Date: October 29, 2015
To: Joint Labor Management Benefits Committee
From: Staff
Subject: Wellness Subcommittee Recommendations for Implementing Flex Benefits Wellness Program

RECOMMENDATION:
That the Joint Labor-Management Benefits Committee review and adopt the recommendations of staff and the Ad Hoc Wellness Subcommittee for a proposed resource and implementation plan for a Citywide Wellness Program as detailed in this report.

DISCUSSION:
At its meeting on February 5, 2015, upon the recommendation of Personnel Department staff, the JLMBC established an Ad Hoc “JLMBC Health and Wellness Subcommittee.” The Subcommittee was tasked to do the following:

1. Develop recommendations for defining the mission and objectives of a Wellness Program
2. Identify potential resources for a Wellness Program
3. Identify metrics for measuring success
4. Recommend a timeline for next steps

The Subcommittee held an introductory meeting on May 9th to consider a report from staff providing a range of options for short-term initiatives and longer-term strategies for building a comprehensive and sustainable Wellness program. On June 5th the Subcommittee heard presentations from the City’s healthcare providers (Kaiser & Blue Shield) regarding their Wellness-related resources. On June 12th the Subcommittee met with the County of Riverside’s Wellness Coordinator to learn about the strategies, programs and results of their Wellness program. On August 14th the Subcommittee met with representatives from Safeway Corporation to learn about the strategies, programs and results of their Wellness program. On October 15th the Subcommittee met to consider staff’s recommendations for moving forward with a Wellness Program, including proposals relative to resource development and an implementation plan.

In this report staff will provide discussion and recommendations from staff and the Subcommittee with respect to:

(a) Defining a tentative proposed mission for the Wellness Program
(b) Reviewing and adopting the proposed resource and implementation plan for a Wellness Program, including utilizing resources available from the City’s medical provider Blue Shield through December 2016.

A. PROGRAM MISSION & METRICS

As noted in the original staff report to the JLMBC which created the Wellness Subcommittee, the term “Wellness” can be interpreted and applied in a variety of ways. Different organizations may approach Wellness with different objectives or emphases (e.g. financial, educational, engagement, etc.).

Given this, it is important to clearly define what Wellness means for the purposes of the Flex program, and to articulate its mission and objectives. This report provides a tentative proposed mission and sample metrics, subject to revision as a Strategic Plan is developed.

Staff and the Subcommittee believe the emphasis should be placed on improving results in the arena of chronic care conditions. As has been shared with the JLMBC many times in the past, chronic conditions such as heart disease, diabetes, hypertension and depression are prevalent in the City’s workforce as they are across the nation. According to one source, approximately 70% of healthcare costs in this country are attributable to chronic care conditions, and approximately 40-45% of the U.S. population has some form of chronic illness. Chronic care conditions are highly responsive to behavioral choices, both positive and negative. Chronic care conditions can be prevented, mitigated, or managed to better outcomes if individuals are engaged with the proper resources, made aware of empowering information, and perhaps most importantly feel supported by their employers in changing behaviors which can improve their overall health and wellbeing.

In light of this, both staff and the Subcommittee find that the primary mission of a Flex Wellness Program (subject to modification as part of developing a Strategic Plan) should incorporate some variation of the following:

To support our members in making progress on a continuum of improving health, with a particular focus on behaviors impacting the prevention, treatment and incidence of chronic disease.

Progress in fulfilling this mission would be measured by outcomes in some or all of the following broad measurements:

- Increasing member awareness of personal health and biometric data
- Increasing utilization of educational and coaching services
- Improving outcomes in a variety of key health indicators related to metabolic syndrome, body mass index, nutrition, tobacco use, stress impact, etc.
A Flex Benefits Wellness Program can be successful by establishing a clear mission, creating goals and measuring results, and continually developing ever more effective means of supporting and improving member health.

B. RESOURCE AND STRATEGIC DEVELOPMENT

Throughout the Subcommittee’s deliberations, ongoing feedback from the JLMBC’s consultants, healthcare providers, and other Wellness administrators has made clear that the keys to successful wellness programs include:

- Securing long-term and broad-based organizational commitment;
- Dedicating the necessary organizational resources to establish a credible and sustainable program; and
- Establishing an organizational mission and a coherent long-term strategy for targeting and achieving measurable outcomes

Meeting these objectives for the City’s Flex Program and population will require organizational resources and vision. This will involve a combination of dedicated internal resources and expert external resources.

