Date: December 6, 2016
To: Joint Labor Management Benefits Committee
From: Staff
Subject: LIVEwell Wellness Program Development

RECOMMENDATION:
That the Joint Labor-Management Benefits Committee (JLMBC) adopt the following recommendations of the Wellness Subcommittee:

(1) Receive and file the information contained in this report regarding development of the LIVEwell Wellness Program, including a tentative five-year budget plan; and
(2) Request that Personnel Department staff, working with the Wellness Subcommittee, develop a Request for Proposal for LIVEwell Wellness support services including Third-Party-Administrator, Consulting, and Data Management.

DISCUSSION:
At its meeting on February 5, 2015, the JLMBC established an Ad Hoc “JLMBC Health and Wellness Subcommittee.” At its meeting on October 6, 2016, the JLMBC re-established the Ad Hoc Wellness Subcommittee as a standing Subcommittee.

The Wellness Subcommittee held its first meeting on November 29, 2016. At the meeting, staff discussed topics included in this report. Upon conclusion of the meeting, the Subcommittee approved certain recommendations for action by the full JLMBC.

Previously the JLMBC, upon the recommendation of the Subcommittee, adopted the following mission statement for the City’s “LIVEwell” Wellness Program:

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.

Next steps involve establishing LIVEwell’s program vision, goals, objectives, and strategic concepts. This report contains recommendations relative to the following:

- Program Vision
- Resource and Budget Review
- Contracted Services
A. Program Vision

The vision of the LIVEwell program is to support the health and well-being of LAwell members regardless of where they may be at on their personal health journey. Specifically, those objectives are to:

- Develop a fuller understanding of the ways in which LAwell members think about and relate to their personal health.
- Package the LIVEwell program into a trusted, understandable, meaningful and identifiable “brand” to support member engagement, adoption, growth, and sustainability.
- Establish a comprehensive program infrastructure with the necessary resources to create and sustain success.
- Develop and execute a marketing and communications strategy which effectively engages, educates and empowers members with information which supports behavioral changes impacting chronic care conditions.
- Leverage Civilian LAwell benefit service provider relationships to implement a cohesive and coordinated efforts supporting member health.
- Create a performance measurement system (data, sources, processes, and tools) to help evaluate and track progress, and set goals and develop strategies for improving outcomes.

In order to achieve these objectives within available resources, the City will need to act strategically to efficiently prioritize initiatives, identify best practices, build a “member-based” program focused on the unique needs of the LAwell population, and deliver a communications approach which is creative, flexible, and outcomes based. Structurally, the program and its relationships can be fundamentally understood as follows:
The program sits parallel to and is fundamentally related to the Civilian LAwell program overall. To deliver success, the LIVEwell program must establish a distinct but complementary set of resources that will be effective at engaging the membership in ways that leverage but will often go beyond the services provided by LAwell benefit Health, Dental, EAP, and other providers.

Staff is working closely with the JLMBC’s Wellness FUSE Corp fellow, Joan Centanno, to develop a broad “Current State” assessment incorporating analysis of industry best practices and resources relative to the City’s needs and status of program development. This information will be presented at the Wellness Subcommittee’s next meeting.

B. Resource and Budget Review

The Subcommittee discussed the need to design the program within available resources. As a result, the JLMBC will need to develop, adopt and monitor a budget and expenditure plan for the LIVEwell program. The City previously secured funds from its healthcare partner Blue Shield to be utilized for wellness activities. This includes $900,000 for Plan Year 2015 and $900,000 for Plan Year 2016. Additionally, the City recently secured funds from Kaiser Permanente in the amount of $52,000 towards the City’s wellness efforts for Plan Year 2016 ($45,000 of which was received in deposit for communication services, and $7,000 of which was used for biometric testing services provided at departmental wellness fairs for the Port of Los Angeles and the Los Angeles Department of Transportation).

Going forward, Anthem Blue Cross has committed to $1,000,000 in annual funds to the City for the LIVEwell program. And as reported at the July 7, 2016 JLMBC meeting, Kaiser’s commitment in 2017 is $350,000. That commitment is expected to grow to $1 million by 2018.

Because funding and expenditure commitments for the program are ongoing, staff has prepared a tentative five-year budget for LIVEwell (Attachment A). The budget includes tentative estimated contractual services costs – still to be defined – as well as projections of staffing and other program costs.

The assumed base cost for contracted wellness services involves certain assumptions that were developed in concert with the JLMBC’s consultants at Keenan Associates, detailed later in this report. These projections may be revised based upon discussion and actions by the Wellness Subcommittee and the JLMBC.

