Date: September 1, 2016
To: Joint Labor Management Benefits Committee
From: Staff
Subject: Wellness Program Implementation

RECOMMENDATION:
That the Joint Labor-Management Benefits Committee (a) receive and file this report regarding Wellness Program implementation; (b) approve staff’s proposed “Financial Wellness” engagement initiative for October-December 2016; and (c) approve the creation of a standing Wellness Subcommittee and identify those JLMBC members who would have an interest in participating on the subcommittee.

DISCUSSION:

A. INTRODUCTION & BACKGROUND

This report provides an update and certain recommended action items relative to implementation of the developing Wellness Program for LAwell members. In 2015, the JLMBC and the Personnel Department developed and adopted a mission statement, metrics, and resource and implementation plan for a Civilian Benefits Wellness Program. This resource and implementation plan was presented to the City Council on March 29, 2016.

As part of its review, the City Council authorized substitute authorities for two positions fully dedicated to the City’s new Wellness Program, with position funding authorized from the Employee Benefits Trust Fund and ongoing funding resources provided through the Civilian Benefits Program’s health insurance providers. These substitute authorities were further included in the Personnel Department’s adopted budget for FY 16/17. These staff, including a Senior Management Analyst I and Management Assistant, began their assignments on July 25, 2016.

As previously communicated to the JLMBC, in the 2017 Open Enrollment the previously named “Flex Benefits” Program will be rebranded “LAwell.” LAwell will include the Wellness Program as one of its primary components, branded as “LIVEwell.” The overall rebranding intent is for members to see the relationships between their benefit...
elections and overall health and wellbeing, and to begin the process of raising the prominence of Wellness resources as vital components of the City’s benefits package.

**B. OBJECTIVES**

Staff has developed the following broad program objectives for the LIVEwell program:

- Brand and define the “LIVEwell” program for beginning with the October 2017 Open Enrollment;
- Proceed strategically to gain membership trust and confidence in the program;
- Build the necessary infrastructure to establish, sustain, and grow LIVEwell over time;
- Provide members a broad array of resources to meet their personal health and wellness goals;
- Conduct ongoing engagement campaigns designed to raise awareness and support behavior changes which can successfully impact overall health and well-being and chronic care conditions;
- Communicate resources and programs in coherent, effective messaging designed to support employees on their healthcare journeys; and
- Develop and benchmark a core set of metrics to help measure the success of the program over time.

As discussed previously with the JLMBC, “wellness” is a broad and subjective term which can be interpreted and applied in varying ways. From an employee perspective, introduction of this program is likely to be met by a range spanning from enthusiasm to curiosity to skepticism. The skepticism may include doubts about the City’s commitment to and motivations regarding the program, and there may be a reluctance to engage on sensitive personal topics related to nutrition and exercise. Most broadly, many employees may have questions about whether and how the program can be personally relevant to their lives.

To help build trust and the credibility of the program, staff believes that it is important to:

(a) Demonstrate organizational commitment and communications discipline by conducting ongoing wellness engagement campaigns; and
(b) Initially choose more neutral topics for these campaigns before engaging on more sensitive topics such as nutrition and exercise.

Building engagement from the ground up requires setting an expectation of consistency and freshness. As a result, staff is proposing executing quarterly engagement campaigns focused around specific topics. In the interest of beginning with more neutral topics, staff is proposing that the topics for Fourth Quarter 2016 and First Quarter 2017 be financial wellness and vision care, respectively.

**4th Quarter 2016: Financial Wellness** - For the October-January 2016 quarter, staff is proposing a “Financial Wellness” theme. According to the 2014 “Stress in America”™ survey conducted within the United States by the Harris Poll on behalf of the American
Psychological Association (APA), money and finances represent the most significant source of stress for Americans. The results indicated that nearly three quarters (72%) of adults report feeling stressed about money at least some of the time, with nearly one quarter indicating they experience extreme stress about money (22% rated their stress about money during the prior month as being on an 8, 9 or 10 on a 10-point scale). The survey further indicated that in some cases, people are even putting their health care needs on hold because of financial concerns. Stress levels have a huge impact on health, both in terms of laying a foundation for chronic condition disease development as well as by inhibiting the body’s natural healing mechanisms.

The City and LAwell program provide resources to help manage financial resources which many members may not be fully aware of. As part of this campaign, staff proposes offering an engagement campaign focused on promoting existing resources which can assist members in reducing financial stress, enhancing feelings of financial security, and generally feeling supported in conducting their financial affairs. Staff proposes leveraging and building out from the communication engagement efforts being prepared by the Employee Benefits Division for the October 16-22, 2016 National Retirement Security Week. The focus of this year’s campaign will be placing future retirement income security in the context of overall financial wellness. From that point and for the remainder of the quarter, a “Financial Wellness” theme provides opportunities to offer educational resources available through the provider of the Employee Assistance Program, Managed Health Network, around topics such as credit/debt management, estate/will planning, household finance, and similar topics. Additional resources may also be utilized from The Standard on the topic of financial protection through life and disability insurance. Staff recommends that the JLMBC approve staff’s proposed “Financial Wellness” engagement initiative for October-December 2016.

1st Quarter 2017: Vision Care – EyeMed will be a new provider offering new benefits effective January 1, 2017. Introducing and promoting their services provides an excellent opportunity to improve the percentage of the LAwell membership receiving eye exams (which also provides opportunities to identify chronic care conditions which may be partially manifesting through eye disease). As a result, for the January-March 2017 quarter, staff is proposing a “Vision Care” theme which will focus on the
importance of vision health, use of Eyemed’s onsite “pop-up clinics,” and increasing the number of members receiving eye exams. Further details on this campaign will be provided in a subsequent report.