(1) Dedicated City Staffing

Presently, the Employee Benefits Division has no staffing resources available to direct and administer a Wellness program. Dedicated internal resources are the first measure of demonstrating organizational commitment and are necessary in order to oversee the development of Wellness strategic planning, oversee the use of contracted resources, facilitate relationships between contracted resources and departmental liaisons involved in specific wellness initiatives, and report to the JLMBC, City Council and other stakeholders on the progress of Wellness activities.

The Personnel Department is moving forward with a request for dedicated staffing resources for a Flex Benefits Wellness Program as part of the Personnel Department’s FY 16/17 budget request. In addition, the Personnel Department is proposing to include a request for Resolution Authority (i.e. intra-fiscal year) funding for these positions in FY 15/16 as part of a proposed report from the JLMBC and Personnel Department to the City Council regarding Wellness Program development (see page 9 of this report for this as one of a series of proposed “next steps”).

Specifically, the Department is proposing establishing a Senior Personnel Analyst I and Personnel Analyst II position to spearhead the Wellness Program. The requested positions will be responsible for developing strategies/goals/objectives for the City’s Wellness Program. They will further be responsible for facilitating the use of service provider relationships in developing and implementing a range of Wellness-related programs and services, as well as working with service providers to benchmark specific data points, create goals, and measure outcomes related to engagement, awareness, health outcomes, and financial outcomes. The essential duties and responsibilities of these positions are summarized as follows:
**Senior Personnel Analyst I**
This position would be responsible for the following duties:

(i) Administering the use of contracted Wellness resources, including programs offered by the City’s healthcare and other benefit service providers, consulting services, communications services, and other specific service related to administration of the Wellness Program, up to and including any necessary procurements for services not offered under existing Flex program service arrangements;

(ii) Reporting to the JLMBC, City management, and elected officials regarding the development of the Wellness Program; and

(iii) Documenting and measuring the results of Wellness programs using agreed-upon statistical metrics.

**Personnel Analyst II**
This position would be responsible for the following duties:

(i) Providing training and facilitating relationships between the City’s contracted Wellness resources and departmental liaisons;

(ii) Overseeing and generating communication resources for use in promoting the program and educating the City’s Flex population regarding available Wellness resources; and

(iii) Facilitating specific Wellness-related programs and initiatives.

The cost of these positions represents approximately 1/10th of one percent of the overall expenditures of the City’s Flex Program – a modest investment relative to the potential long-term benefits of a Wellness program, whether measured in the form of engagement, health outcomes, or potential financial impact.

(2) **Contracted Wellness-Related Services**

As part of assessing the range of potential contracted resources available to develop and implement a Wellness program, staff and the Subcommittee first reviewed the major categories of services that contracted service providers could provide, summarized as follows:

(A) **Strategic Planning** – Strategic planning involves the creation of a long-term plan for a wellness program including the program’s mission, goals, objectives, strategies, and measurements of success. Expert assistance in this area is necessary to avoid incoherence in development and execution of the program. Effective strategic planning is particularly crucial for an endeavor with the scope and ambition of a Wellness Program. Strategic planning would include objectives related to engagement (employee participation in various Wellness-related programs), awareness (employee knowledge of certain essential information that is a prerequisite for changing behavior), and outcomes (measurable health-
related outcomes in areas such as chronic disease incidence, adherence to treatment protocols, etc.).

