



Business & Financial Conference

ELITE SPONSOR



Network & Grow Together



Agenda



Jill Goldstone | Area Vice President
Innovation & Training, Mid-Atlantic Region



Gallagher

Insurance | Risk Management | Consulting



Kathleen Schulz, MS, CHES | Regional Vice President
Wellbeing & Engagement Practice Leader, East Coast

Gallagher 2018 National Benchmarking Survey



Utilities Participants

Type of Organization:

- Nonprofit (53%)
- Privately Held (38%)
- Publicly Traded (9%)

Current Funding Arrangement:

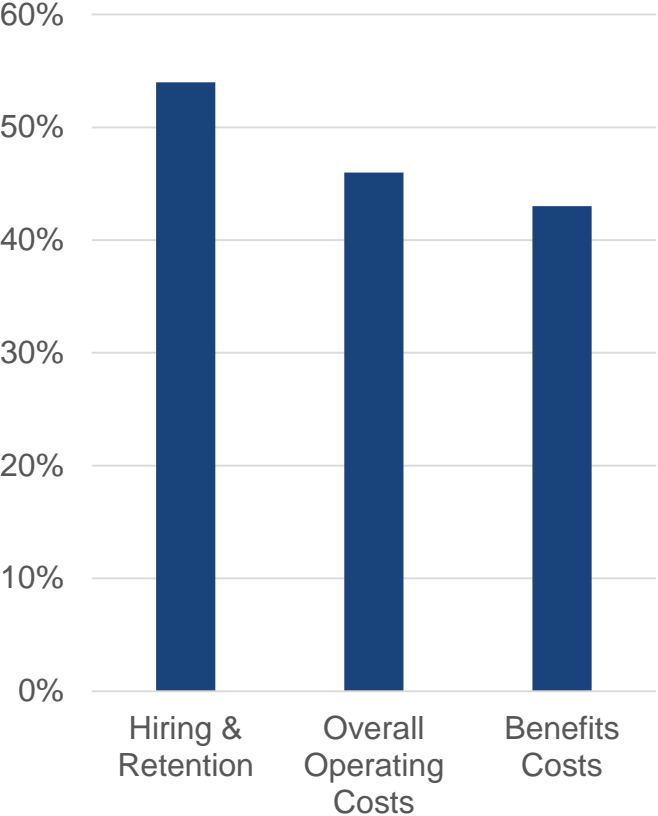
- Full Insured (59%)
- Self-Insured (38%)
- Level Funded (3%)



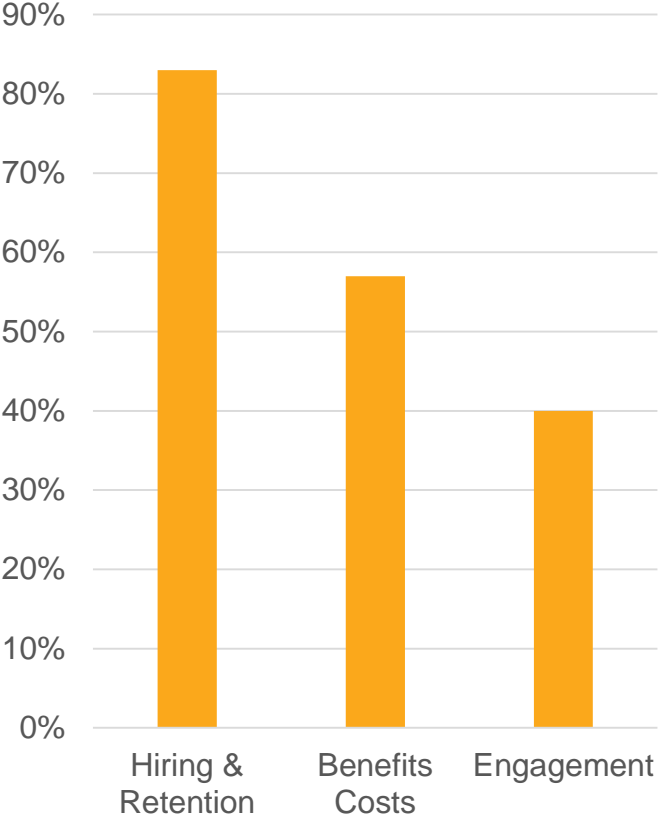
People & Cost – A Top Operational & HR Priority



