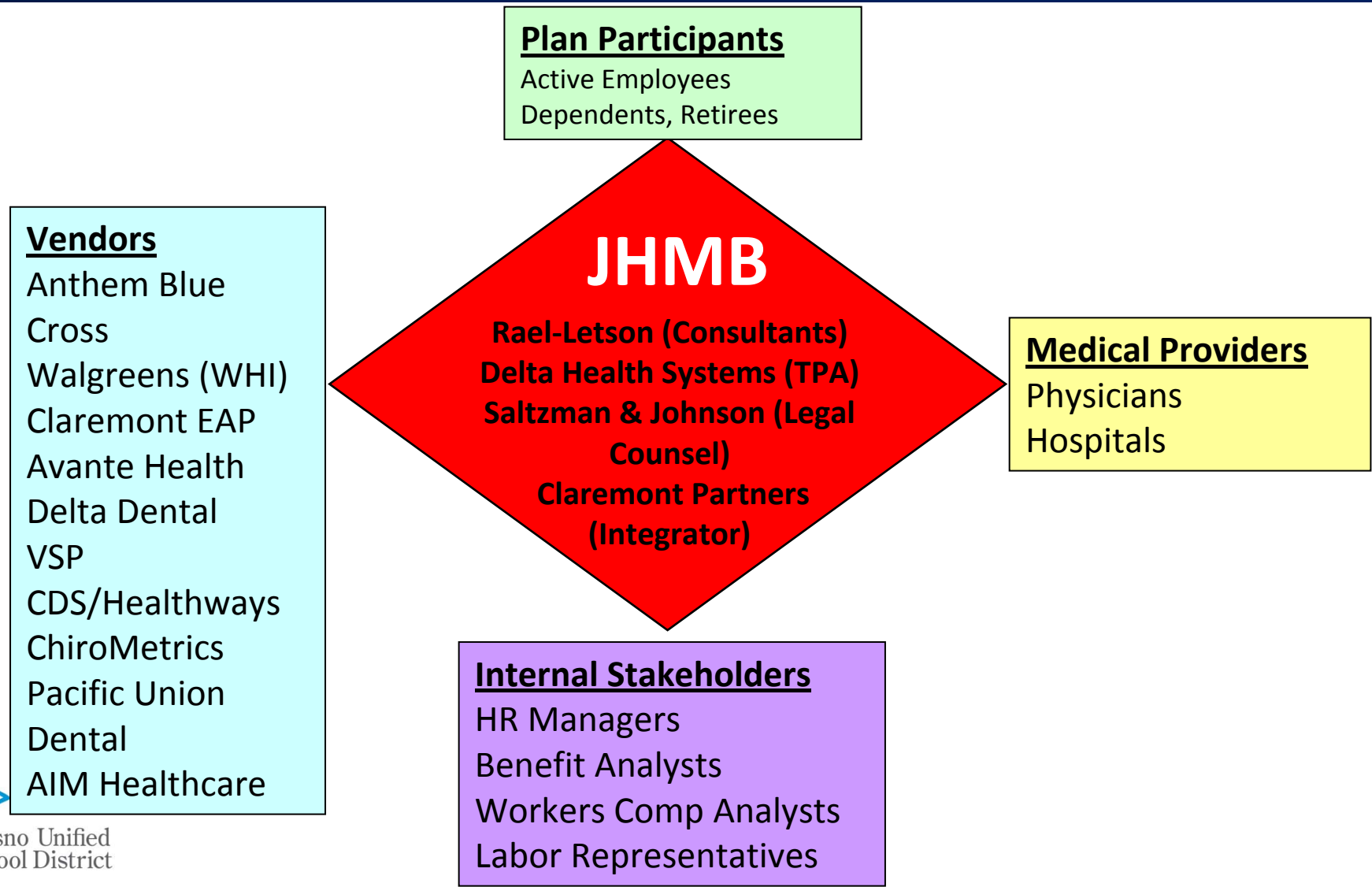
# JHMB Employee vs. Dependent



70% of Group represented by Dependents and Retirees



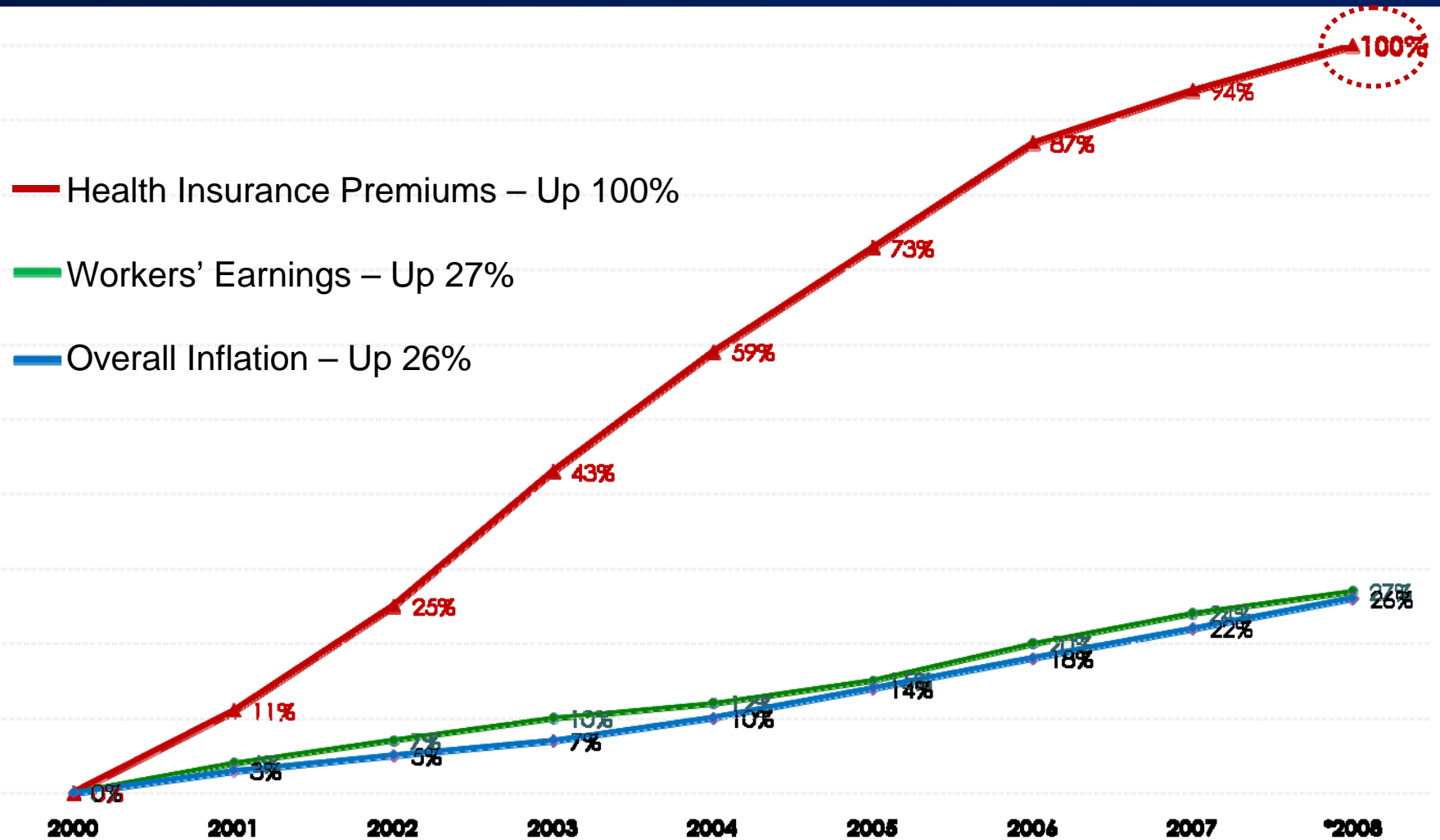