(B) **Communication/Engagement** — *Communication* in this instance involves exchanging information with our members in ways which allow them to feel supported on their personal health journeys. *Engagement* represents the points of contact at which this communication can occur. **Effective and sustained engagement/communication is the means by which we raise awareness of information which can influence behaviors and impact health outcomes; it represents the most critical function in meeting the Wellness Program mission.** This information must necessarily be provided through resources possessing the expertise and qualifications to communicate around complex and personalized topics such as nutrition, exercise, stress management, etc. Information can be provided through a variety of mediums including:

- Counseling/coaching
- Group meetings/seminars/fairs
- Online web portals
- Electronic communications (emails, e-newsletters, etc.)
- Webinars
- Online videos
- Print materials

(C) **Data and Metrics** — Measurement of member health-related habits, conditions, and awareness provides a means for the Flex Program to monitor, create goals, and assess the results of engagement/communication initiatives. It further allows members to do the same with respect to their personalized indicators of health status or disease risk. Health risk assessments and biometric screening provide examples of data sets that are commonly used in conducting these measurements, but other data can and should also be captured by the Flex Program to assure data consistency over time and across service providers, and to ensure that the JLMBC and Flex Program retain the ultimate authority for determining what data is relevant to creating goals and accountability for results.

(D) **Programs/Campaigns/Events** — Programs and events (such as walking competitions, health fairs, biometric screening events, etc.) serve multiple purposes. They help to engage employees, support educational and awareness-raising efforts, collect health metrics data, or address a targeted objective (e.g. a flu vaccination program).

(E) **Health Plan Treatment & Support** — Healthcare services from the City’s medical carriers play the role of identifying and treating disease. Health care providers also typically have resources related to disease prevention, and may have their own suite of educational and engagement programs.

(F) **Miscellaneous Benefit Service Provider Support** — Dental, Employee Assistance Program, and other benefit service providers can also support the overall Wellness mission. For example, there has been substantial research on the relationship of oral health, and emotional and mental wellbeing, to chronic disease incidence and severity.
Viewed as a whole, each of these contracted resources can play an important role in establishing and supporting a well-coordinated Wellness Program.

3. Building a Strategic Infrastructure

Having assessed the range of potential services, the Subcommittee recommends proceeding strategically with a focus on building the necessary infrastructure to establish, sustain and grow the Wellness Program over time. This infrastructure can be thought of as a “pyramid” (see visual right). By creating and reinforcing a strong base of support, the Wellness Program can demonstrate to Flex members a clear mission, communications coherence and effectiveness, and the credibility of the City’s commitment to the Program.

One of the crucial concepts reviewed by the Subcommittee involved establishing a service delivery resource model that sits “above the health plans” so as to meet several critical objectives:

- Establishing and aligning a universal mission, goals, strategies and tactics
- Ensuring consistency of core communication messaging
- Providing a common platform for disseminating information and providing gateway access to multiple resources
- Creating universal benchmarks and data management

Following is a brief discussion of each layer of the strategic infrastructure:

1. **Organizational Commitment** – Organizational commitment involves the commitment of the City’s elected officials, the JLMBC, the Personnel Department, and all City departments in supporting the objectives of the Wellness Program. This commitment manifests in the dedication of resources, modeling a culture of wellness, communicating the goals and resources of the program, and otherwise supporting Flex members on their health journeys.

2. **Securing City Staffing** – As previously discussed, dedicated City staffing is necessary to “drive the Wellness train,” interact with stakeholders and gatekeepers, and direct the use of contracted resources.

3. **Strategic Planning** – Under the direction of and in consultation with the Personnel Department and JLMBC, this would involve identifying and utilizing a contracted consulting resource to create a strategic plan for developing, implementing and administering a fully-coordinated wellness program. The
strategic plan should cover multiple years and address how the City can successfully phase in and build upon its program over time.

(4) **Communications Strategy/Branding** – This would involve branding the program and developing a communications strategy at the Flex Program level (as opposed to branding by health plan provider), such that all Wellness-related communications are consistent, coherent, and aligned with the program’s mission and strategy.

(5) **Communications Distribution Channels/Content** – This would involve development of common-platform distribution channels and content. This could take the form of creation of a Flex-branded wellness portal and educational content designed to engage members and raise their awareness of information promoting behaviors which are conducive to positive health outcomes.

