

2011

Best Practices in Value-Based Benefits



Federal Reserve Bank of Dallas Dallas, Texas

Headquarters for the Federal Reserve's Eleventh District, the Dallas Fed institutes financial incentives to boost interest and produce returns on its investments in wellness and disease management

One of 12 regional banks in the Federal Reserve System, the FRBD serves the 11th Federal Reserve District comprising Texas, northern Louisiana, and southern New Mexico

The bank keeps our money valuable and our financial system sound

At the center of the national economy and banking network

Successful performance in a dynamic industry requires a healthy, focused workforce

Employee Demographics

- Most working at the Dallas headquarters, 1,112 predominantly higher-income employees at four locations throughout Texas: El Paso, Houston, San Antonio and Dallas
- 4,238 total health plan members include employees, retirees and dependents

Health Benefits Challenges

- Lifestyle choices of majority of employees resulting in inadequate exercise, poor nutrition and excess weight
- Prevalence of metabolic syndrome, a combination of risk factors that increase the risk of high cost conditions like diabetes, heart disease and stroke.

Healthy Workforce Objectives

- Identify employees at risk for chronic health conditions and implement preventive interventions and care management techniques, as appropriate
- Achieve measurable improvements in employees' physical activity levels, nutritional choices, and weight management
- Engage employees in education and other programs designed to increase accountability for personal health and well-being



Value-based Benefits and Wellness Strategies

- The bank's 14-week "Healthy You" program provides education and tools to encourage employees to 'know their numbers' and actively choose behaviors that will improve their health status. Program participants can receive 100% reimbursement of diabetes, cholesterol and blood pressure medications and supplies and free biometric screenings, and other incentives that encourage healthy eating.
- Beginning in 2011, employees can participate in a new program, "Healthy Start", that offers incentives for active partnership with a physician to identify and achieve biometric goals.
- Copays are waived for over-the-counter and prescription smoking cessation products for employees actively participating in the American Lung Association's on-site smoking cessation program.
- Toll-free telephonic advocacy and health coaching counselors are available for covered members with chronic conditions.
- Annual Health Fair offers useful information to reduce risks, identify symptoms and manage care of chronic disease. Health Fair promotes personal monitoring of indicators of health status with biometric screenings and health risk assessments.
- On-site health clinic staffed by a Registered Nurse provides convenient and appropriate care for accidents and common illnesses as well as routine physical exams, biometric screening, health counseling, and referrals to encourage timely high quality care.
- 24-hour onsite fitness facility has professional staff who encourage regular exercise and healthy habits.

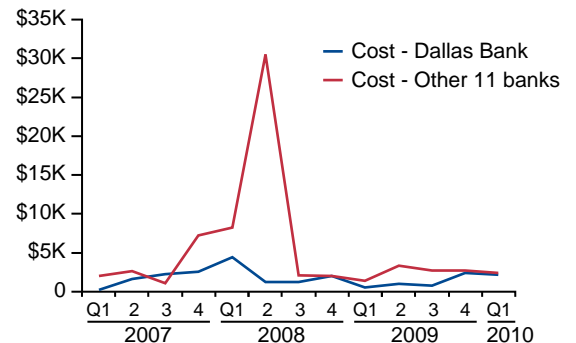
Outcomes

- 75% of "Healthy You" participants met the criteria for a program incentive during the first term of the program, all but a few doing so by achieving a 5% improvement in the targeted biometrics.
- In the second round, 85% of "Healthy You" participants became eligible for the incentives, of whom 96% achieved at least a 5% biometric improvement.
- Five employees successfully completed the smoking cessation program



Federal Reserve Bank of Dallas Wellness Center

Diabetes Costs
Dallas Bank Vs. Other Federal Reserve Banks



- Health plan claims for diabetes-related conditions have not increased at FRBD in the past three years despite rising rates of diabetes throughout the southwest.
- Related healthcare costs are 43% lower than the Federal Reserve System average.