# Stakeholders



# FUSD-JHMB Health Care Vendors



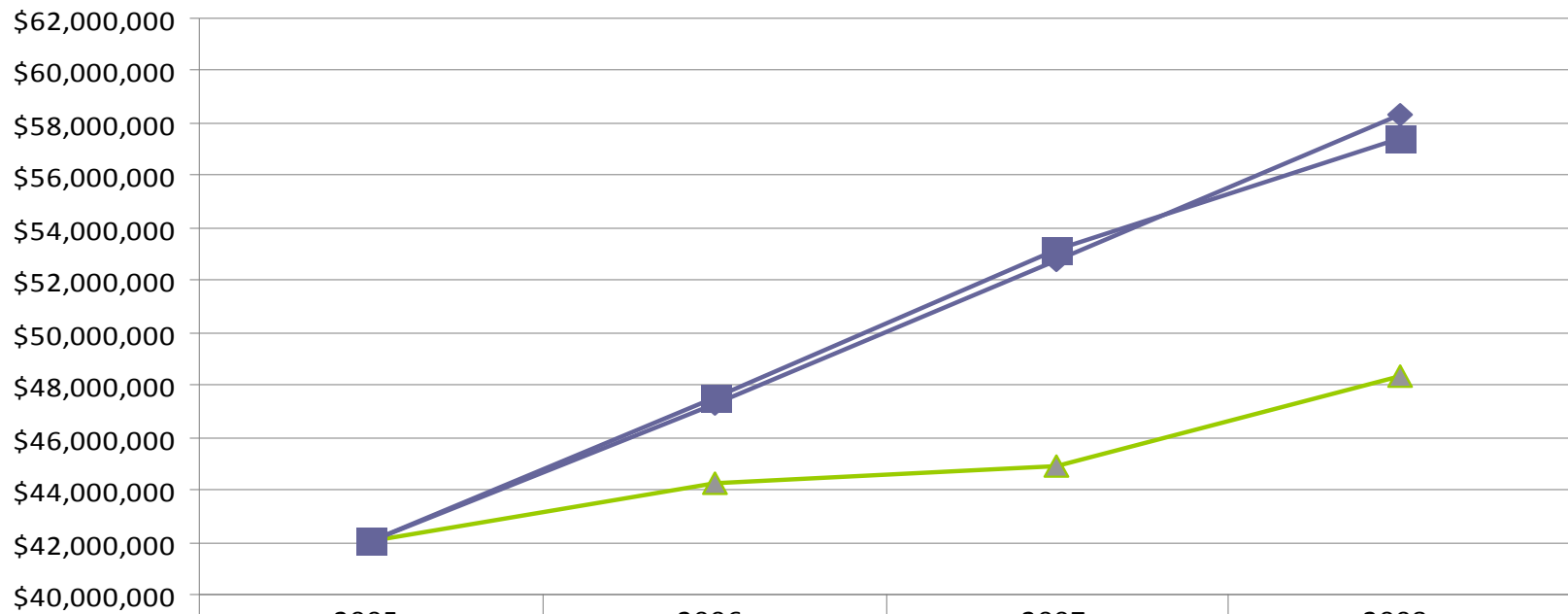
# National Cumulative Changes This Decade



# Medical Claims Benefit Cost Experience

## Fresno Unified School District Actives Medical Claims

Comparison of Actual Claims, Claims with State Trend, and Claims with Projected Trend



