



“Wellness and the Agent’s Client”

Atlanta Association of Health Underwriters Benefits Forum 2004

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PHM International

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AAHU Benefits Forum 2004

Do you have...The Right Stuff?



Outline

- Introduction & Evolution
- Demand
- Components of Wellness Programs
- Agent Advantages
- Quality Vs. Marketing Hype
- Action Steps



International

Introduction

- Basis in employer self-funded market
- 1980s organized efforts
- Mom & Pop vendors
- Primary focus:
 - Productivity, absenteeism, workplace injuries, feel good
- Simple plan designs
- ROI: participation



Introduction

- Late '80s, through 90s
 - Rising insurance and HMO costs
 - Impact of community efforts
- Program design changes
 - Driven by MCOs and employers
- Organized efforts to quantify results:
 - Johnson & Johnson, Aetna studies
- ROI: Changes in participation



Introduction

- Late '90s on to today
 - Rising insurance and HMO costs
 - Impact of federal/state legislation
- Program design changes
 - Driven by health plans, employers & hospitals
- Combining disease & case management, wellness, community efforts, productivity
- ROI: ???



Demand

- Majority of benefit managers believe insurance carriers should include wellness at zero costs.
- Insurance companies, MCOs & hospitals offer routinely
- Fully established in most hospitals' outreach programs



Demand

- 2,680 Worksites of 15 - 99 employees
 - 25% had worksite health promotion
 - Majority had health insurance

