



# One City's Healthcare Journey

MME Winter Institute

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Rebecca Fleury | City Manager, City of Battle Creek  
Chadd Hodkinson | Area Vice President, Gallagher



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# Today's Discussion

- City of Battle Creek – an overview
- Current healthcare program
- Program evolution – the why, what and how
- What's next?
- Questions



# City of Battle Creek

- City Government
  - City Commission (Mayor, Vice Mayor and seven commissioners)
  - 10 Departments & 7 Divisions
  - Nine bargaining groups
- 533 Full and part time employees
- 431 Full and part time employees covered under the City's healthcare plans
- 367 Retirees covered under the City's healthcare plans
- City spends \$9.4 on healthcare annually
- The City and Gallagher have been working together since 2006



# Current Healthcare Program

## BCBSM Self-funded Program

### Actives

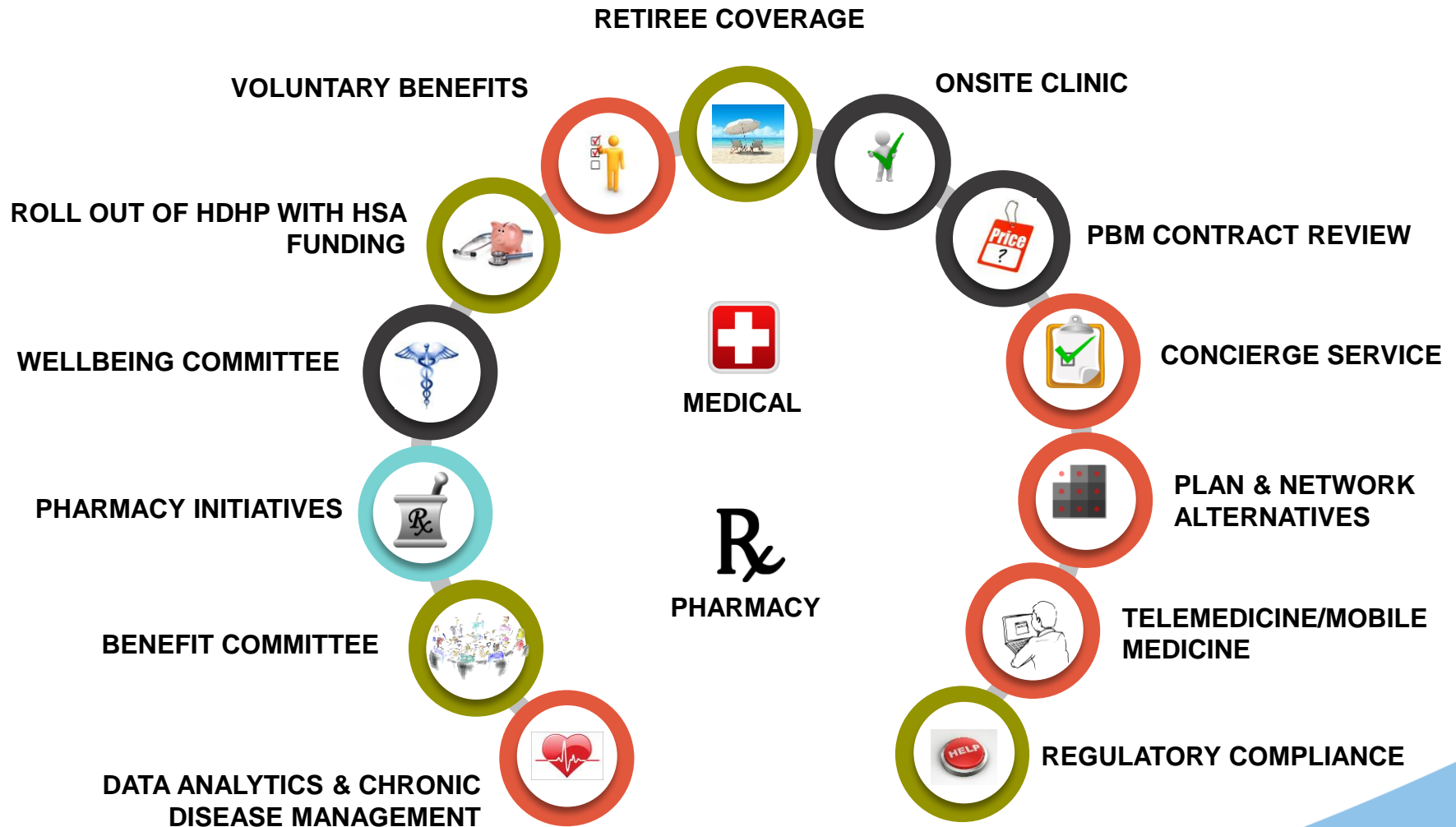
Can choose between traditional PPO, PPO HSA or HMO HSA