Top Operational Priorities



Top HR Priorities



Source: Gallagher 2018 National Benefits Strategy & Benchmarking Survey

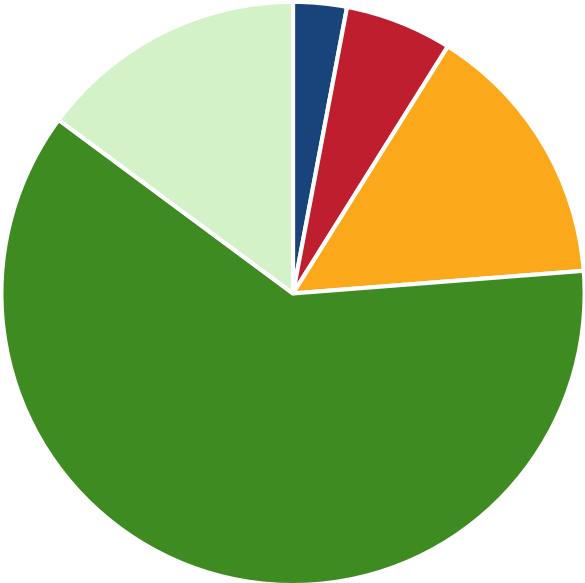


Medical - most essential benefit across generations



Medical & Pharmacy Benefits are Key for Recruitment & Retention

57% manage benefit planning on a year to year basis



■ Strongly Disagree ■ Disagree ■ Neutral ■ Agree ■ Strongly Agree

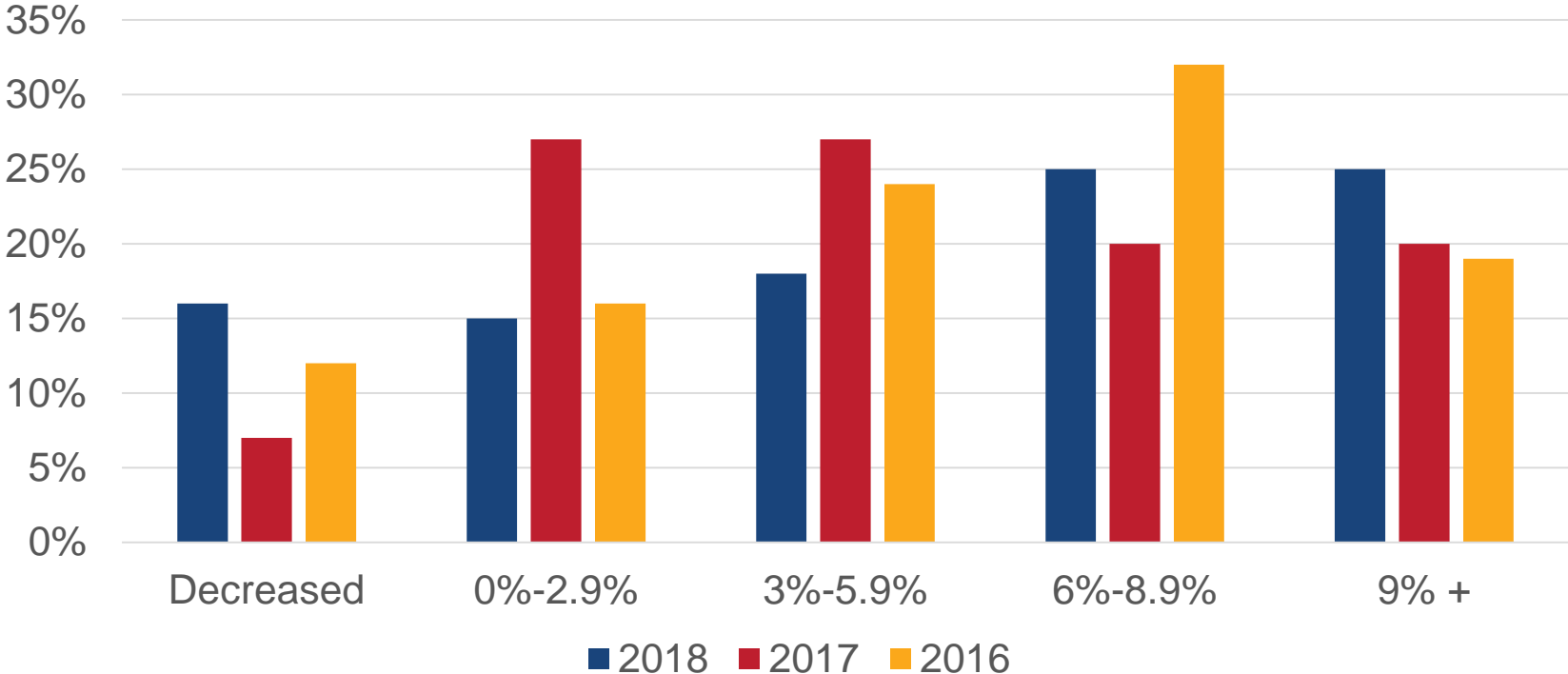
Source: Gallagher 2018 National Benefits Strategy & Benchmarking Survey



