



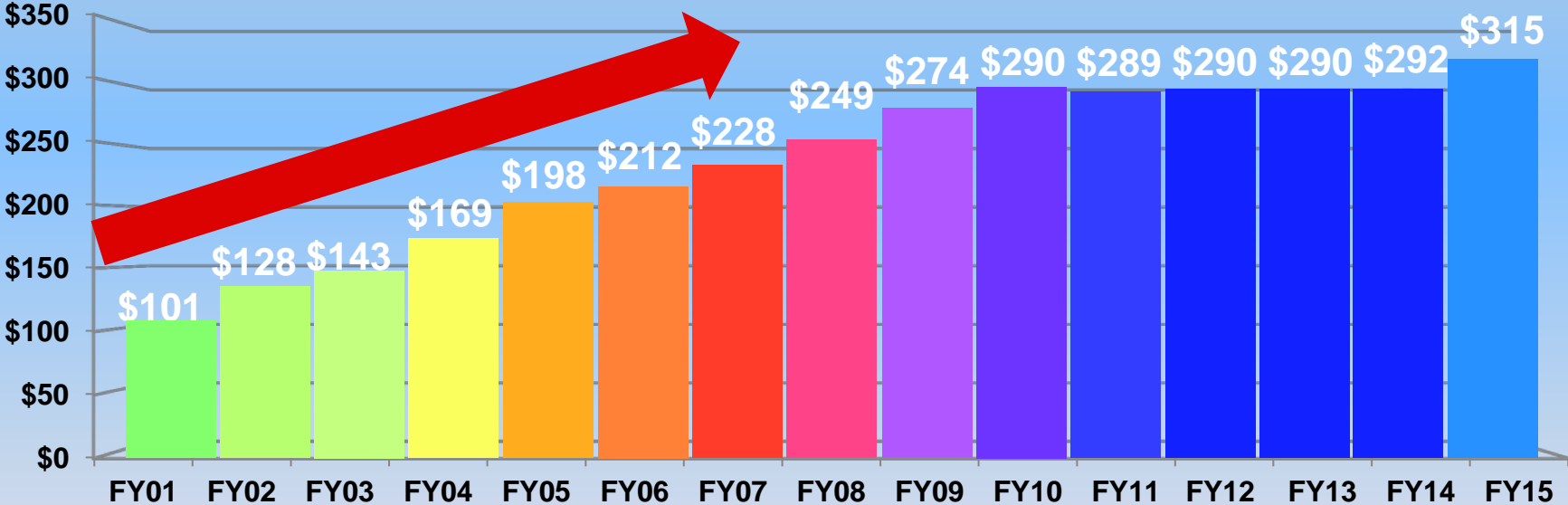
HBCH

**Good to Great:
Strategies for Achieving a
Healthy Bottom Line**

**Omar C. Reid
Human Resources Director
City of Houston**

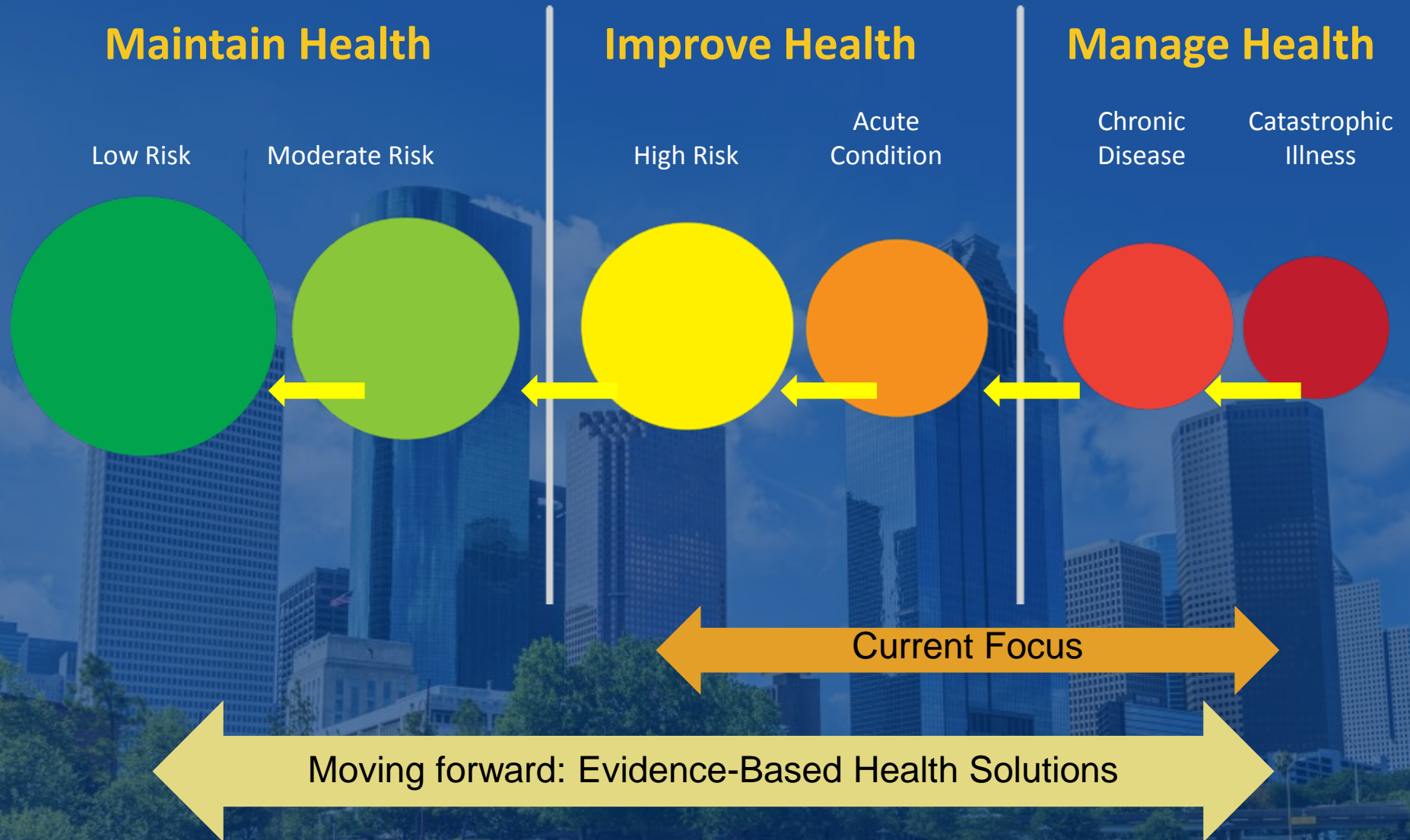
Health Care Costs Trend

Health Benefits



Health Plan Expenditures (in millions)

Innovate: Segmenting Populations



Innovate - Key Data Questions

- What diseases/conditions are most prevalent?
 - Number of members with condition(s)
 - Associated plan cost(s)
- Who are the cost drivers?
 - Employees, Spouses, Dependents, Retirees
- Where are the cost drivers?
 - Plan
 - Department



Disruptive Change - Stick, NOT Carrot Approach