It should be noted that included within the budget is a line item for payment of half of the JLMBC’s FUSE Fellow placement ($65,000). Staff was recently informed by the Mayor’s Office that their intent was not, as previously described, to fund the full cost of the $130,000 annual placement. Staff’s intent is to bring a request for funding of this line item to the full JLMBC at the time it brings a fuller report regarding Benefit Trust Fund expenditures.
C. Contracted Services

Previously, staff and the Ad Hoc Wellness Subcommittee determined, and the JLMBC subsequently agreed, that the Wellness Program would include contracted service providers for Wellness administration that would “sit above the health plans” for the purpose of providing consistent messaging, program administration, and benchmarking. Staff recommends developing a Request for Proposal (RFP) for potential contracted Wellness-related services. As part of researching options, staff has identified a broad array of potential service providers and service orientations within the wellness provider community. In order to provide for a manageable process consistent with the present need to establish a broad-based infrastructure for program administration, and within the resource constraints outlined in the proposed budget, the Wellness Subcommittee recommends a procurement targeting a core set of essential services. These broad categories of services include:

**Third-Party-Administration (TPA)**

- Offering a broad web-based engagement platform
- Providing 1-2 local counselors/educators
- Providing the ability to offer a broad range of core online engagement and health behavior tracking tools

**Data Management**

- Providing the ability to record-keep and generate reports regarding key member engagement, health status, awareness, and/or behavioral data

**Consulting**

- Expert wellness-specific consulting services

Similar to prior RFPs issued by the JLMBC, the RFP will be “modular” and allow interested service providers to submit proposals for these service categories collectively or individually. Seeking proposals for these service categories does not necessarily mean that the JLMBC would ultimately find that any or all of these services are desirable or affordable. However, procuring for these services is a necessary step in making the ultimate assessment of how the JLMBC can most effectively and efficiently establish a sustainable program.

Robin Rager (Keenan Associates) has assisted in researching and understanding the wellness service provider landscape and some general information regarding costs and potential services. Mr. Rager has indicated that TPA Wellness service providers typically structure their fees as a Per Employee Per Month (PEPM) charge. In terms of developing the RFP and making decisions regarding contracting for services, the JLMBC will ultimately need to resolve the following:

- Whether the TPA services will be offered to employees only, employees and spouses, or employees and families
Whether the TPA services will include counseling and information services only, or also disease/condition management services
Whether the TPA services will include local “Wellness Advocates”
Whether the program should contract for data management services
Whether the program should contract for specialized wellness consulting services

An excerpted illustration from Attachment A indicates the potential cost of contracted services relative to ongoing program revenues of $2 million annually:

<table>
<thead>
<tr>
<th>Program Cost</th>
<th>Estimated Cost</th>
<th>% of Total</th>
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<tbody>
<tr>
<td>Internal Administrative Costs</td>
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<tr>
<td>Third Party Administrator</td>
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<td>Data Management</td>
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<td>17%</td>
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<tr>
<td>Consulting Services</td>
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<td>5%</td>
</tr>
<tr>
<td>Member Engagement</td>
<td>$120,000</td>
<td>6%</td>
</tr>
</tbody>
</table>

$2,008,961 100%

Actual costs of services will not be known until the City is in receipt of actual proposals and cost information.

D. Data Development, Goals and Metrics

In order to meet the program mission of improving member health, it will be necessary to determine the data sets that will measure progress, establish goals, execute strategies, and assess results. Core data categories, and sample data items, that may comprise LIVEwell metrics include the following:

**Population Health: Preventive Care**
- Biometrics: e.g. blood pressure, diabetes, cholesterol
- Cancer Screenings
- Annual Physicals
- Dental Exams
- Vision Exams

**Population Health: Behavioral Patterns**
- Nutritional/dietary patterns
- Exercise patterns
- Sleep patterns
- Stress management patterns
- Smoking cessation
LAwell’s benefit service providers capture certain data sets (e.g. relating to preventive care, population health, etc.). However, mechanisms for capturing other data will need to be created. It will be necessary for the City to establish its data goals, metrics, and tracking methods that are consistent over time and across different contracted providers. The City will ultimately determine what data is relevant to creating goals and accountability for results.

To consolidate and manage the data, it is likely that a contracted external data management resource will need to be developed. This service might be provided by a Wellness TPA or a separate data management firm.

Once baselines of certain core data are developed, the City can set goals and design strategies for improving results. Strategies can be assessed for their efficacy and ongoing evolution.