So how are we doing? Increases over past 3 years



Renewal Increases



Source: Gallagher 2018 National Benefits Strategy & Benchmarking Survey



Cost Control a Primary Concern



Biggest challenges in managing healthcare costs



60%

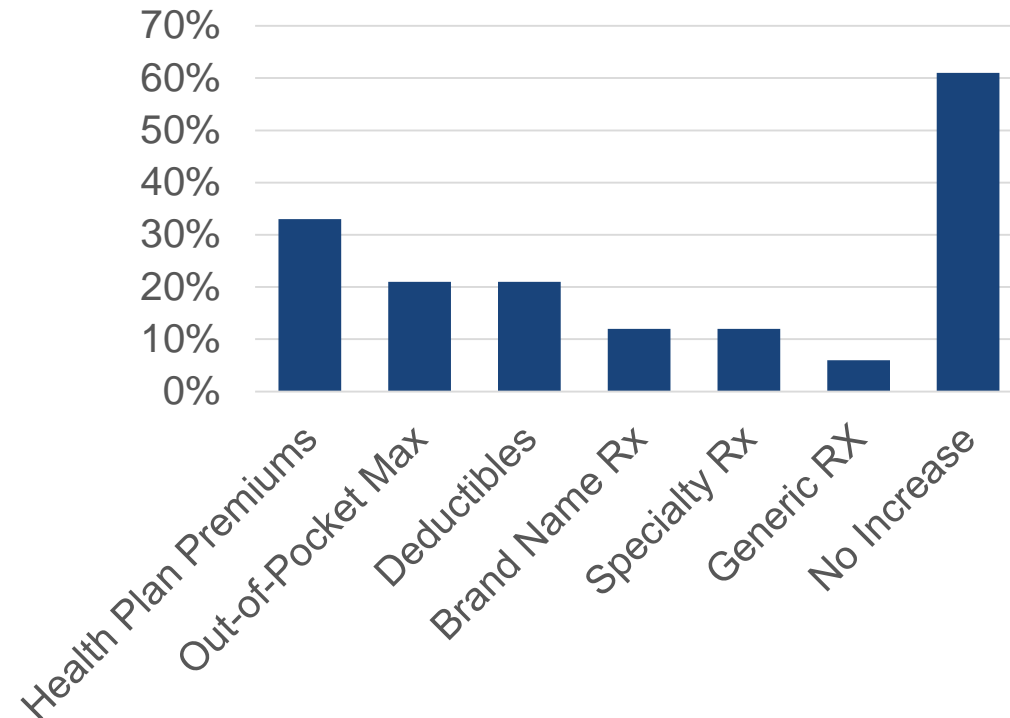
High cost of medical services



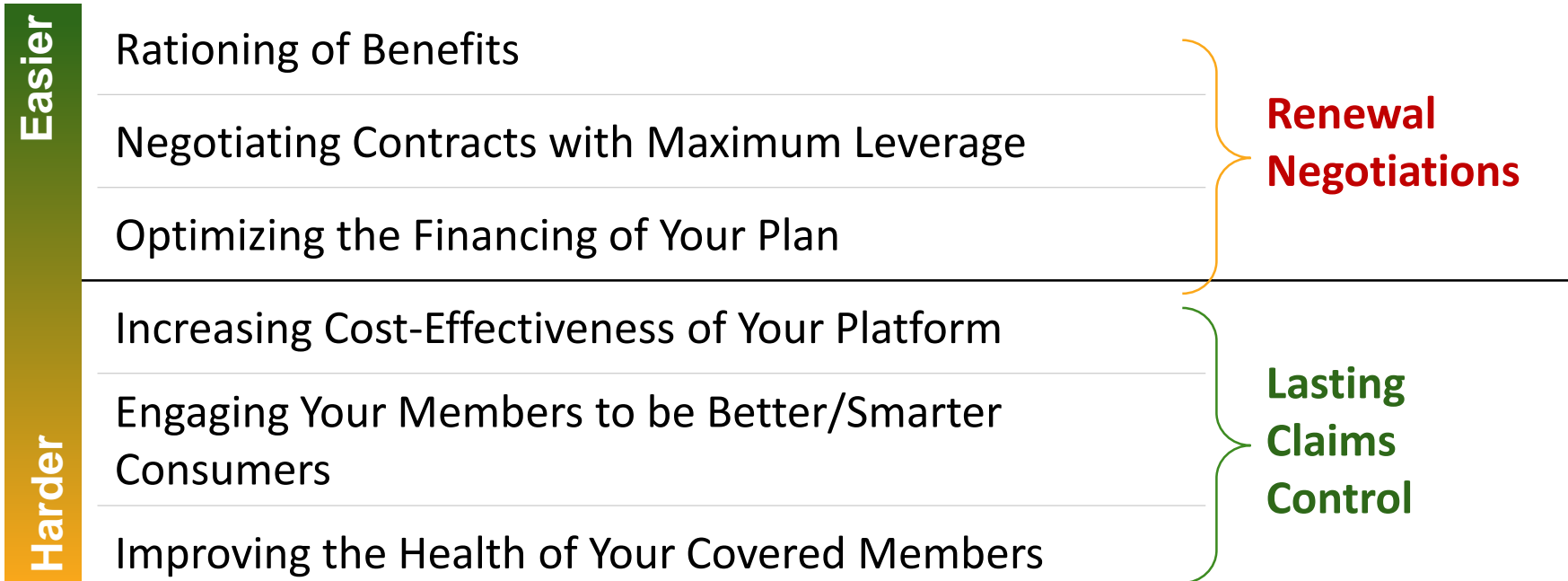
52%

High cost of prescription drugs

Cost Sharing Increases



Containment Strategies



Cost Control Tactics 2017 vs. 2019

Continued growth in CDHP utilization

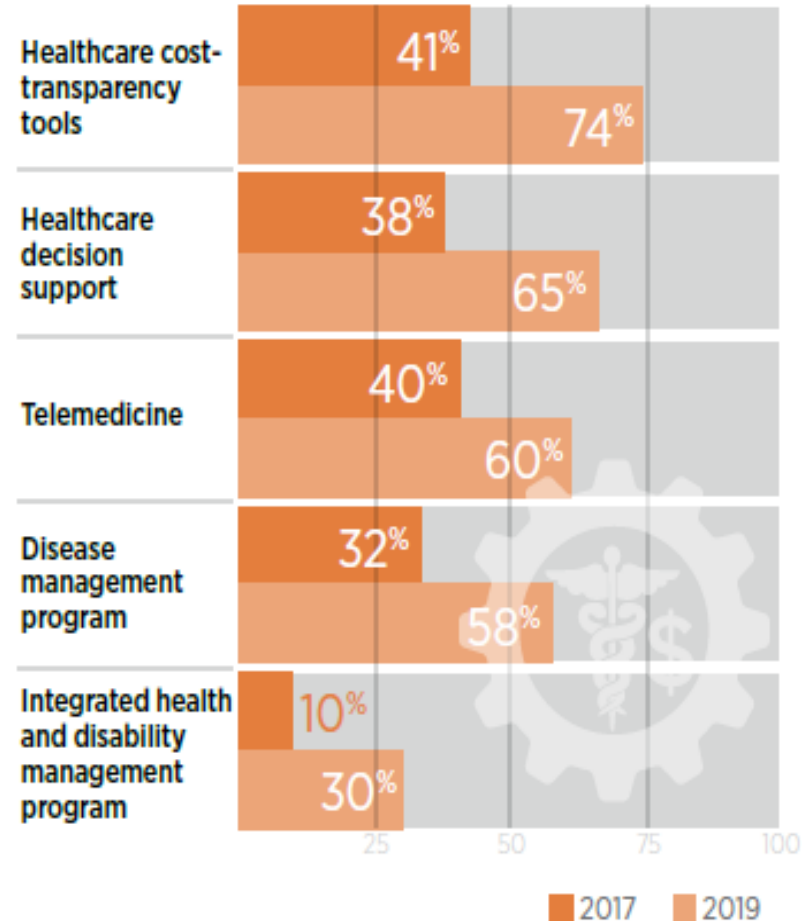


41%

Currently offer a CDHP

An additional 20% plan to offer by 2019

Growth of value-focused cost control tactics - 2017 vs. 2019



Established HC Management Initiatives