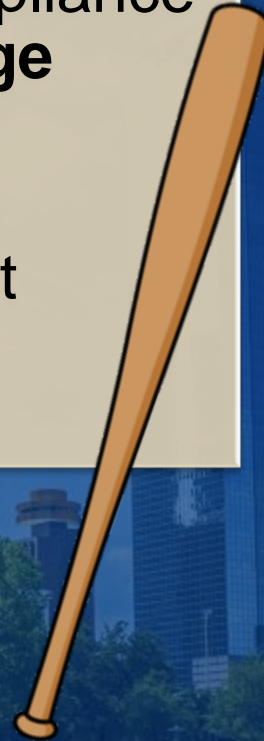
**Year 1:
2009-2010**

- \$50 incentive to complete
- 9% compliant



**Year 1-3:
2011-2013**

- \$25 monthly non-compliance **surcharge**
- 89-90% compliant



**Year 3-5:
2013-15**

- \$25 monthly compliance **discount**
- 88% compliant



Disruptive Change – New Wellness Program

**Year 1:
2011-12**

- Telephonic Coaching
- Online coaching modules
- Health Improvement Seminars

93% compliant (18,511)

**Year 2:
2012-13**

- Telephonic Coaching
- Health Improvement Seminars
- Age-appropriate Preventive Care
- YMCA Smart Start
- Family Wellness Day
- Onsite Weight Watchers Classes

99% compliant (17,167)

