

2016-2017 BUDGET QUESTION
Response to Request for Information

DEPARTMENT: Human Resources

REQUEST NO.: 13

REQUESTED BY: Kitchen

DATE REQUESTED: 5/11/16

DATE POSTED: 5/31/16

REQUEST: Please provide data showing how the City's healthcare incentive programs are contributing to reducing the rate of increase in healthcare costs.

RESPONSE:

In 2015, \$1.8 million in savings can be attributed to the City's wellness programs. The wellness programs offers two types of incentives to engage employees and drive participation to lower overall health risks.

New in 2015 - Healthy Rewards Program

Employees must complete an annual online health assessment and log participation codes to be eligible for the cash incentive.

- Employees can earn \$25 for participating in a wellness exam, colonoscopy, mammography and other wellness programs and challenges up to \$100.
- 1800 employees participated in 2015 for a total payout of \$114,000.

Administrative Leave Incentive (ADL) – Paid Time Off

- Employees can earn a maximum of 16 hours of ADL for participating in the following activities:
 - Eight hours for completing an online health assessment which tracks results from onsite biometric screenings or from an employee's annual routine physical.
 - Up to eight hours for participating in the PE Program.

Engaged Employees

In 2015, 5253 employees were engaged in wellness programs. Engagement is defined as participation and completion of any of the following: PE Program, weight management program, online health assessment, tobacco cessation class, physical activity or nutrition challenge.

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Program Results

When comparing medical costs and benefits utilization of engaged employees with those not engaged in the wellness program, each year these employees consistently:

- Manage their health better
- Make better health care choices
- Use the ER less
- Have shorter hospital stays
- Are more compliant with preventive visits
- Generate lower medical claims costs

2015	Engaged Employees	Non-Engaged Employees	Savings
Enrolled Employees	5,253	6,569	
Medical Net Paid (per employee per month)	\$338	\$367	\$29
Annual Savings			\$1.8M

Disease Management Programs

The City of Austin continues to evaluate and implement disease management programs to address the needs of our population and control costs. Programs currently in place include: Transplant Centers of Excellence, Maternity Support, Kidney Resource Program, Cancer Solutions, Diabetes, Asthma and Congestive Heart Failure programs. Savings information for these programs is available annually in July for the previous year. During 2014 \$3.3 million in saving can be attributed to the disease management programs.