- Blue-collar Vs. white-collar

American Journal Health Promotion, 7/8, 1999



International

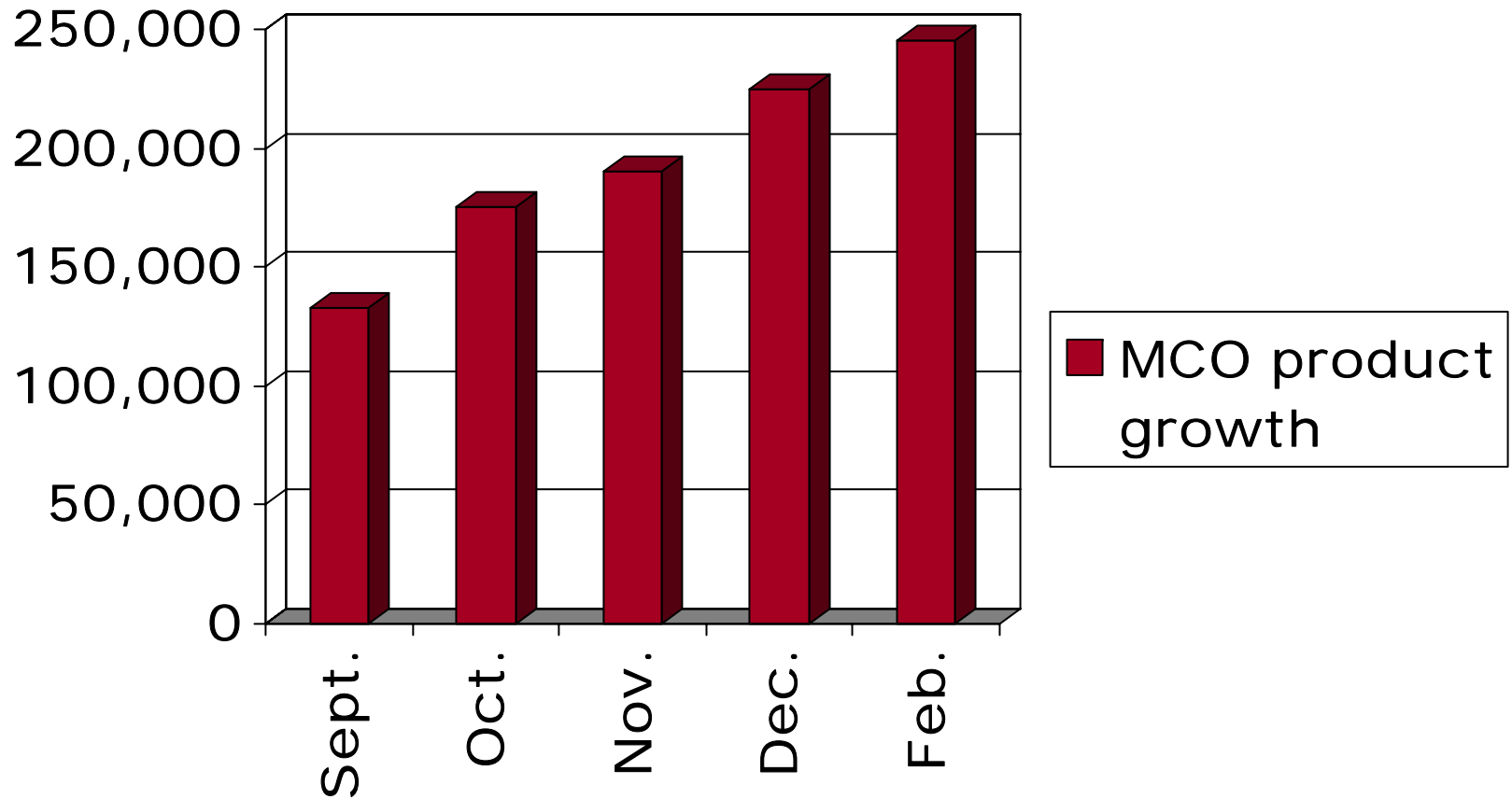
Demand

- < 50% of US with private insurance get the insurance through the workplace

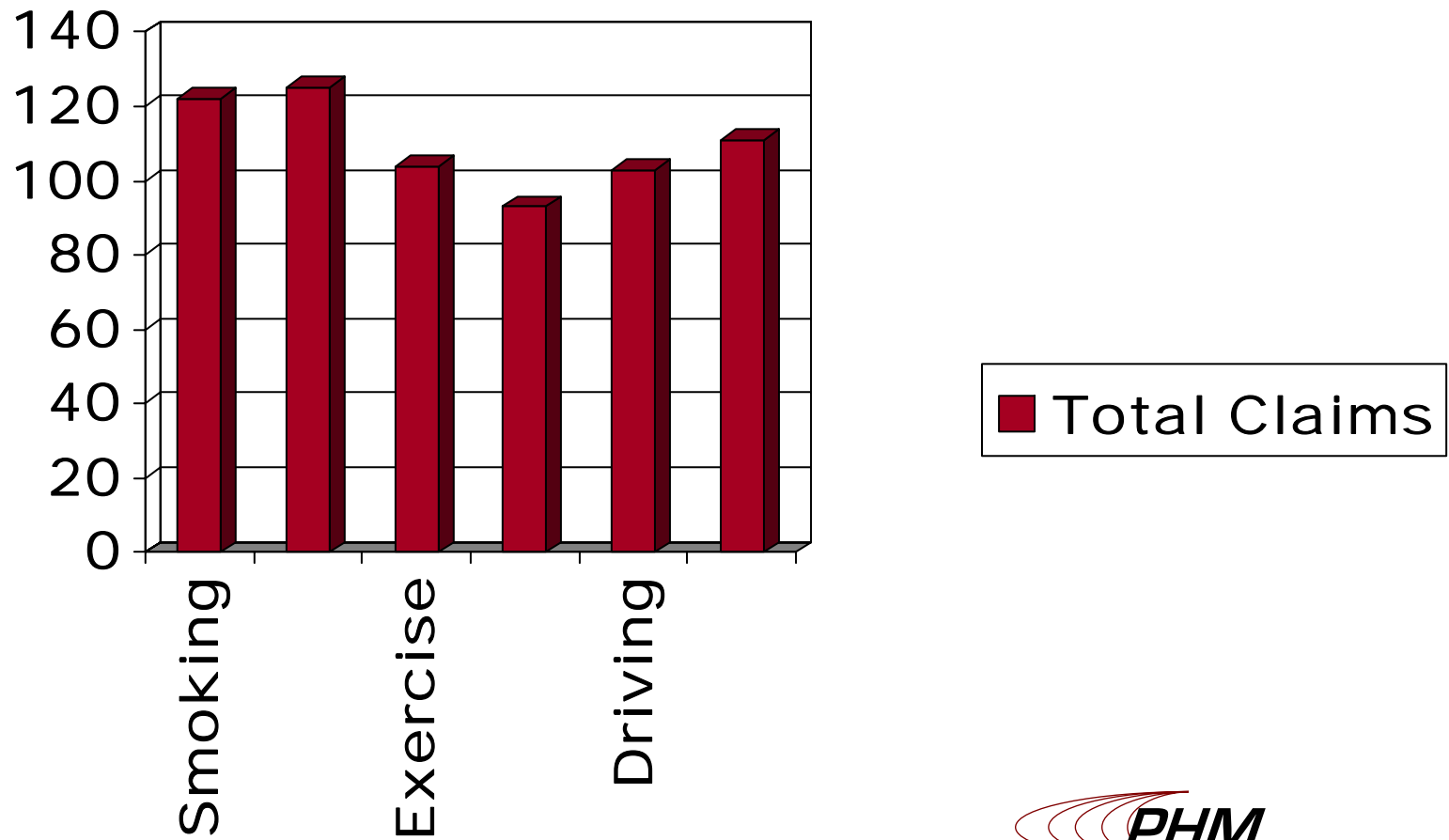


Bureau of Labor Management, 2003

Demand



Cost of Unhealthy Behavior



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Program Components

- Minimums
- Broad & Shallow aka...
 - Middle of the road
 - Most common
- Viable and Effective



Minimums

- Subsidized or discounted health club memberships
- Health education material at work-site
 - Newsletters, payroll stuffers, lunch 'n learn
- ER sponsored sports



Broad & Shallow

- Blanketing employees with health promotion activities *most common to their needs*



Broad & Shallow

- Components of “Minimum Program”
- Health/Risk Assessments
- Multi-media outreach
 - Payroll, Health magazine, On-line, Phone triage, Self care material, Video
- On site health fairs
- Employee financial incentive
- Family involvement



Viabile & Effective

- Strategy of defining a set of disease states or health problems that warrant additional *medically focused* interventions.
 - Integration of wellness & clinical care services
- Collaborative efforts with MCO/Insurance Carrier/TPA/Employer



Viabile & Effective

- Components of “Middle of the Road”
- Data reporting by risk, claims, ICD-9, etc.
 - Health, psycho demographics,
- Intervention by clinicians
- Integration with WC, EAP, Health plan’s disease management (NEW?)
- Risk sharing with MCO/Insurance Co.
- Local hospital/clinic involvement
- Targeted ROI



Viabile & Effective

- Asthma
- Back Injuries
- Diabetes
- Absenteeism...



Challenges

- Duplication of efforts
- Cost benefits
- Poorly Defined ROI & Disparate goals
 - Employer
 - Carrier/MCO
 - Agent



ROI

- Client acquisition
- Client retention
- Employee satisfaction & retention
- Improved health status