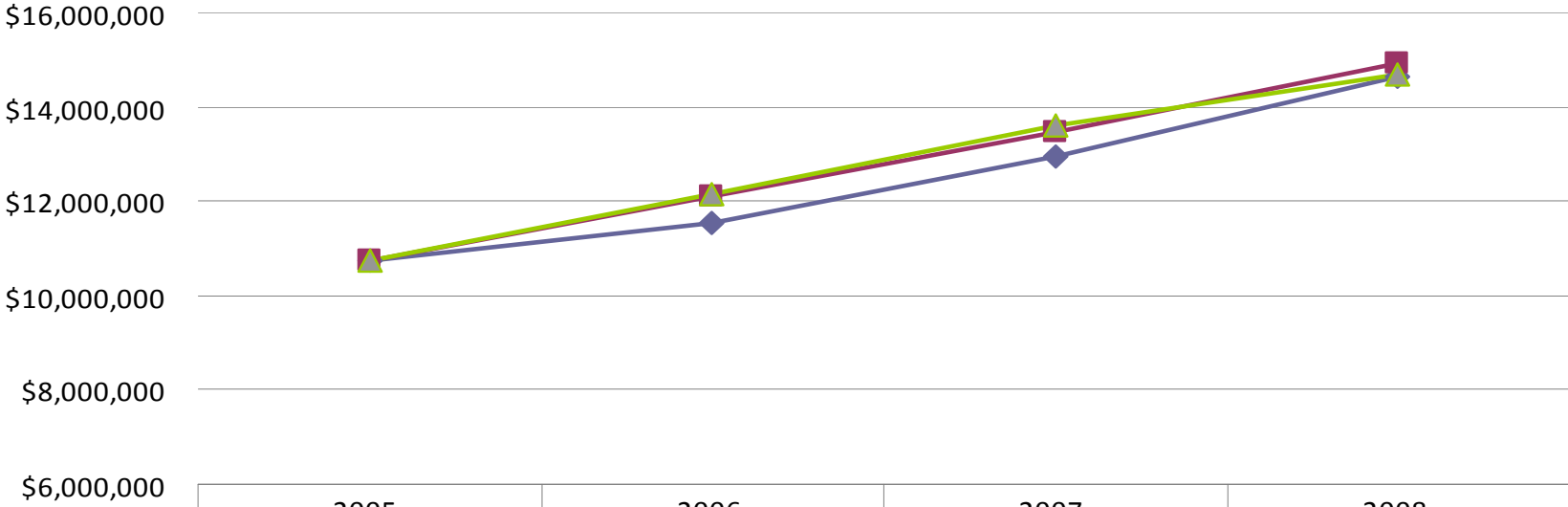
	2005	2006	2007	2008
Actual Cost	\$42,032,101	\$44,240,916	\$44,870,258	\$48,318,227
State Trend	\$42,032,101	\$47,244,081	\$52,724,395	\$58,313,180
Projected Trend	\$42,032,101	\$47,496,274	\$53,195,827	\$57,451,493

