

2011

Best Practices in Value-Based Benefits

MESQUITE
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Real. Texas. Flavor.



City of Mesquite Mesquite, Texas

Faced with shrinking coffers and a surge in chronic health conditions, the "Rodeo Capital of Texas" reins in medical costs by rounding up care and bringing it closer to home

A logistics hub for the greater Dallas-Fort Worth area

Offering beautiful scenery with Texas flavor, Mesquite is uniquely positioned for business and commerce

Combines the best of the Old West with award-winning historic sites and the latest in shopping and the arts

With a shared commitment to service and teamwork, City of Mesquite employees join together to promote healthy living

Employee Demographics

- Municipality of 140,000 residents in north-central Texas, suburb of Dallas
- 2,400 health plan members include 400 police and firefighters and 177 retirees

Health Benefits Challenges

- Plan members with chronic conditions—cardiovascular disease, diabetes and high blood pressure—account for the majority of all health care costs. In 2005, 55% of total medical costs were attributable to 18% of plan members.
- Medical plan costs more than doubled over six years, from \$4.4 million in 2000 to \$10.1 million in 2006.
- Mostly male employee population that often avoids or delays routine and necessary medical care, exacerbating conditions and driving up city's health benefit costs.

Healthy Workforce Objectives

- Reduce the upward spiral of health care costs by focusing on wellness and prevention.
- Encourage plan members to become more actively involved in managing their own health.
- Reduce the amount of wasted time spent waiting for doctor's office visits and prescription medications.



Value-based Benefits and Wellness Strategies

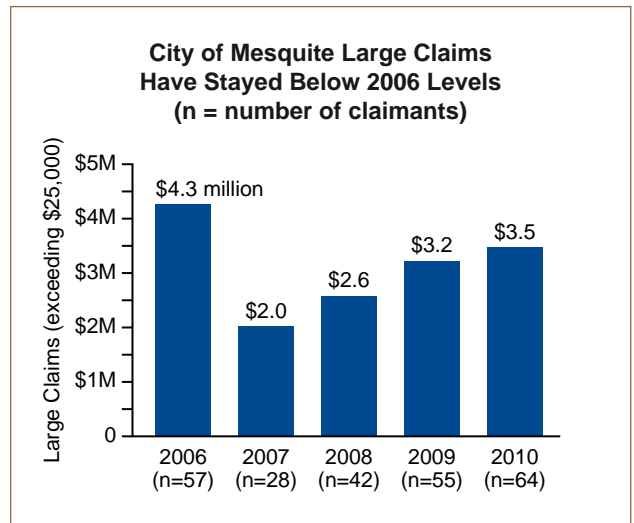
- Operate an on-site medical clinic and pharmacy—in partnership with the Mesquite Independent School District—offering high quality, convenient, and affordable care for just \$10 per office visit and savings of up to 90% on generic medications
- Provide onsite health coach and certified diabetes educator to promote healthy behaviors among employees and families
- Increase monthly premium contribution by \$20 for employees and dependents who have not had a regular physical exam in the prior two years
- Offer financial incentives for targeted lifestyle improvements, such as smoking cessation and weight management

Outcomes

- The Mesquite Employee Health Center recorded 11,590 doctor visits in 2008 and 15,200 in 2009 (Patients included both City employees and employees of the Mesquite Independent School District.)
- Health plan cost increases have leveled off since 2006, yielding an estimated savings of \$4.9 million and producing a return on investment of \$8.49 for each \$1 spent
- More than 250 employees/spouses/retirees have successfully completed the weight management program with significant improvements in biometric health indicators
- Employees who attend medical appointments at on-site clinic required less time off work
- Use of generic prescription drugs increased from 30% to 74%
- 95% of employees and 90% of covered spouses have had annual physical exams in the last two years and have avoided paying the \$20 monthly premium penalty



Mesquite Employee Health Center helps cut health care costs



Next Steps

- Continue to identify ways to better utilize the Mesquite Employee Health Center, its staff and other resources, including community and coalition resources
- Offer additional financial incentives and/or penalties to encourage individual accountability



Boys & Girls Club Day for Kids, Mexico 2000 Folkloric

On the Road to Value

Like most U.S. municipalities, the economic downturn has taken a toll on Mesquite's city coffers. At the same time that tax revenues were shrinking, the City of Mesquite's health programs were experiencing double-digit percentage cost increases, driven largely by an increasing incidence of chronic conditions like diabetes, cardiovascular disease and hypertension.