		Saving Opportunities	HR Complexity	Perceived Member Value
Rx Audits		\$\$\$	●	●
Transparency Tools		\$\$	●	●
Pharmacy Carve out		\$\$	●	●
Disease Management		\$\$	●	●
Partial Self Funding		\$\$\$\$	●	●
Full Replacement CDHP		\$\$\$	●	●
Level Premium/Minimum Premium		\$\$\$	●	●
Step Therapy (Rx)		\$	●	●
Captives		\$\$	●	●
Bio Metric Screenings/HRAs		\$	●	●

Emerging HC Management Initiatives

		Saving Opportunities	HR Complexity	Perceived Member Value
2nd Opinion Vendor, optional		\$\$	●	●
Telemedicine		\$	●	●
Specialty Drug Carve Out		\$\$\$	●	●
Medication Therapy Management		\$\$	●	●
Diabetes Mgt Programs		\$\$	●	●
Medicaid Migration		\$\$	●	●
Salary Banded Contributions		\$	●	●
Narrow Network		\$\$\$	●	●
On Site Services		\$\$\$	●	●
Private Exchange		\$\$	●	●

Progressive HC Management Initiatives

		Saving Opportunities	HR Complexity	Perceived Member Value
Genomics		\$\$	●	●
Direct Primary Care		\$\$	●	●
Care Coordination		\$\$\$\$	●	●
Opioids Strategy		\$\$	●	●
Pre payment claim auditing		\$\$\$	●	●
Direct Contracting		\$\$	●	●
Referenced Based Pricing		\$\$\$\$\$	●	●

Focus on care delivery & member navigation/education



DELIVERY OF HEALTH CARE

- Telehealth
- Onsite clinics
- Centers of Excellence (COEs)
- Accountable Care Organizations (ACOs)
- Value-based benefits

GUIDANCE & NAVIGATION FOR EMPLOYEES

- Medical decision support tools
- Second-opinion services
- Employee advocacy tools
- Services for claims assistance
- High-touch concierge services

