# what's working | bringing wellness in-house

*by* | **Kathy Bergstrom, CEBS**

A Michigan-based multiemployer health and welfare fund is saving money while improving the participant experience by self-administering its wellness program.

In 2017, the Michigan United Food and Commercial Workers (UFCW) Unions and Employers Health and Welfare Plan decided to bring administration of its four-year-old wellness program "in-house" rather than contracting with an outside vendor to run the program.

Based in suburban Detroit, the Michigan UFCW fund provides health and welfare benefits to members of UFCW Local Unions 876 and 951 who work at Kroger and other retail grocery chains.

The fund contracted with a wellness vendor when the fund started its wellness program in 2013, and it later turned to its preferred provider organization network provider to administer the program.

"The problem is we were working with all these vendors, and we were always having the same issue. We were never able to get the data on our return on investment," said Katy Macik, Ph.D., wellness and benefit services manager. "We were just never really satisfied."

Daniela Janceski, the fund's chief operating officer, suggested moving the wellness program in-house. The fund's board of trustees approved the move in 2017. "The fund now has access to the necessary participant data. The wellness data comes directly to us. We have instant reporting available," Janceski said.

## Biometric Screenings and Incentives

To participate in the wellness program, fund participants are required to get a biometric screening from a health care provider before open enrollment each year. The screening includes measurements of the participant's body mass index, blood pressure, total cholesterol and blood sugar.

Participants who meet specific goals set by the fund earn a reimbursement credit toward their health plan deductible. Participants receive the reimbursement once they have spent that amount toward their deductible. Participants can receive an additional deductible reimbursement credit if they get a flu shot.

Participants who don't meet the requirements can enroll in a health coaching program alternative. Those who complete the health coaching program will also qualify for the wellness program reward of a deductible reimbursement credit.

Beginning in 2018, participants who satisfied the wellness program criteria also received a reduction in their weekly health insurance premium contributions.

Participants who have a medical condition that prevents them from completing the biometric screening or receiving the flu shot can request a medical waiver to receive the incentives.

The wellness program offered incentives before it was administered in-house, but they weren't as effective, fund office personnel explained. When the program was first implemented, participants were eligible for a reduction in their health plan deductible rather than a reimbursement. The reimbursement is more tangible to the participants, so it drove them to participate, Janceski noted.

The fund also has tied participation in the wellness program to reenrollment in health benefits. The fund deems a completed biometric screening as an election to enroll in health coverage for the next plan year and does not require any additional enrollment action.

## Results

The "carrot approach" appears to work, fund office personnel say, since about 85% of eligible participants and spouses got biometric screenings in 2017 when the new incentives were implemented. That represented a 4% increase in participation compared with 2016.

Participation for the 2018 screenings dipped slightly to 82% of eligible participants. Ninety-four percent of those who participated attained the minimum health measures of the program.

Of those participants and spouses who enrolled in the health coaching program in 2017, nearly 90% successfully completed it. By comparison, only about 50% of health coaching enrollees completed the program in 2016.

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## Reporting

The fund has saved approximately $500,000 in the last two years in vendor fees by running the program internally and will continue to crunch the numbers to determine the return on investment for the wellness program, Janceski said.

Beyond the cost savings, one of the key benefits of self-administration is the nearly instant availability of screening results for both the fund and participants. Instead of results being funneled from the pharmacy or physician's office to a vendor, the results come directly to the fund.

Protecting the privacy of participant health data was a key consideration when the fund took over administration of the wellness program. As with all health information created or received by the fund, participants' wellness information is used and disclosed only as permitted or required under applicable law, including the Health Insurance Portability and Accountability Act (HIPAA) and the Americans with Disabilities Act (ADA). At the fund, the wellness information also is restricted to authorized fund office personnel who administer the wellness program and conduct participant outreach.

The switch required the fund to create the necessary forms, a secure document management system and an efficient internal workflow to make the reports available. Bill McManus, director of information technology and operations, set up the system.

Under the older third-party system, participants were frustrated that they couldn't get their individual screening results from the fund. Under the new system, "you could get screened in the morning and, by the end of the day, you'd be able to see your results once you securely logged in," McManus said. Each participant has a personalized dashboard that displays his or her results.

Rather than waiting for data from a wellness vendor, the authorized fund personnel have instant knowledge of which participants are at risk for high blood pressure or other health risks. Participants who have certain health conditions may now receive educational materials informing them about health risk factors and what steps they can take to improve their health.

The fund also will now have historical results for participants so that individuals can receive messages congratulating them on their success in improving their health measures or can be offered tips if there is a decline, Macik said.

Running a wellness program in-house may not be a viable alternative for every fund. Macik suggests that funds consider factors such as the overall cost of the wellness vendor, services the vendor provides and what outcomes are expected from the wellness program. Funds also should consider whether they have the technology and data management skills necessary to properly administer a wellness program.