- Improved employee productivity, absenteeism... "presenteeism"



ROI

■ Reduced premium?

NOT



Costs

- \$ 0
- \$20. per ee/year
 - \$0.50 - 2.00 pmpm
- \$200+ + + per ee/year
- \$2,000+ per targeted member per year



Funding

Show Me The Money

Funding

- Per Unit Delivered

- Minimum program development
- Local wellness provider

- PMPM - PSPM - PEPM

- Vendor partnership
- Broad & Shallow program development



Funding

- Capitated with risk
 - Narrow & deep program development
 - Outcomes based
 - Strategic partner development
 - Shared ROI development
 - Financial risk sharing
 - Large employee pool
 - Admin fees remain flat
 - Program costs = medical expense



Quality or Hype?

■ Quality Service or Marketing Hype?

■ Case Study & Best Practices:

I Well America Group

I Integrated Health & Productivity Management



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Case Study

- Well America Group - WAG
 - Sold to “large” employers
 - Collapsed in August 2000
 - \$3.7 million in unpaid claims
 - Principals charged w/transacting
 - Agent named



Case Study

- Well America Group - WAG
 - Marketed self-insured with wellness
 - WAG arranged TPA, stop-loss, trusts, SPD, benefit booklets, etc.
 - 2 Year rate guarantee
 - Rapid sales growth



Case Study

■ Well America Group - WAG

■ Plan Structure:

- I Wellness controlled losses
- I Self-insured portion
- I GAP
- I Stop-loss insurance



Best Practices

- Wellness Councils of America welcoa.com
- Integrated Health and Productivity Management: www.ihpm.org
- Local cases?



Benefits for Agents

- Improved brand awareness
 - Competitive advantage
- Customer loyalty
- Speed to market



Benefits for Agents

■ Warning.....

... At \$20.00 per ee per year, not a profit center for agents.



Agent Responsibilities

- Wellness product & service knowledge
- Promotion of wellness benefits
- Ongoing service



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