SOURCE: National Business Group on Health – 2018 Large Employers' Health Care Strategy and Plan Design Survey. The survey was fielded between May 22 and June 26, 2017, and reflects the strategies and plan design offerings of 148 employers. Not all questions were applicable to every employer so response varies by question.¹

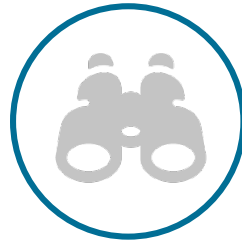
Care Coordination

Optimize Care, Maximize Results



Member Advocacy

Outreach managed through a coordinated pod with a single touch



Expert Navigation

Care supported using transparency, quality and value criteria



Care Coordination

Personal case management and chronic condition strategy



Cost Reduction

Eliminate unnecessary care, waste and inefficiency



Healthcare Analytics

Key metrics and data driven strategy

↓ **7-8% Trend Reduction**

↑ **1.1% Average Trend in Yr. 1**

↓ **20% Lower Cost by Yr. 3**

Engagement:

Extensive Member & Provider Contact



	ENGAGEMENT WITHIN SEGMENTS		CONTACT QUANTITY & TYPE	
	% OF MEMBERSHIP	% WITH CARE COORDINATOR CONTACT	NUMBER OF CONTACTS/ PERSON/YEAR	% WITH PROVIDER
Total Population	100%	61.0%	4.8	44.1%
Members with Claims >=\$10,000	9.0%	95.2%	11.3	53.3%
Members with Claims >=\$50,000	1.3%	98.3%	21.2	58.7%
Members with Claims >=\$200,000	0.1%	99.5%	37.8	67.1%

“Congratulations for having the easiest, friendliest people that I have ever dealt with at an insurance company.” –Nurse, Provider’s Office

Average talk time/call = 6-7 minutes (based on total population contacts)