Next Steps

- Increase participation in biometric screenings to enable active health management
- Broaden reach of popular 'Healthy You' program
- Use data collected from health risk assessments and medical claims to plan future value-based benefit programs
- Continue to meet with other employers to learn from their experiences, brainstorm ideas, and work collaboratively to influence benefits policies and practices in the local business community.
- Listen to employees before, during and after the design of new programs, making modifications as appropriate

On the Road to Value

The Federal Reserve Bank of Dallas had a disease management program for ten years before deciding that it didn't want to limit valuable health-related information and professional advice to only those plan members who had already been diagnosed with chronic conditions. So the bank analyzed its employees' health risk assessments and merged components of its popular WeightWatchers at Work program with its disease management and health education programs to create a single program open to anyone who wanted to learn how to stay healthy.

"Healthy You", introduced in 2008, initially focused on weight management, diabetes and cardiovascular disease. Led by instructors with a strong clinical background, participants learned about the role of nutrition, physical activity and stress management in optimizing their health and quality of life.

At the onset and conclusion of each 14-week "Healthy You" term, participants underwent biometric screenings and nutritional assessments, set goals and developed personal lifestyle management programs. Stop Troubles participants who showed at least 5% improvement in weight, blood pressure, cholesterol, triglycerides or waist circumference or who attend at least 70% of the meetings receive program incentives such as copayment reimbursements for diabetes, hypertension and cholesterol medications and supplies.

The bank continues to update the program to address timely and relevant concerns. Participation has increased from each year to the next, and the number achieving significant biometric improvements has been inching up as well.

"Healthy You" Outcomes: March - November 2010

- Average participation in:
 - Weekly meetings: 75%
 - Monthly lunch & learns: 75%
 - Make-up meetings: 25%
- Achieved 5% improvement in one or more biometrics
 - Dallas: 100%
 - Houston: 100%
 - El Paso: 57%
- Dallas biometric improvements:
 - 2010: 2% weight; 1% waist circumference
 - 2009: 1% weight; 0% waist circumference
 - 2008: 0% weight; 0% waist circumference



On the Road to Value (continued)

In 2011 the bank's benefits management team plans to use actual claims data to fine-tune its 'Healthy You' program and to design other value-based health initiatives that encourage employees to become and stay as healthy as possible and, when necessary, get timely, appropriate and high quality professional care.

"It's hard to break bad habits. It could be not eating healthy foods or not being engaged in regular physical activity," said Kim Yen Ho, the bank's Health and Productivity Management Specialist. "I think incentives are an effective motivational tool that every program should have. They encourage participants to make the right choices, improve their health and stay on track with their goals."

FRBD has a long history of research and analysis, data-based decision-making and active engagement influencing policies that impact its constituents. So it's not surprising that Bob Queyrouze, Internal Consultant, Compensation and Benefits, has long been both an active member of employer coalitions committed to sound health care policies and practices.

"As a mid-sized employer, our membership in the local employer coalition, Dallas-Fort Worth Business Group on Health, has provided us with invaluable resources. It also gives us access to the Texas Business Group on Health and the National Business Coalition on Health with even more networking, collaboration and educational opportunities. Through our participation in these employer-based coalitions, we meet professional peers with whom to share experiences, as well as leading experts in all areas of health policy and health practice. From event speakers, interactive workshops, websites and newsletters, we receive useful information and opportunities which might otherwise be out of our reach due to budget constraints", according to Mr. Queyrouze.

More than 10 years ago the bank offered its first disease management program, focusing on musculoskeletal disorders, through a pilot project for DFWBGH members. FRBD ran a DFWBGH-sponsored worksite diabetes management program in 2003, and adopted the ALA's smoking cessation program through another pilot project coordinated by the coalition. Its 'Healthy You' program grew from an introduction that took place at a DFWBGH education and networking event; and Bob and his team are currently participating in DFWBGH's Texas Health Strategy Project to gather, analyze and use claims cost and utilization data to develop interventions to motivate employees to seek high quality, evidence-based, cost-effective health care and make wise lifestyle decisions.



Bob Queyrouze
FRBD

"Business coalitions—local, regional and national—help companies work together and with others who share a commitment to quality health care, an effective and affordable health care system, and empowered health care consumers. The Federal Reserve Bank of Dallas is proud to partner with our colleagues who are working together, with value-based benefits and other initiatives, to build a healthy community."

*Bob Queyrouze, Compensation and Benefits Internal Consultant,
Federal Reserve Bank Dallas*