(6) **Wellness Education/Counseling** – This would be the most crucial resource for supporting our members in effecting personal change and improving health. Under the direction of City staff, this would involve identifying and utilizing a contracted in-person educational/counseling services provider which would have the objective of engaging, educating, and raising awareness among the City’s population as part of creating a “culture of wellness” and helping members successfully access all of the Flex Program’s wellness-related resources. This service delivery model would be similar to that which has been in effect with the Citywide Deferred Compensation Plan since the Plan’s inception in 1984; in this model, on-site local counselors are present at a variety of times and locations for the sole purpose of engaging and educating Plan participants and helping them navigate administrative processes. The proposed model is also similar to that presently used by the Los Angeles City Employees’ Retirement System (LACERS), which contracts for a Wellness Coordinator who is a licensed nutritionist and who, among other duties, helps LACERS members to access health and wellbeing resources currently offered by LACERS health plans.

(7) **Benchmarking/Data Management** – Under the direction of City staff, this would involve identifying and utilizing a contracted resource for benchmarking and data management services, so that the City’s Plan can track and benchmark certain aggregate data related to a variety of data points including employee engagement, awareness, and health outcomes. This would be done at the Flex Program level, rather than the level of the individual medical plan providers, to assure data consistency. Precedent for this approach was found with one of the Subcommittee’s Wellness Program presenters, Safeway, which similarly contracted for a custom benchmarking service and which has been a key part of driving the success of its program.

(8) **Programs & Events** – Under the direction of City staff, this would involve promotional event-based behavioral programs (such as walking programs, smoking cessation programs, HRA promotion, biometric screening, etc.) that are coordinated within the communications branding, long-term plan, and defined goals/objectives стратегия и стратегия развития должны охватывать несколько лет и обсуждать, как город может успешно внедрить и развивать свой программу в течение времени.

(4) **Стратегия коммуникации/Брендинг** – Это включало бы брендирование программы и разработку стратегии коммуникации на уровне программы Flex (вместо брендирования поставщика страхового плана), так что все коммуникации, связанные с Wellness, были бы консистентными, цельными и согласованными с программой и ее стратегией.

(5) **Дистрибуция средств коммуникации/Содержание** – Это включало бы разработку единой платформы для дистрибуции средств и содержания. Это могло бы включать создание виртуального портала Wellness, который бы был брендирован Flex, и образовательного контента, предназначенного для того, чтобы участвовать в программах Wellness и увеличивать осведомленность о информации, способствующей положительным результатам здоровья.

(6) **Образование и консультирование по вопросам Wellness** – Это был бы наиболее важный ресурс для поддержки наших членов в изменении личных обстоятельств и улучшении здоровья. Под руководством городского персонала, это включало бы идентификацию и использование контрактных индивидуальных образовательных/консультационных услуг, которые бы имели целью вовлечение, образование и повышение осведомленности среди населения города как часть создания “культуры Wellness” и помощи членам успешно использовать все ресурсы Wellness в программе Flex. Этот способ доставки услуг был бы схож с тем, который действовал в рамках Государственного плана задержки выплаты (Citywide Deferred Compensation Plan) с момента создания плана в 1984 году; в этом случае, местные консультанты были бы доступны в разные часы и места с одной целью – вовлечение и образование участников плана и помощь им в навигации по административным процессам. Предшествующий опыт был найден у одного из представителей подкомитета Wellness, Safeway, который также контрактует ведущего координатора Wellness, который является лицензированным диетологом и который выполняет среди прочего обязанности по доступу членов LACERS к ресурсам Wellness и здоровья.

(7) **Бенчмаркинг/Управление данными** – Под руководством городского персонала, это включало бы идентификацию и использование контрактного ресурса для бенчмаркинга и управления данными, позволяя городскому плану отслеживать и сбивать определенные данные, относящиеся к различным показателям, таким как участие, осведомленность и результаты здоровья. Это было бы сделано на уровне программы Flex, а не на уровне отдельных медицинских планов, чтобы обеспечить согласованность данных. Предшествующим опытом для этого подхода было найдено у одного из участников подкомитета Wellness, Safeway, который похожим образом контрактует услуги бенчмаркинга и которые сыграли ключевую роль в успехе его программы.