— / QUANTUM HEALTH / CONFIDENTIAL AND PROPRIETARY



Behavior Change: Care Gap Improvement

**QUANTUM
HEALTH WAS
SUPERIOR IN
69 OF 82
CRITICAL
CARE GAP
COMPARISONS
AND AVERAGED
14% BETTER
OVERALL***

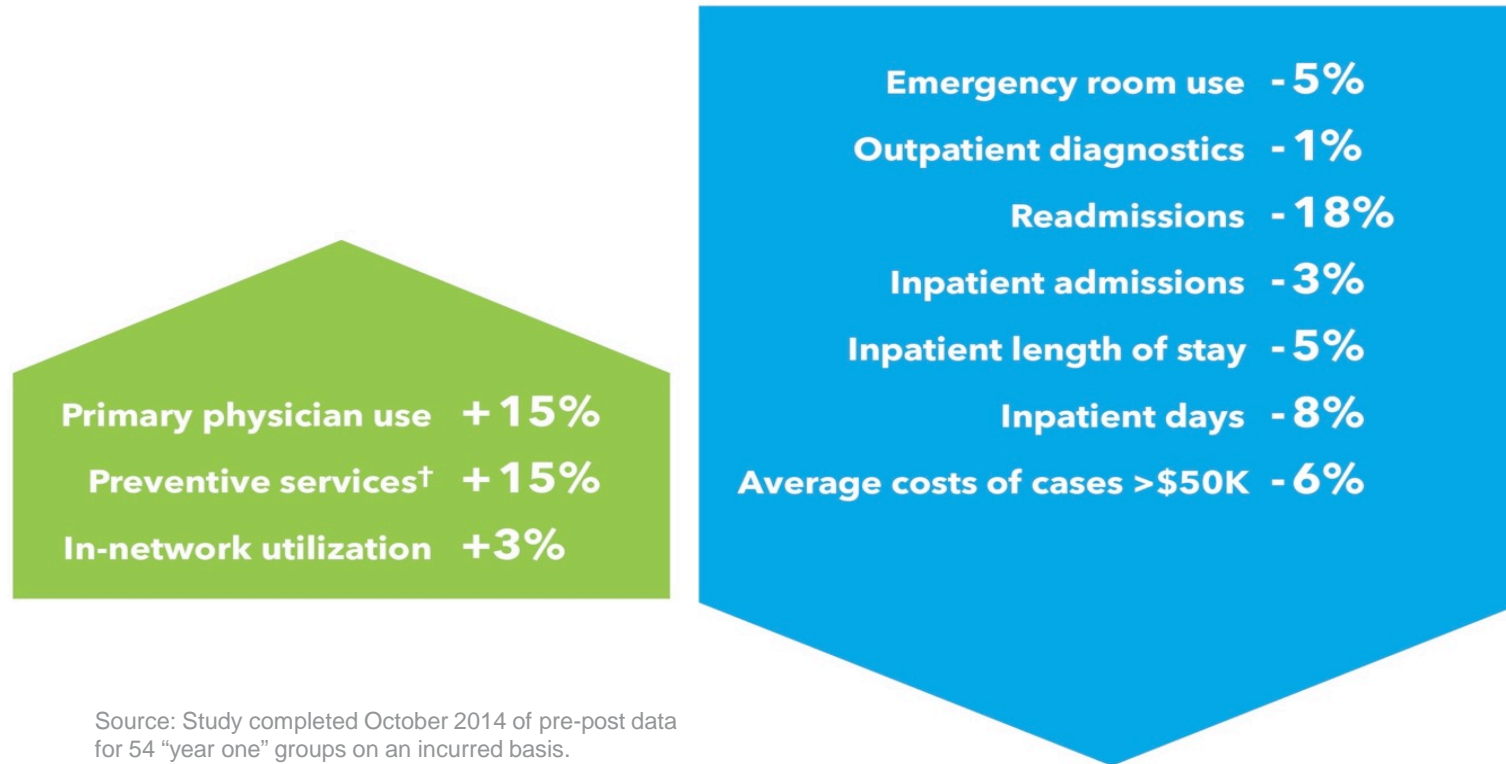
*As compared to a major carrier
in same employer benefits plan

CONDITION	CARE GAP	QUANTUM HEALTH PERFORMANCE
Diabetes	Lipid profile test in last 12 months	34.10% better*
>1 ER Visit	Office visit in last 12 months	32.89% better*
Diabetes	HbA1c test in last 12 months	30.37% better*
Women between 49-69 years old	Mammogram in last 18 months	29.26% better*
Hypertension	Office visit in last 12 months	22.26% better*
Diabetes	Claims for home glucose testing supplies in last 12 months	15.92% better*
Asthma	Inhaled corticosteroids or leukotriene inhibitors in the last 12 months	20.64% better*

*Source: Validated study by major national consulting company, completed 2012: Technology and Outsourced Customer Service Company



Dramatic Impact on Key Drivers



Source: Study completed October 2014 of pre-post data for 54 "year one" groups on an incurred basis.



Expert Opinion Vendors

Video



- 20+ minute phone/video consults with expert medical specialists
- Better clinical guidance and higher adherence to expert recommendations

Speed



- Help when needed before members go down the wrong path

Doctor Quality



- Department heads
- Leaders in research

Impact¹



- 34% of diagnoses are corrected
- 73% of treatment plans are improved
- 33% cancelling their surgery
- \$3,500+ saved per consult (on average) based in avoided services