# Medical Claims Benefit Cost Experience

## FRESNO UNIFIED SCHOOL DISTRICT

### Combined Retiree Medical Claims

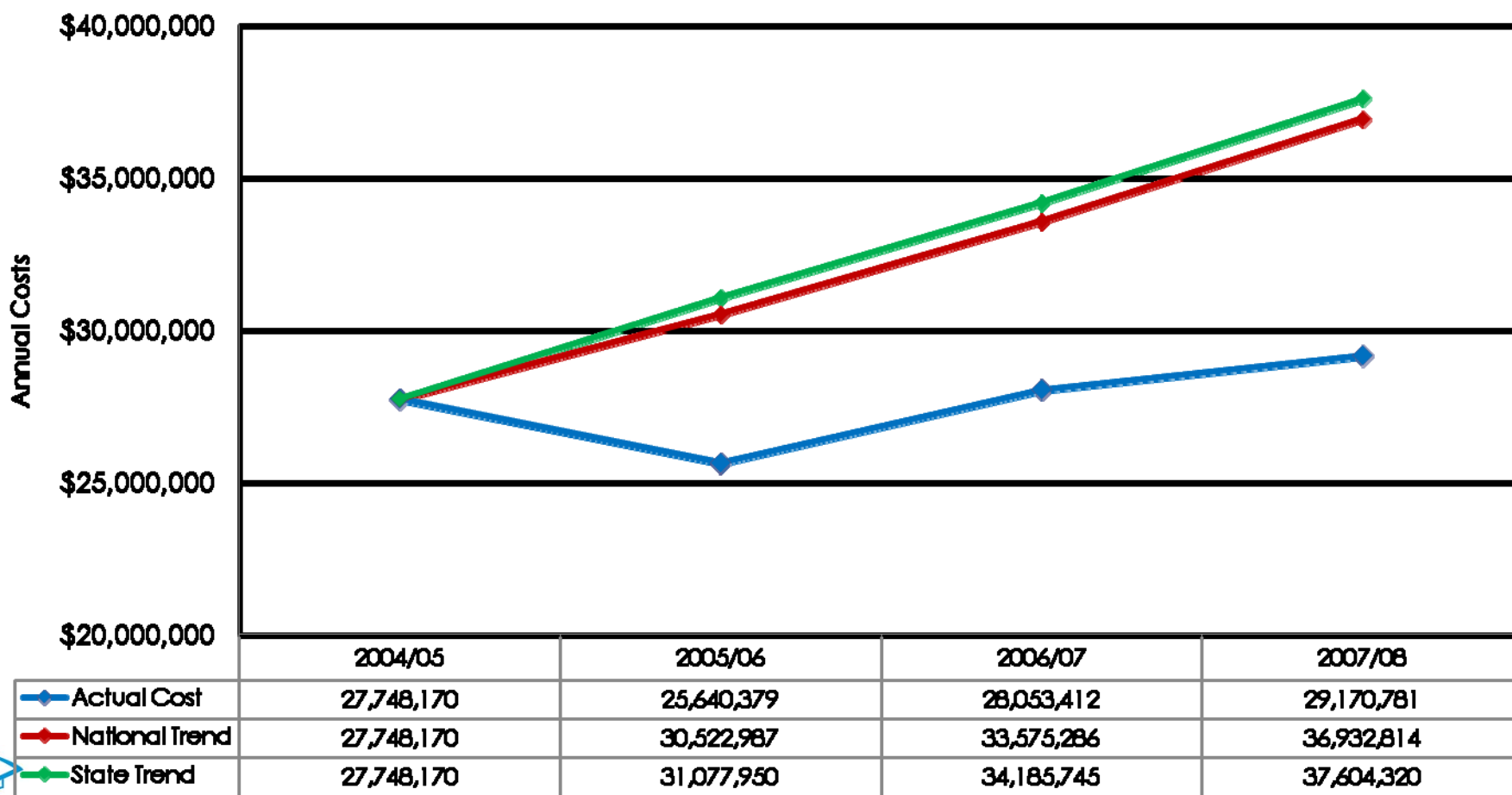
Comparison of Actual Claims, Claims with State Trend and Claims with Projected Trend



	2005	2006	2007	2008
Actual Cost	\$10,747,427	\$11,534,550	\$12,934,090	\$14,622,828
State Trend	\$10,747,427	\$12,080,108	\$13,481,400	\$14,910,429
Projected Trend	\$10,747,427	\$12,144,592	\$13,601,943	\$14,690,099