### Retirees

1. Pre- and post-65 commercial coverage (148)
2. Medicare Advantage (130 PPO and 89 HMO)

- Stop loss and pharmacy coverage written through BCBSM

# Program Evolution



# Program Evolution



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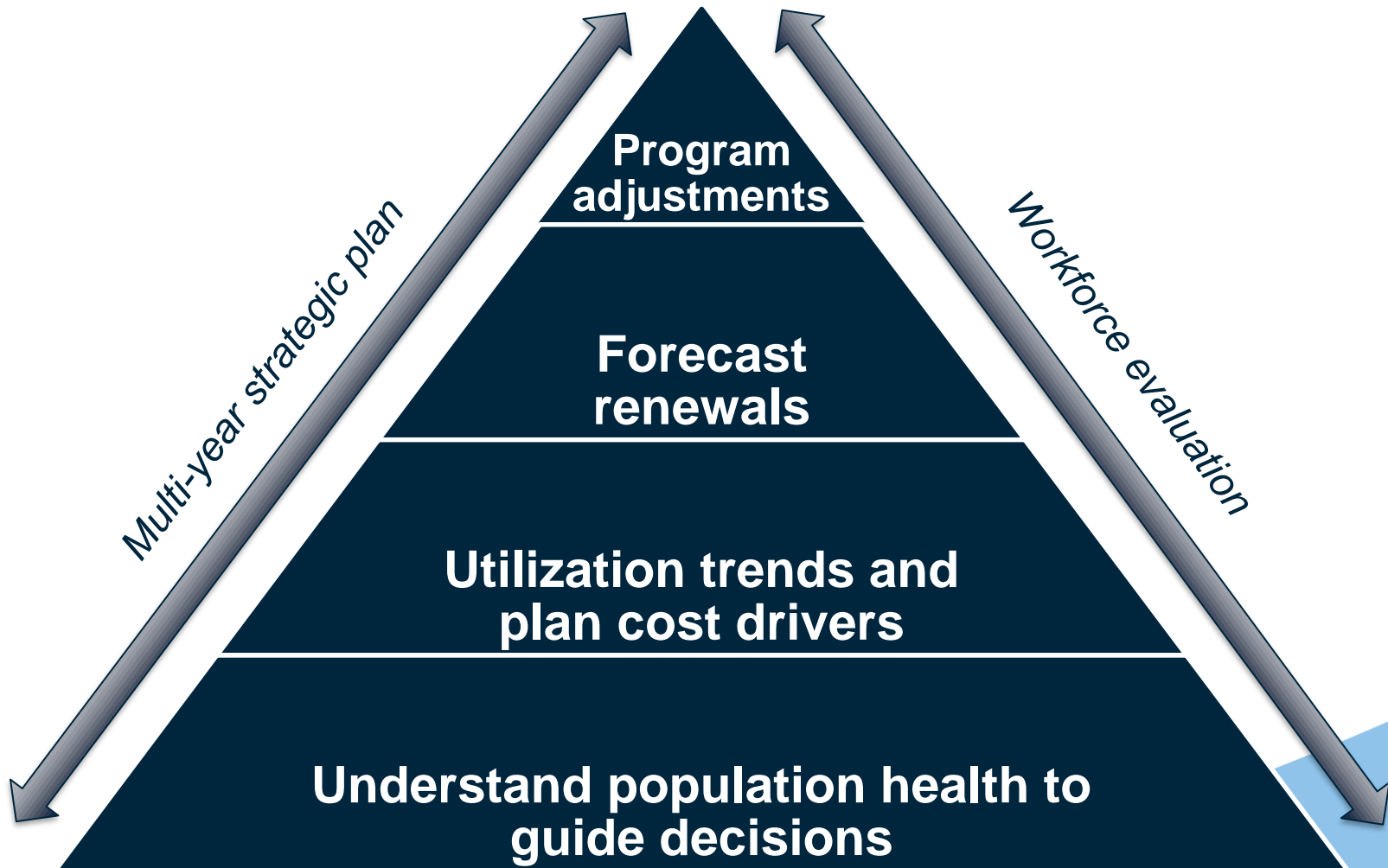
# Data Analytics and Chronic Disease Management

