

Olathe Works Well System

The inside story of the Olathe Works Well System created by the City of Olathe (the City) and its partners for employee wellness and fiscal responsibility in healthcare management. Included in this story is the Challenge, the Process, the Implementation and the Results.

The Challenge

To curb the annual trend of double digit increases in healthcare costs and claims that seriously eroded the City's reserve fund. The solution must:

- Direct and motivate employee wellness
- Provide premium relief to participants
- Build an adequate reserve for the City
- Provide a service that is sustainable, affordable and innovative

The Process

Knowing that healthy employees are more productive and less costly to the self insured health care plan, the City began a search for methods to increase employee wellness. Being self insured, the initial goal was to track and improve employee wellness levels, using health risk assessments (HRAs) as a benchmark. To increase participation in the HRA process, an incentive* was needed.

Additionally, under the guidance of the City Manager, Michael Wilkes, with the assistance of the Safety and Wellness Coordinator, Angela Reed, a long term plan to provide onsite basic medical services for all City employees was developed. The City of Olathe consulted with third party administrator (TPA) FMH Benefits and insurance broker Mercer Consulting during the process for assistance in developing a plan and measuring results.

By providing free basic medical services for participating employees and offering these services free of charge, the City aimed to decrease the risk of health issues becoming disease processes with associated high costs.

After a wide range of RFP options, the City chose Wellness and Innovation Nursing Services (WINS). WINS is a 16 year old wellness provider supported by the University of Kansas Hospital. WINS uses Accredited Registered Nurse Practitioners for their clinics providing support for:

- Health Risk Assessment
- Lifestyle coaching, risk factor management
- Medical treatment, condition management
- Wellness programs and education
- DOT and pre-employment physicals
- Work injury prevention and treatment

The Implementation

The City developed a plan to build out an existing space in a city building for the Olathe Works Well onsite clinic. The entire process took 90 days. First visits to the onsite clinic began in September 2009. Initial schedules allowed for the onsite clinic operate three days per week. Due to the success and employee utilization of the clinic, the City Council approved the hours of operation to five days per week with 10 additional hours.

WINS provided annual Health Risk Assessments (HRAs) that included biometric screening and fasting labs, wellness challenges, wellness presentations and face to face coaching. The City encouraged participation in the HRA by offering a \$10/month incentive* for 2009, which increased to \$20 per month for 2010, and free access to the onsite clinic. In addition, employees who complete all four quarterly wellness challenges and wellness presentations receive a \$100 bonus. During year one employee participation was 77%!

A wellness advisory board meets monthly to manage the wellness program. This board consists of City employees from the Human Resources department, the City Manager’s Office, other key City departments, and vendor partners. This wellness advisory board monitors clinic utilization, aggregate wellness reports and cost analysis.

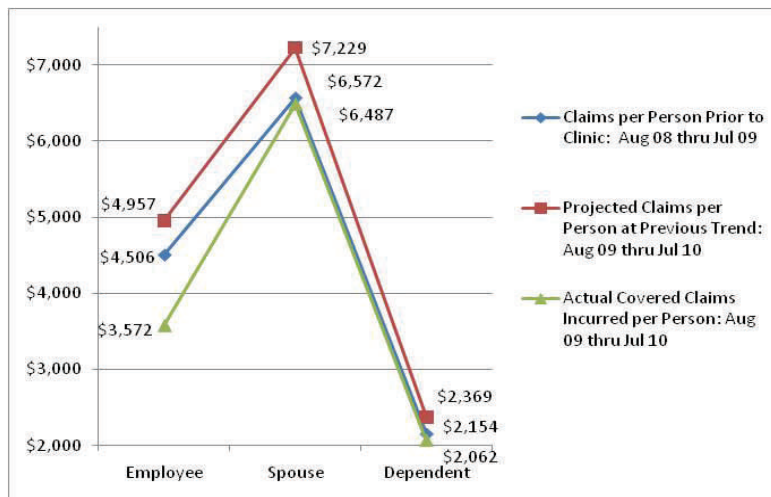
The Results

WINS, Mercer Consulting, FMH, and the City of Olathe collaborated to measure the return on investment (ROI). These ROI figures were validated by a third party.

In March of 2011, WINS reported the following ROI to the City of Olathe City Council:

- **Yearly program cost of \$284,455 providing an ROI of \$5.27 for each \$1.00 spent.**
- Yearly impact in avoided health claims, increased productivity and decreased absenteeism - \$707.36 per program participant
- First Year Savings - \$1,486,796
- \$855,341 Actual Claims
- \$288,385 Discounted Care
- \$343,070 Reduction of Risk Factors
- Cost savings for wellness and sick visits since the inception of the program (5 quarters) - **\$350,982**
- 1976 total Nurse Practitioner visits with estimated work hours saved – 1112 work hours

At inception, only benefit eligible employees and retirees had access to the onsite clinic. The graph below illustrates the reduction in claims for benefit eligible employees with a cost reduction of \$934 per participant over prior year claims, and \$1,385 per participant over projected claims at the previous trend. Initially spouses were not included in the program yet their claims significantly exceeded the employees and dependents. Based on this data, the City Council approved extending clinic hours from 16 to 26 hours/week to provide care to spouses in the program to realize even greater savings.



The Future

The Olathe Works Well System has created a strong culture of wellness and, as a system, it will continue to evolve. The future system will continue to direct/motivate wellness, provide premium relief, build an adequate reserve and provide a service that is sustainable, affordable and innovative. The varied political (e.g., PPACA), demographic (e.g., aging workforce) and technological (e.g., testing and surgical) challenges facing health care management will be carefully considered and weighed by the City and its partners to ensure that Olathe Works Well.

For additional information on Olathe Works Well, please contact Angela Reed at 913-971-8660 or at areed@olatheks.org.