

CITY OF HOUSTON



Culture of Health strategy yields big savings

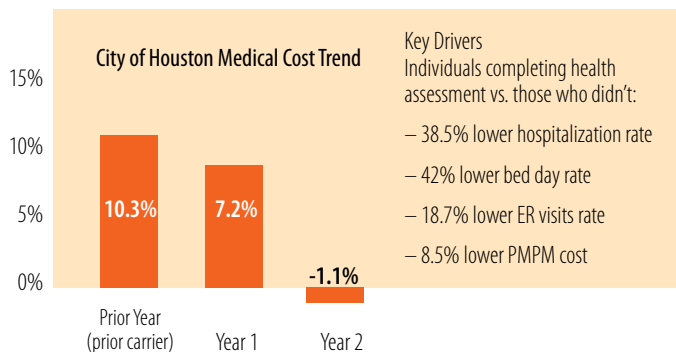
In 2011, Houston's Mayor faced a multimillion dollar budget gap, forcing the first layoff in recent history. To close the budget gap, city leaders knew they had to tackle one of their key expense drivers – rising health care costs for its large municipal workforce.

The health and productivity of workers were declining, driven by high rates of chronic disease and costly medical issues that were driving an unsustainable medical cost trend. City leaders called upon Cigna to help, and together we created a sustainable benefit strategy designed to create a Culture of Health to help the City reach its goals to:

- Improve health and manage disease
- Create employee accountability and ownership of their health
- Improve workforce productivity

The City's tenacious work to build a strong internal wellness team and to create a Culture of Health has paid off big. More employees are aware of their health risks and are taking action to reduce and reverse those risks – helping to dramatically increase engagement in programs and to drive more proactive medical care, and lower hospitalization and ER rates. In just two years, the City reduced their medical trend to less than zero – going from 10.3% to -1.1%. And, to top it off, the City achieved a multimillion dollar surplus in the Health Benefits Fund.

Reaping the rewards of better health engagement



Population facts

- 21,000 employees/54,877 Cigna customers
- Average employee age: 48 years
- 51.5% male/48.5% female
- Top health risks: Weight complications, diabetes, low back pain, depression

Actions

- Built a strong foundation with health assessments and biometric screenings
- Introduced comprehensive wellness plan with incentives and disincentives
- Moved from Fully Insured to Self Insured with stop loss insurance coverage
- Introduced Cigna Choice Fund® CDHP and Open Access Plus plan
- Deployed integrated benefit design: Medical, behavioral, pharmacy, health advocacy and lifestyle management programs

Charting a course to wellness

When Cigna began its collaboration with the Mayor, her newly appointed Human Resources Director, and her strong, influential city council, the Houston team was more than ready for change. Scant information was available about the health risks of their employees.

Together, all the way.®



Left alone, the workforce was expected to continue to get sicker and sicker until they tipped the scale into catastrophic illness.

A workable strategy to achieve a long-term vision was developed to:

- › Change culture from reactive to proactive, with accountability and ownership
- › Build a strong foundation with health assessments and biometric screenings
- › Engage at-risk individuals
- › Provide tools to stay healthy for those not yet at risk
- › Drive employees to quality, in-network, community-based, culturally diverse physicians

Cigna built a team of dedicated resources for the city that includes:

- › Account management team
- › Onsite Customer Service Advocates
- › Personal health team of 18
- › Dedicated reporting lead to monitor and track progress

Health Assessment Completion Rates



Data gathering to target needs

In year one, employees were charged an additional \$25/month plan contribution for not completing both the assessment and screening, and for not engaging with a Cigna Health Coach when a high or medium risk was identified by the assessment.

Year one generated significant results and with improved communication to employees, year two was even better.

Health assessment completion led to 84% engagement in weight management programs. Improved engagement in these programs helped reduce the weight risk population by 12.6% in just one year.



Outcomes

- › Significantly increased health assessment completions from 9% to 90%
- › Dramatically reversed medical cost trend from 10.3% to -1.1%
- › Achieved multimillion dollar surplus

Wellness events and education improve Rx compliance

When employees are compliant with their medications, we can help improve health and lower costs. Cigna reached out to City employees through coaching by phone and online to educate employees about the importance of following their doctor-prescribed medication therapy, and offering ways to reduce the cost burden through use of generic medications. This combination of targeted and general outreach worked, resulting in:

- › **30% improvement** in maintenance medication compliance (e.g., blood pressure, cholesterol)
- › **8% increase** in generic usage – from 71.6% to 79.8% (affordability improves adherence)

Risk identification and targeted care

After an initial rise in physician visits as health assessments identified previously unknown risks – including a significant increase in cancer identification and treatment – employees began to get healthier and more accountable for their own health.

- › Significant increase in cancer identification and treatments (107 to 169)
- › Dialysis care nearly doubled

Next steps

Now that City employees are aware of and engaged in their health, the City continues to work aggressively and proactively to achieve even better results. Moving a population this diverse and large to improved health in just two years has been a significant accomplishment. Their experience is a testament to how a top-down organizational commitment to wellness and health improvement can lead to better financial results.

All statistics (unless otherwise noted) are based on May 2013 internal Cigna study. Individual client results will vary.

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