*Using data to drive decisions*



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# Benefit Committee



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- Committee comprised of leadership from both union and non-union groups
- Forum for collective learning about the healthcare marketplace and cost drivers
- Process for building understanding and ownership
- Meeting frequency has varied based upon need and circumstances



# Pharmacy Benefit Initiatives

*Cost containment through risk avoidance*



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- Implementation of step therapy, prior authorization and mandatory maximum allowable cost
- Interplay between education and bargaining
- Thoughtful rollout with intensive informational sessions



# Wellbeing Committee

*Incentivizing healthy behaviors*

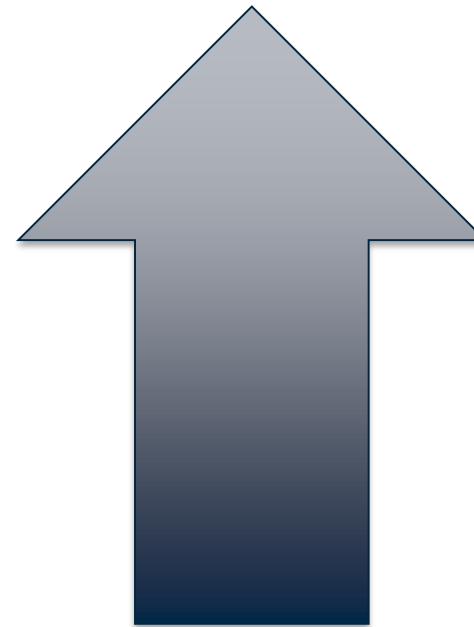


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- Wellbeing committee established in 2008
- Health risk assessments
- Wellbeing related education and communication

- Increased access for preventive services
- Increased engagement with City-sponsored health-related activities and resources



*Relationship observed between employee morale and wellbeing participation*

# Rollout of HDHPs with HSA Funding



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## *Managing program stability and sustainability*

- Introduction of a high deductible health plan (HDHP) offering coupled with a health savings account (HSA) in 2013
- Coincided with reduction of plan offerings (actives and retirees)
- Partial funding of the HSA provided to incentivize enrollment and ease transition

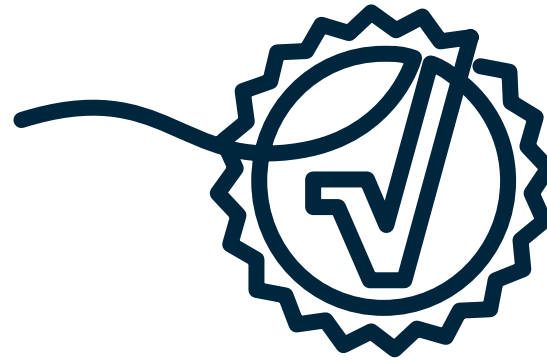
# Voluntary Benefits Program

*Employee-paid gap coverage for out-of-pocket expenses*



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- Introduced in 2013 to complement new HDHP offering
- Use of one on one sessions with licensed, salaried benefit counselors
- Offerings included voluntary life and accident coverage



# Retiree Healthcare Coverage

## *Introduction of Medicare Advantage*



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- Medicare Advantage PPO plan introduced in 2012
- Post-65 retirees have steadily migrated to MA plan
- Medicare Advantage HMO mid & high options introduced in 2017
- Coverage levels and employee contributions for commercial retiree healthcare coverage (based on hire/retire date) have incentivized enrollment shift

# Onsite Clinic

*Providing convenient access to primary care*



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- Shared clinic model implemented in 2014
- Original participants included the City, Calhoun County, and Toyota Tsusho America
- CareHere used as the clinic vendor partner
- Fair market value analysis performed for compatibility with HDHP
- Work done with Blue Cross Blue Shield to manage out of pocket maximum accumulators

# Pharmacy Benefit Contract Review

*Driving cost efficient performance guarantees*



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## Background

- City was seeking reduction in projected prescription drug costs through procurement and contract changes

## Challenge

- Reduce projected PBM costs without impacting member copays or placing additional restrictions on plans