To stretch its limited funds—while also reining in unbridled health care costs—the City partnered with the Mesquite Independent School District to leverage their collective resources. Together they opened an onsite clinic that provides convenient, high quality medical care, and boosts productivity while keeping health care spending in check.

The Mesquite Employees Health Center and Pharmacy serves 2,400 city and 6,000 school district health plan members between the ages of 2 and 100. The doors open every day at 7 a.m. and appointment times are rigorously controlled to make sure that patients not only get the health services they need, but that they get them with little wasted time. Over-the-counter medications are sold at cost, and city health plan members pay only \$10 for a clinic visit. In 2008, its first year of operation, the health center recorded a whopping 11,590 doctor visits. Today the Mesquite Employees Health Center serves as a model for other employers considering opening their own onsite clinics, hosting guests from as far away as Australia.

Recognizing that the only way to avoid the expense of chronic conditions was to prevent them from occurring, the City of Mesquite's Medical Plan Advisory Committee, composed of volunteer representatives throughout the city's executive, administrative and operational departments, developed a health promotion strategy that focused on disease prevention, including the adoption of healthier lifestyles.

To implement that strategy, the City of Mesquite partnered with its health plan to hire a dedicated Health Advocate. A nurse and certified diabetes instructor, the Health Advocate developed multiple interventions to help employees and dependents achieve their optimal

health status, developing multiple interventions to address diabetes, obesity and hypertension. She teaches classes, coordinates special interest groups, and hosts physicians and other professionals to facilitate constructive discussions on menopause, colonoscopy and other timely health topics. The Health Advocate also supports six wellness stations conveniently located throughout the city to enable employees and others to monitor their basic health status and pick up useful handouts on relevant issues.

The Health Advocate extends her outreach even further by attending mandatory departmental safety meetings, engaging each group in discussions of heart health, immunizations, nutrition and other personal health-related topics. And she visits the Mesquite Employee Health Center daily to counsel patients on health issues and facilitate their access to other health programs and services.

City of Mesquite Health Clinic and Programs have Positive Impacts

- Mesquite Employee Health Center serves as a model for other employers considering opening their own onsite clinics
 - Just \$10 per clinic visit
 - Over-the-counter medications sold at cost
 - Onsite appointments use less time off work
- Health plan cost increases have leveled off since 2006
- Dedicated Health Advocate helps employees and dependents achieve optimal health status
- More than 250 plan members completed weight management program with significant improvements in biometric health indicators

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On the Road to Value (continued)

As a result of the Health Advocate's outreach efforts, City of Mesquite health plan members now have a better understanding of how their lifestyle choices impact the quality of their lives. So far, more than 250 plan members have successfully completed the programs and achieved significant improvements in weight and other biometric measures, reducing their risk of chronic disease and their associated costs.

"As a public employer the City must have not only competitive salaries, but competitive benefits, too. The city's efforts to lower the cost of benefits through innovative programs designed to promote health and prevent disease have positively impacted our ability to provide medical benefits for employees, retirees and their dependents. In the 2008-2009 fiscal year, there were no pay raises due to the reduction in tax revenue that year. It was fortunate that the medical plan's expenses had not risen and, therefore, medical plan rates remained unchanged did not change", said George Mones, the City's Director of Human Resources. "The clinic has more than paid for itself."

The City also adopted other low-cost, "high touch," interventions, such as the Dallas-Fort Worth Business Group on Health's innovative and engaging worksite program "Road Trip! Destination: Peak Performance." Employees from departments throughout the City—from the library to the recreation centers to the administrative offices—took a journey to better health and came away with not only memories of a fun and informative learning experience, but mementoes that included useful tips and tools to help them attain their own personal goals of better health and better healthcare.

With the support of its senior executives and elected officials, the City of Mesquite is continuing to explore other ways to promote good health that improve quality of life and lower its health care costs. Going forward, the City intends to maintain its focus on individual empowerment, seeking more effective techniques to support smoking cessation and other positive behavior changes. It also plans to continue working in collaboration with other employers that share a common vision of a healthier community and an accountable, performance-based health care system.



*George Mones
City of Mesquite*

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George Mones, Director of Human Resources, City of Mesquite