Topics for quarters beyond this initial six-month window will be developed shortly so that the program is operating with no less than a 12-month (four quarters) strategic communications plan.

C. WELLNESS BUDGET & EXPENDITURE OBJECTIVES

Staff will be administering an immediate and long-term budget/expenditure plan for the LIVEllwell program. An immediate objective will be to utilize resources from the City’s healthcare providers within any applicable expiration dates. As the JLMBC is aware, the City previously secured funds from Blue Shield to be utilized for wellness activities. This includes $900,000 from 2015 already provided to the City for wellness activities, and an additional $900,000 pledged by Blue Shield but only available until the conclusion of the Blue Shield contract term on December 31, 2016. Kaiser has also pledged $50,000 towards communications efforts for the Fall Open Enrollment period, so long as those funds are utilized and invoiced by November 2016.

Staff is finalizing a plan to expend the expiring Blue Shield funds. Expenditures towards this objective include costs for branding/promotions materials for LIVEllwell events/activities for the quarterly wellness focus for Q4 2016, the purchase of program communications materials, internal administrative expense reimbursement, and inventories of promotional and engagement materials.

As previously communicated to the JLMBC, Anthem has committed to $1,000,000 in annual funds to the City for the LIVEllwell program. And as reported at the July 7, 2016 JLMBC meeting, Kaiser increased its 2017 commitment from $250,000 to $350,000 for plan year 2016, a commitment that is anticipated to grow in Plan Year 2018 to be on par with the Anthem commitment.

D. WELLNESS SUBCOMMITTEE & STAKEHOLDER DEVELOPMENT

In 2015 the JLMBC developed an Ad Hoc Wellness Subcommittee which was responsible for developing the Resource and Implementation Plan, a crucial first step in identifying the vision, and securing the necessary staffing resources for, a sustainable Civilian employee Wellness Program. With the staffing resources now in place, staff proposes establishing the Ad Hoc Wellness Subcommittee as a permanent JLMBC subcommittee. Staff believes this would represent an important demonstration of the JLMBC’s and the City’s organizational commitment to creating and maintaining the new “LIVEllwell” program. It would also provide an excellent vehicle for exchanging information and ideas and developing ongoing strategies.

Creating a permanent subcommittee does entail certain additional responsibilities. The subcommittee would be subject to the Brown Act, meaning a regular meeting time/location would need to be established, all meetings would be open to the public,
and minutes would be generated. However, in staff’s view this additional level of formality and transparency are not only appropriate but desirable as the City moves forward on creating a robust and vibrant program. Staff therefore recommends that the JLMBC approve the creation of a standing Wellness Subcommittee and identify those JLMBC members who would have an interest in participating on the subcommittee. This would assist staff in scheduling the first meeting as soon as possible.

In addition to the subcommittee, staff believes it will be crucial to develop other stakeholder infrastructure as part of engaging elected officials, labor organizations, departmental gatekeepers and highly interested employees to assist with engagement, program development, and communications. Alternatives for developing these structures will be a priority item to be considered by the Wellness Subcommittee.

E. CONTRACTED WELLNESS SERVICES

Previously, staff and the Ad Hoc Wellness Subcommittee determined, and the JLMBC subsequently agreed, that the Wellness Program would include contracted service providers that would allow for Wellness administration that would “sit above the health plans” and provide for consistent messaging, program administration, and benchmarking. Staff has been working with the JLMBC’s consultants at Keenan Associates to review alternatives for potential contracted Wellness services and is in the process of drafting a Request for Proposal (RFP) for a range of Wellness-related services.

Preliminary research from staff indicates that the breadth and variety of wellness service providers is quite extensive and that it will be necessary to craft the RFP strategically to procure for those specific services that the JLMBC deems to be most necessary and impactful, and which are consistent with the overall funding resources available to the program. The refinement of the RFP would be an additional priority review item for the Wellness Subcommittee.

F. FUSE CORP PLACEMENT

As previously reported to the JLMBC, the Personnel Department, in concert with the Mayor’s Office, applied for a full-time professional placement through the FUSE Corps program. FUSE Corps is a nonpartisan, non-profit organization focused on enabling local government to more effectively address challenges facing urban communities. FUSE partners with civic leaders to identify strategic projects and then recruits entrepreneurial professionals to serve in year-long, executive-level fellowships. Fellows work full-time within targeted issue areas such as education, health, poverty, workforce development, and the environment.

FUSE Corps advertised for the position and identified several strong candidates. The Personnel Department participated with the Mayor’s Office in a review panel consisting of General Manager Wendy Macy, Assistant General Manager Greg Dion, Benefits Division Chief Steven Montagna, and Mayor’s Office Operations Innovation Team Director (and former FUSE fellow) Mark Thomas.
As a result of that process, a tentative selection has been made for the placement. Upon confirmation of that selection, the placement would begin October 3, 2016 and continue through September 2017, and the selected individual would be introduced to the JLMBC at its October 6, 2016 meeting.

G. ONGOING REPORTING

Moving forward, staff’s intent is to provide monthly reports providing updates and recommended action items relative to LIVEwell program implementation, activities, strategies and metrics. This will ensure that, along with the Wellness Subcommittee and other stakeholder development efforts, the program has multiple venues to solicit input and create transparency around program administration.

Submitted by:  

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