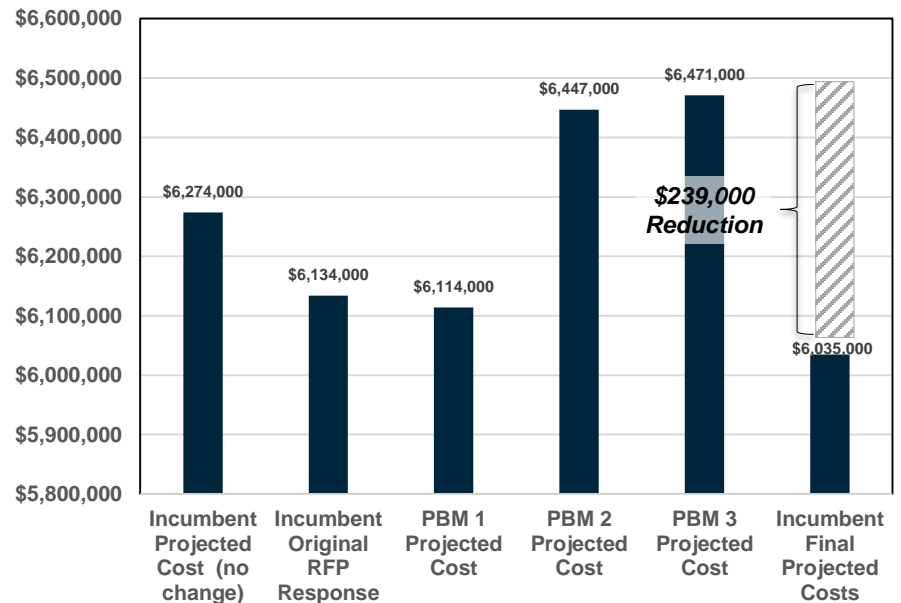
## Solution

- Conduct RFP soliciting several national PBMs to compare, negotiate and revise contractual provisions

## Results

- Estimated 3 year cost avoidance of \$239,000
- Savings through contractual changes identified with no change to copays, plan protocols or stoploss

3 Year Rx Cost Projections (2016-2018)



# Concierge Services

*Helping employees efficiently navigate the healthcare system*



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- Call center with dedicated benefit program support
  - Coverage questions
  - Find network providers
  - Claim resolution advocacy
- Dual benefit of supporting employees and helping bridge gaps due to turnover
- Opportunities to enhance and scale resource
- Coordinated human resources process review to identify other, potential efficiencies



# Plan and Network Alternatives

## *Choices for a diverse workforce*



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- HMO plan alternative offered in 2018 for both actives and retirees
- Successfully negotiated coordination with onsite clinic
- Strong committee and union support with robust education for employees
- Roughly 10% of population shifted in first year
- Positive feedback on new alternative received from early adopters

# Telemedicine/Mobile Medicine

*Additional convenience when accessing care*



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- Blue Cross Online Visits introduced in 2019
- Provides easy access to primary care for employees
- Allows flexibility in evaluating and optimizing clinic strategy
- Communication campaigns leading up to open enrollment and through 2019 to boost participation

# Collective Bargaining and Communications

## *Navigating and implementing change*



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- Communication strategy
  - Effectively engaging employees
  - Sharing employment value proposition
- Employee education
  - Meetings at all City locations
- Union benefit committee
- Wellbeing Program & Committee
- Promoting consumerism
- Employee engagement
- Benefits concierge services
- Health fairs

# Regulatory Compliance

*Ensuring compliance with federal and state regulations*



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- Public Act 106 and opportunities to use results strategically for education and decision support
- Public Act 152 annual evaluation
- Public Act 202 and impacts of changes on OPEB liability
- Compliance with federal rules related to high deductible health plans and health savings accounts



# What's Next

## *The future of the City's healthcare program*

- What will continue?
  - Data analysis to support ongoing program changes
  - Programs designed to engage employees and support the improvement of population health
- What could change over time?
  - Delivery model for primary care
  - Strategic partners for the purpose of enhancing coverage, increasing engagement and reducing spend
  - Organizational surveys to measure engagement



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# Questions?

# Thank You!

Rebecca Fleury | City Manager, City of Battle Creek  
269-966-3378, ext. 1201  
RLFleury@battlecreekmi.gov

Chadd Hodkinson | Area Vice President, Gallagher  
517-898-7752  
Chadd\_Hodkinson@ajg.com

30150 Telegraph Road, Suite 408  
Bingham Farms, Michigan 48025



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