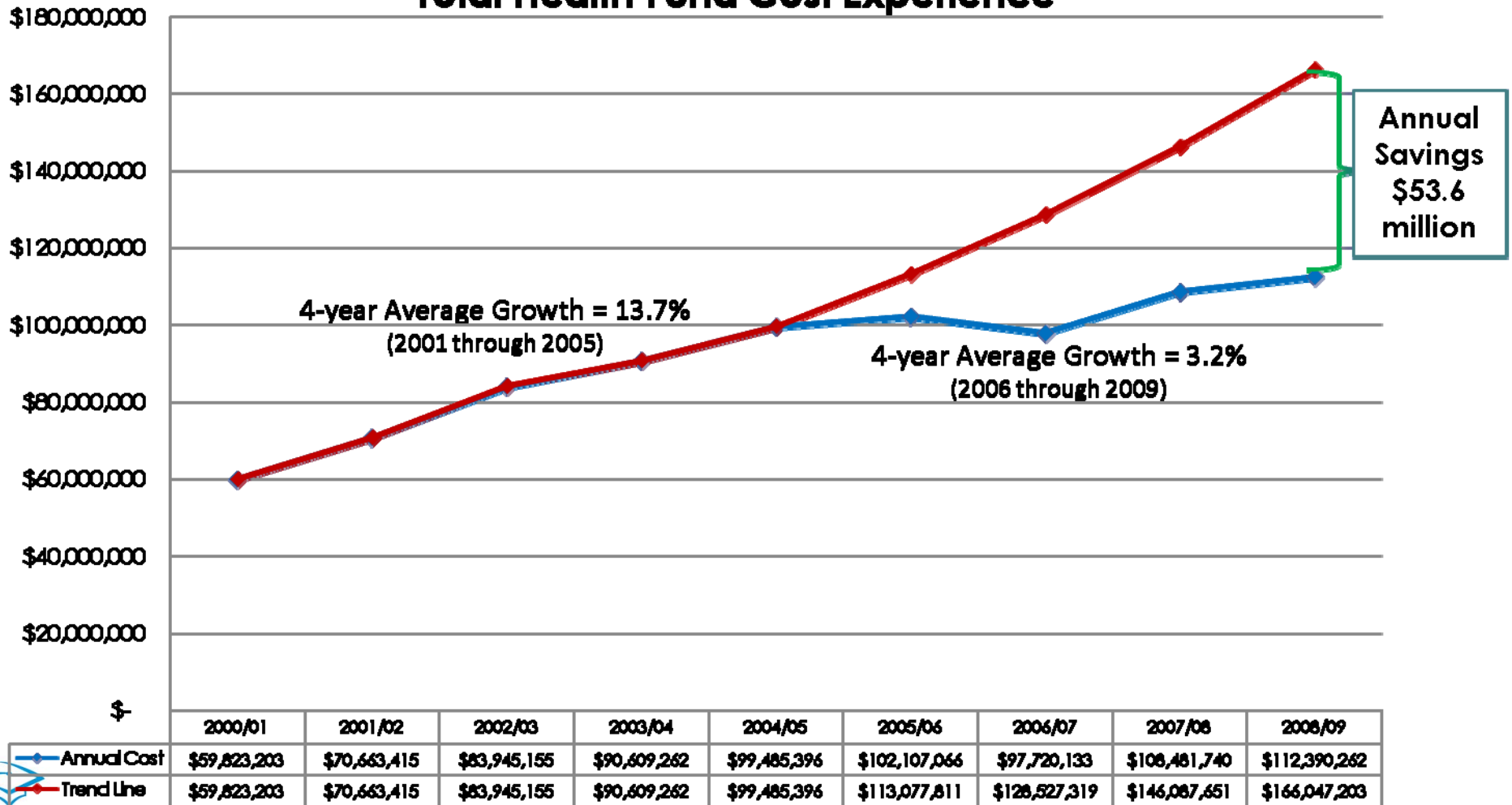
# Prescription Drug Benefit Cost Experience

## Prescription Drug Benefit Cost Experience



# Health Benefits - Cost Experience

## Total Health Fund Cost Experience



# FUSD-JHMB Health Care Vendors



# Data Mining and Analytics

*Every Group has their own unique Characteristics; Therefore  
Aggregation & Integration of Data is Required  
For a complete **Holistic View (360°)***

## Traditional Data Sets

*Medical*

*Prescription Claims*

*Eligibility*

*Provider*

*Behavioral/EAP Claims*

*Vision/Dental*

*Laboratory*

## Value-Added Data Sets

*Workers Compensation*

*Electronic Medical Records*

*Self-report (HRA, etc.)*

*Productivity Assessments*

*Absence & Disability*

*Others*



# Educating Our Employees

## **Comprehensive Communication Strategy**

**(focused multiple methods throughout the year)**

- ❑ Member/employee orientation and training videos
- ❑ Integration into current system of newsletters
- ❑ Web based engagement tools and on-line training
- ❑ Site promotion by labor reps for all JHMB programs
  - Assuring distribution of promotional materials
  - Continuing awareness and feedback to members
  - Proactive problem engagement in operating roles
  - Labor/management collaborative problem solving



# The Joint Health Management Board

## HEALTH LETTER

VOL. 28, NO. 9

"An ounce of prevention is worth a pound of cure."

