



National Association of State Personnel Executives

2015 Eugene H. Rooney, Jr. Awards Nomination

Innovative State HR Management Program

LivingWell Promise

Kentucky

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Summary

In a recent national study, Kentucky ranked 50th in smoking, 40th in obesity, 50th in cancer deaths and very low compared to other states for important health indicators. Overall, Kentucky ranks 44th among all states in major health status categories.

The Commonwealth, through the Kentucky Personnel Cabinet's Department of Employee Insurance (DEI), maintains a self-administered health insurance plan for employees – the Kentucky Employees' Health Plan (KEHP). Through statistical research, DEI determined that 80% of its employee health plan costs are due to chronic diseases. Many of these diseases are preventable or at the very least, treatable and manageable. It also discovered that many plan members aren't seeking annual preventative care visits.

A three-year strategic approach was developed to combine wellness and consumerism to increase participation in both. KEHP used the brand of LivingWell to create an overall plan design that not only integrated a mandatory wellness component but also further introduced consumer driven health care (CDHP) plans to the benefit designs. In plan years 2014 and 2015, members were offered the choice between LivingWell or Standard plans, CDHP or PPO plans, and higher and lower level benefit plan designs.

The LivingWell plans required members to make and keep a LivingWell Promise. By electing and completing the steps of the LivingWell Promise, members can: have access to the most competitive benefit plan options; improve their health awareness; and take action to get and stay healthy.

To fulfill the LivingWell Promise in 2014, members were required to complete the HumanaVitality online Health Assessment. This provided members with valuable individual health data, along with tips to improve their health status. For completing the health assessment, the member received HumanaVitality Points which translate to Bucks that could be used in the HumanaVitality Mall. They could also earn additional Points / Bucks for other actions such as using a fitness device to track daily steps, logging daily verified workouts, taking online courses, working with a personal health coach, completing a personal health goal, or participating in athletic events. The Health Assessment also provides the employee with a Vitality Age based on the answers they provide about their current eating and exercise habits, and basic body measurements. The Vitality Age is compared to the employee's actual age to give a snapshot of their current health status. According to KEHP statistics for the 2014 plan year, the median actual age of members who took the health assessment was 47, while the median Vitality Age was 52.

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1. Please provide a brief description of this program.

In 2014, the Kentucky Department of Employee Insurance redesigned the health insurance options for members to increase health awareness and health insurance literacy. This redesign introduced two LivingWell plans, which encourage wellness while still providing excellent health care coverage options for members. Members who chose one of these plans, were required to complete the LivingWell Promise, which consists of completing the HumanaVitality Health Assessment. The Health Assessment is an online survey which asks questions about member medical history, current food intake patterns, exercise and physical activity, and other key health measurements. It offers the member recommended goals and how to discover activities that will help the member commit to a healthier lifestyle. It provides you with a Vitality Age based on your answers to the assessment. The Vitality Check includes lab work to test cholesterol and blood glucose; blood pressure screening; height; weight and waist circumference to determine body Mass index (BMI.) Both of these are offered to members free as part of the LivingWell Promise.

As a major part of the LivingWell Plans, we continue to provide incentives to members for daily wellness activities through HumanaVitality. HumanaVitality is our wellness vendor and provides the opportunity for members to earn points for wellness activities that result in using their Vitality Bucks for shopping in our Vitality Mall. These points are earned by using fitness trackers, joining sports leagues, reaching personal health goals, taking online courses, working with a personal health coach, verified workouts and athletic events. Many of our members take advantage of this program incentive.

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2. How long has this program been operational (month and year)?

The redesign of the Kentucky Employees' Health Plan to include the LivingWell Promise became effective in January 1, 2014.

3. Why was this program created? (What problem[s] or issues does it address?)

With obesity in more than one third of the nation's adults, and the knowledge that obesity-related conditions such as heart disease, diabetes and stroke can be physically and financially draining, KEHP needed to make a drastic change in the design of the plans in order to encourage positive behavioral change in our participants.