(8) **Программы и события** – Под руководством городского персонала, это включало бы организацию мероприятий, направленных на поведенческие программы (например, программы по прогулкам, программы по бросанию курения, программы по пропаганде ИКС, биометрическое сканирование и т.д.) которые были бы согласованы с коммуникационным брендингом, долгосрочным планом и определенными целями/объектами/стратегиями/метриками.
4. Funding Resources

Resources presently exist for the City to fund the consulting, communications, and program-based services previously described. Under the current Blue Shield contract (which expires 12/31/16), Blue Shield provides $900,000 annually (for a combined $1.8 million in calendar years 2015 and 2016) for use in the administration of not only its Wellness programs but the various contracted resources included within this report. Kaiser has not committed specific dollar resources but indicates it will participate in the City’s efforts with its existing “turnkey” programs. Wellness funding and other support resources from the City’s medical carriers will also be a particular focus in the Flex Program’s procurement for health-care service providers.

One of the objectives relative to the Blue Shield funding resources is to utilize those resources prior to conclusion of the Blue Shield contract term in December 2016. The table below provides general and approximated allocations of this funding to the resource needs previously identified and based on a calendar and schedule to utilize them by the December 2016 target. These allocation amounts should be regarded as general estimates only; actual costs may vary from these amounts and will not be determined until the Strategic Plan is finalized, contractors are selected and price proposals considered.

<table>
<thead>
<tr>
<th>Priority Ranking</th>
<th>Service</th>
<th>Contracted Resource</th>
<th>Allocation Amount for 10/15 – 12/16</th>
<th>Completion Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Strategic Plan Development</td>
<td>Wellness or Benefits Consultant</td>
<td>$50,000</td>
<td>2/28/16</td>
</tr>
<tr>
<td>2</td>
<td>Program Branding and Communications Strategy</td>
<td>Wellness or Benefits Consultant</td>
<td>$50,000</td>
<td>3/31/16</td>
</tr>
<tr>
<td>3</td>
<td>Development of Electronic/Print Communications</td>
<td>Wellness or Benefits Consultant</td>
<td>$250,000</td>
<td>4/30/16</td>
</tr>
<tr>
<td>4</td>
<td>Development of group and individual counseling resources</td>
<td>Wellness or Benefits Consultant/ Counselors/ Local Service</td>
<td>$250,000</td>
<td>5/31/16</td>
</tr>
<tr>
<td>5</td>
<td>Benchmarking service data accumulation and reporting / goal-setting</td>
<td>Benchmarking and Data Management Firm</td>
<td>$200,000</td>
<td>6/30/16</td>
</tr>
<tr>
<td>6</td>
<td>Promotional events such as walking, smoking cessation, nutrition, and other programs.</td>
<td>Health plans and/or separate wellness program providers</td>
<td>$1,000,000</td>
<td>6/30/16</td>
</tr>
</tbody>
</table>

Total--> $1,800,000

To the extent that items 1-5, upon further exploration, fall below projected expenditures, additional funding would be available for promotional programs under item 6.

Beyond 2016, the JLMBC will need to address longer-term funding resources for contracted services. The outcome of the upcoming procurement for health insurance
providers will provide greater clarity with respect to that resource question and will be resolved prior to July 2016, which is the start of the 16/17 fiscal year. In addition, by this time the staff and the JLMBC will have greater clarity on the actual costs of contracted programs and will be in a better position to resolve the question of long-term funding for all of these services.

5. Proposed Implementation Steps

Moving forward will require the following:

(1) **JLMBC Adoption of Strategy** – JLMBC adopts the proposed implementation plan as detailed in this report.

(2) **Report to City Council** – The Personnel Department and JLMBC report to City Council on the status of the JLMBC’s Wellness Program initiative, including a request for resolution authority funding in FY 15/16 for the two staff positions identified in this report.

(3) **Permanent Authority for Staffing** – The Personnel Department includes within its budget request for FY 16/17 a request for the staffing resources outlined in this report.

(4) **Strategic Plan** – The City begins working with a consulting firm to develop the Wellness Strategic Plan with a target completion date of 02/28/16; the Strategic Plan would include greater specificity with respect to resource allocation, expenditures, and roles/responsibilities.

(5) **Execution and Implementation** – Upon securing the staffing and consulting resources the Personnel Department, in cooperation with the JLMBC, moves forward with executing objectives in accordance with the priorities, funding sources, and deadlines identified in this report and the Strategic Plan.

Submitted by: ______________________________

Steven Montagna