### E. Communication Development Strategy

Staff will be working with the JLMBC’s Wellness FUSE Corp fellow, Joan Centanno, to develop and execute a Wellness Communication strategy detailed in the outline below. This strategy is designed to develop an authentic brand for the program, gain greater insight into the member population, create effective communication campaigns and materials, and drive the behavioral change which supports the overall mission of the program.
Following is a communications development strategy summary outline and discussion:

**Create an Authentic Brand** – Creating an authentic brand means defining the Wellness Program’s value proposition to the membership, or what and how the City would like them to think about the program. This begins with identifying the target member audiences (or segments) so that the program can segment members in order to hone in on smaller groups that share common attributes (such as lifestyle, physical activity, nutrition, etc.). Segments will help the City develop finely-tuned marketing programs that target needs and drive behavioral changes, using:

a. **Primary Research** – work directly with members to customize and target the program based on their feedback. In the same way members were invited to provide feedback as part of procuring for health and dental benefits, two important tools for conducting primary research include:
   1. Surveys – conduct a member employee survey to understand how they think about Wellness as a concept, and to define their needs, readiness, and potential for participation; the survey can also provide data regarding demographics, attitudes, utilization, lifestyle, physical activity, and nutrition.
   2. Focus Groups – focus groups provide opportunities for conducting a deeper dive into some of the topics identified above and to test out implied communications deliverables and strategies.

b. **Secondary Research** – draw on information already available from other researchers in the field to develop Wellness User Segment hypotheses, provide direction for our own primary research, and benchmark our research findings.

**Develop Clear Messaging** – Using the research identified above, the next step is to form specific marketing/messaging focused on what the JLMBC wants
members to understand about the program and its available resources. This involves:

a. Defining the purpose and goals of the communications.
b. Creating awareness for the program, services and the LIVEwell brand.
c. Building credibility for the program by personalizing the offering and communicating that the program has what the member needs (valued knowledge, preferred services, and credible resources) to feel supported and to make informed decisions.
d. Initiating trust by demonstrating that the City listens, cares, and delivers.
e. Gaining trial (and perhaps adoption and loyalty depending on member employee readiness) - of the program; getting members to participate.
f. Promoting program adoption and loyalty by attempting to make the program an integral part of their lives. This goal pertains to a select subset of the members (current Wellness enthusiasts) in the early years, but ideally the program wins over more members over time.
g. Providing specific “Calls to Action” that are clear about what the program wants members to do.
h. Conveying meaningful themes that resonate with sub-populations around specific topics, e.g. nutrition, self-care, meditation, personal growth, etc.
i. Providing valued content sources (media, industry experts, thought leaders, associations, conferences, websites, brands, etc.).
j. Creating and leveraging “champions” which can include organizational partners and leaders, ambassadors from within peer groups, community organizations, etc., to represent the program or align with.

Implement Engagement Plan – Once we have greater insights into the City’s population and have defined our communications message and sources, the final stage involves implementing specific communications tactics to engage members with the information. This essentially answers the question of how to reach members effectively. This encompasses:

a. Communications Activities – identifying forums/mediums/channels to connect with members.
b. Communication Products – supporting tools (e.g. articles, newsletters/blogs, posters, brochures, press kits, and promotional products) to explain and promote message.
c. Communication Schedule – creating an ongoing calendar of events (with appropriate frequency, program mix, target audience, channels, content, etc.) so that members can choose from a menu of topics. A sample calendar (for illustration only) is provided below:
At the next Wellness Subcommittee meeting, staff and Ms. Centanno will present a more detailed communications plan that will incorporate research findings, messaging/marketing development, and further refinement of the Engagement Plan.

This plan will also include a proposal for the next stage of employee engagement beyond the financial wellness (Oct-Dec 2016) and vision health (Jan-Mar 2017) campaigns presently being executed or under development.

F. Stakeholder Network Development

As previously discussed with the JLMBC, an essential component of program success will be developing a robust stakeholder infrastructure as part of engaging elected officials, labor organizations, departmental gatekeepers and highly interested employees to assist with engagement, program development, and communications. Ms. Centanno, will lead the effort to obtain input from stakeholders and a proposal for implementing the infrastructure on a long-term basis. A report of findings and recommendations to that effect will be presented at the next Wellness Subcommittee meeting.

Submitted by: ___________________________  
Neil Malabuyoc

______________________________  
Steven Montagna
# LiveWell Wellness Program Projected Five-Year Budget

**Calendar Year (CY) 2016 - 2020**

## Starting Balance

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## Revenues

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## Starting Balance + Revenues

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## Projected Expenditures

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## Optional Contracted Services

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## Total Expenditures with Condition Management

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<td>Condition Management for Employees</td>
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<td>$(600,000)</td>
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<td><strong>Total Expenditures with Condition Management</strong></td>
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