With insurance costs continuing to increase, it was important to engage members to increase their knowledge of health insurance costs. One of the two LivingWell Promise plans was a CDHP design. The LivingWell CDHP was the highest value plan while the LivingWell PPO was the second highest value plan.

4. Why is this program a new and creative method?

The program uses the 'LivingWell' brand to integrate a wellness component and further introduces consumer driven health care. Through program participation, members increase their personal health awareness by learning about their health status, history and understanding their health risks. The members also increase their health insurance literacy.

5. What were the program's start-up costs?

The LivingWell plan options added no start-up costs.

6. What are the program's operational costs?

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\$1.8 Billion total plan annual spend.

7. How is this program funded?

KEHP has \$1.6 billion in annual plan spend. Of that, \$1.4 billion is attributable to the LivingWell Plans, where membership comprises 81.22% of the KEHP population, and \$200 million is attributable to the Standard Plans.

8. Did this program originate in your state?

Although there are states with similar programs that incorporate a wellness component, KEHP tied wellness and consumerism together creating a different model for rewarding the LivingWell plans. Rather than encourage wellness through premium incentives for completion, KEHP's LivingWell plans were designed overall to provide the best value plans to people who elected the Promise plans and further encouraged participation in a CDHP plan through lower-cost premiums.

9. Are you aware of similar programs in other states? If yes, how does this program differ?

There are similar programs in Missouri, Tennessee and Georgia. These states incorporate a wellness promise concept for their state employees and teacher populations, but use a different method to incentivize wellness and do not tie the benefit design to their wellness model. KEHP tied wellness and consumerism together creating a different model for rewarding the LivingWell plans. Rather than encourage wellness through premium incentives for completion, KEHP's LivingWell plans were designed overall to provide the best value plans to people who elected the Promise plans and further encouraged participation in a CDHP plan through lower-cost premiums.

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10. How do you measure the success of this program?

The program's success is measured by the number of participants, by the number of participants who elected a LivingWell Promise plan and completed the promise, and by changes in health statistics. For 2014, LivingWell Promise plan enrollment was 81.22% and standard plan enrollment was 18.78%. For 2015, LivingWell Promise plan enrollment increased to 83.54% and standard plan enrollment was 16.46%. That is a 2% increase in LivingWell Promise plan participation from 2014 to 2015.

KEHP had a 97.59% success rate with members completing their LivingWell Promise. Out of 132,237 total LivingWell Promise plans, only 3,187 did not fulfill the LivingWell Promise. When the HumanaVitality Health Assessment was offered free for voluntary use in the first year, participation was 17,500. In its second year, it was still free and voluntary, and 35,000 participated. In 2014, when completing the Health Assessment was required to fulfill the LivingWell Promise, 137,000 planholders completed their Health Assessment.

The same increase occurred with the biometric screening component of HumanaVitality's incentive-based tool. Although not required, there has been a steady increase in biometric screening completion since 2012 – the completion rate has grown from 3,600 in 2012 to 18,384 in 2014. In 2015 we have nearly 10,000 biometric screenings completed so far.

In 2014, 10,000 members linked their fitness devices to the program to track steps and earn points. During 2015, that number has already doubled to 20,000 members with fitness trackers.

All of the changes to the KEHP, specifically regarding the LivingWell plans, are making a

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huge impact on our members. Some habit changes in lifestyle equate to large decreases in health disparities and KEHP is excited to see the health of Kentucky improve with awareness and action.

The plan's overall savings has been a huge success. This has allowed the KEHP to avoid premium increases for members in 2015 in both the LivingWell Promise plans or the Standard plans.

11. How has the program grown and/or changed since its inception?

For plan year 2015, KEHP changed the LivingWell Promise to include a biometric screening component. Members who elected the LivingWell Promise plans in 2015 must either complete the online HumanaVitality Health Assessment or a Vitality Check (biometric screening) to fulfill their Promise.

Membership in the LivingWell Promise plans increased for 2015 and we expect to continue to see the plan participation continually increase due to the incentives these plans provide.