**Year 3-5:
2013-15**

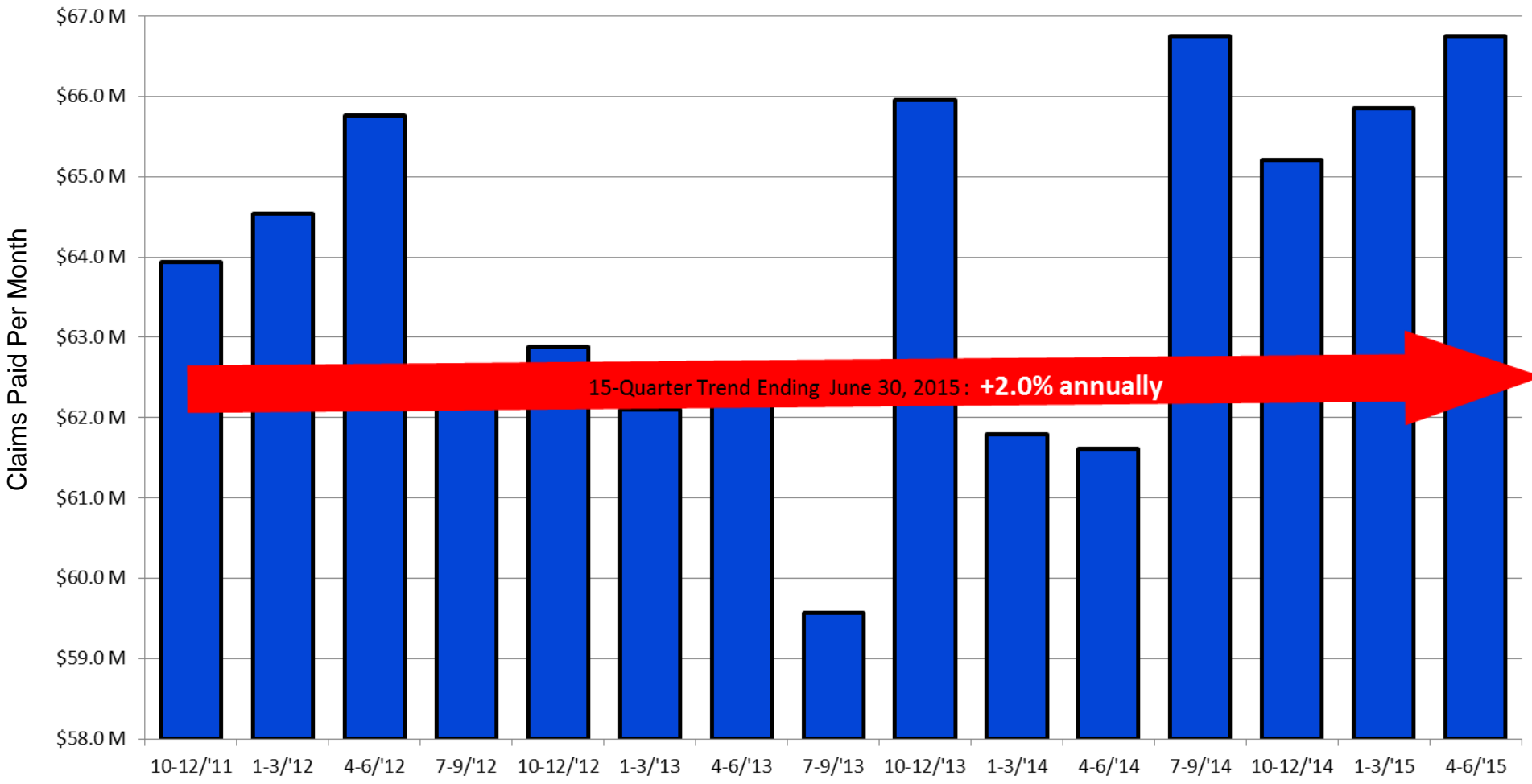
- Telephonic Coaching
- Health Improvement Seminars
- Age-appropriate Preventive Care
- Family Wellness Day
- Alternative/Complementary Medicine
- Charity Events
- Physical Activity
- Healthy Pregnancy
- Disease Management
- Weight Management
- Smoking Cessation
- Department-specific Programs

76% compliant (15,442)

Disruptive Change – Using Data to Drive Outcomes

- **Targeted Outreach - Gaps in Care Program**
- **FREE generic Diabetes, Hypertension, Asthma, Cardio-vascular & Cholesterol medication through mail order**
- **City-wide Campaign: ER vs. UC**
- **Enhanced Chronic Disease Program Management**
- **Track and measure participation and participant health outcome**

City of Houston Cost Trend



Note: Claims represent total City of Houston expenditures including pooled claims but excluding claims for Grand retirees and for Vision. The trend since inception represents the average increase in quarterly claims over that for the prior year's corresponding quarter on a PEPM basis. No adjustment is made for plan design changes over the period. Experience from May through August 2011 is excluded due to influence of BCBS run-out.