SEPTEMBER 2008

### Walgreens Mail Service Pharmacy

Save time and money with the Walgreens Mail Service pharmacy. You can request a 90-day supply (or up to the maximum allowed by your plan of 180 days) of your maintenance medications.

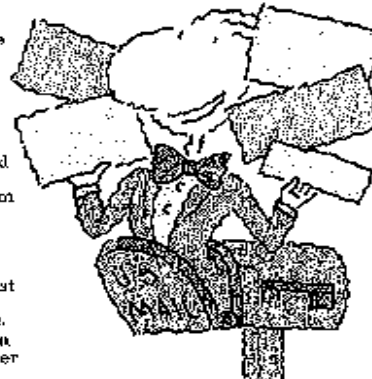
You can also be confident that your privacy is not compromised. Packaging materials are secure and tamper-evident. Nothing about the package suggests that it comes from a pharmacy.

You will need to register with Walgreens Mail Service to begin using the mail service pharmacy. You can register and place your first order with Walgreens Mail Service by mail or fax or registering online.

You can register and establish an online account with the mail order program by visiting MyWILL.com and selecting "Go to Mail Service." Under "Mail Service Registration and Order Forms," choose the register online option.

To register and place your first order by mail, complete the "Registration & Prescription Order Form" that was included, along with your ID card, in your initial enrollment kit. Send the completed form, along with an original prescription (written for a 90-day supply or longer) from your doctor, and payment to the address on the form.

To register and place your first order by fax, complete the "Fax Order Form" that was included in



your enrollment kit. Be sure to include your credit card information. Payment by credit card is required for all faxed orders. Then, give the form to your doctor. Ask that he or she complete the rest of it by writing in your prescription order. The completed form must be faxed in to Walgreens Mail Service by your doctor's office to the fax number on the form. Only faxed prescription orders from a doctor's office are accepted.

To download these forms and/or find out more about Walgreens Mail Service, visit MyWILL.com and select "Go to Mail Service" or select the Mail Service Pharmacy tab.

### 10 years younger

Aerobic activities like jogging or swimming may help people maintain their independence and delay the signs of aging.

The typical aerobic power of a 60-year-old man is only half what it was at age 20. Making it more difficult to do any activity without tiring easily.

Researchers have found that regular aerobic activities can help maintain lung function and improve the body's use of oxygen by as much as 10 to 12 biological years.

Source: *British Journal of Sports Medicine*, published online April 10, 2008

### Blood Cholesterol

See page 7.

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# Health Advocacy - Engaging Labor/Management Stakeholders

## **JHMB Employee/Family Member Solution Center – Future State**

- ❑ Coordinated Outreach & Promotion Through Print, Media and web
- ❑ Clinical Assessment & Engagement of Individual Will/Commitment
- ❑ Treatment Planning & Targeted Problem Solving
- ❑ Individual Advocacy & Referral to other JHMB Services
- ❑ Monitoring & Support of At-Risk Cases to Clear Outcomes



# JHMB's Accomplishments

- Foundational Actions
  - Developed comprehensive request for proposal process
  - Built strategic partnerships with Delta Health Systems and other consultants
  - Approved by-laws and summary plan document
  - Created Mission Statement
- Implemented Disease Management Program
- Joined California Health Care Coalition
- Launched quarterly newsletter and project tracking



# JHMB's Accomplishments

- Quarterly Health Fund Reports provide accurate and timely financial information to management and labor representatives
- Enrollment Verification Audit
- Prescription Drug Programs
  - Competition for drug benefit provider
  - Generic drug substitution
  - Case management
  - Step therapy
  - Medication Therapy

# Conclusions

- ❑ Best solutions come from collaborative efforts of the bargaining units and district administration
- ❑ Effective negotiations require timely and accurate financial and clinical data reporting
- ❑ Vendor Accountability involves continuous quality improvement
- ❑ Community support for change is essential and creates a sense of urgency
- ❑ Tough decisions require a courageous Board
- ❑ Remain committed to long-term financial stability
- ❑ Performance Management (including Data Dashboard) will enable the board to identify pressure points