¹ As reported by 2nd.md

Promote Consumerism

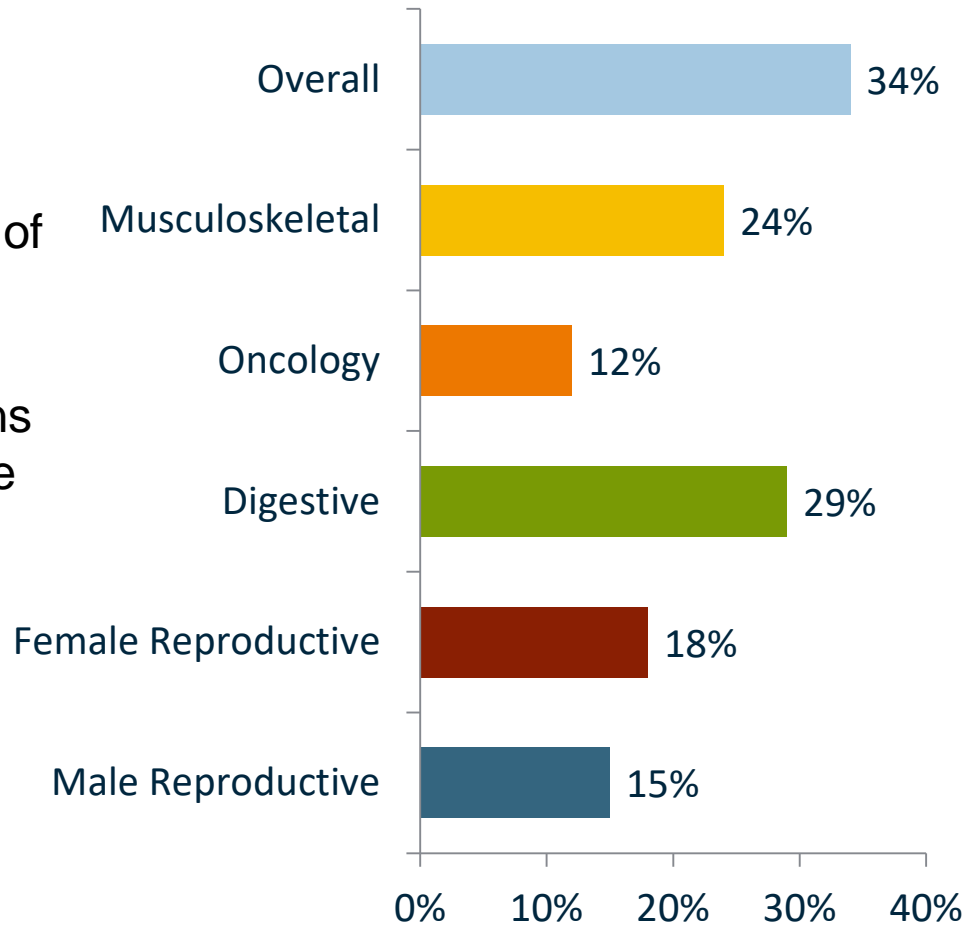
Expert Opinion Vendors: Alternative Diagnoses Suggested



Quality, Safety, Reduced Waste

Experts are able to suggest an alternative diagnosis as a result of medical record review and discussion with member

- Depth within specific conditions enables authoritative guidance
- Oncology “saves”



Worksite Clinics

On Site Clinics



Centrally located workforce

Near Site Clinic



Workforce in close proximity/
similar hours

Shared Site Clinic



Multiple employers in close proximity;
similar hours

Virtual Clinic



Dispersed Workforce

Not a Big Budget: Telemedicine
On Site Nutritionist On Site Dentists

On Site Physical
Flu Shots



Opioids – Removing the Blinders

“Businesses that do not address the prescription drug crisis are like ostriches sticking their head in the sand. The problem exists and doing nothing will harm your employees and your business. The cost of inaction is far too great.”

Deborah A.P. Hersman, CEO of the National Safety Council.



Opioids – Removing the Blinders



THE OPIOID EPIDEMIC BY THE NUMBERS

IN 2016...



116

People died every day from opioid-related drug overdoses



11.5 m

People misused prescription opioids¹



42,249

People died from overdosing on opioids²



2.1 million

People had an opioid use disorder¹



948,000

People used heroin¹



170,000

People used heroin for the first time¹



2.1 million

People misused prescription opioids for the first time¹



17,087

Deaths attributed to overdosing on commonly prescribed opioids²



19,413

Deaths attributed to overdosing on synthetic opioids other than methadone²



15,469

Deaths attributed to overdosing on heroin²

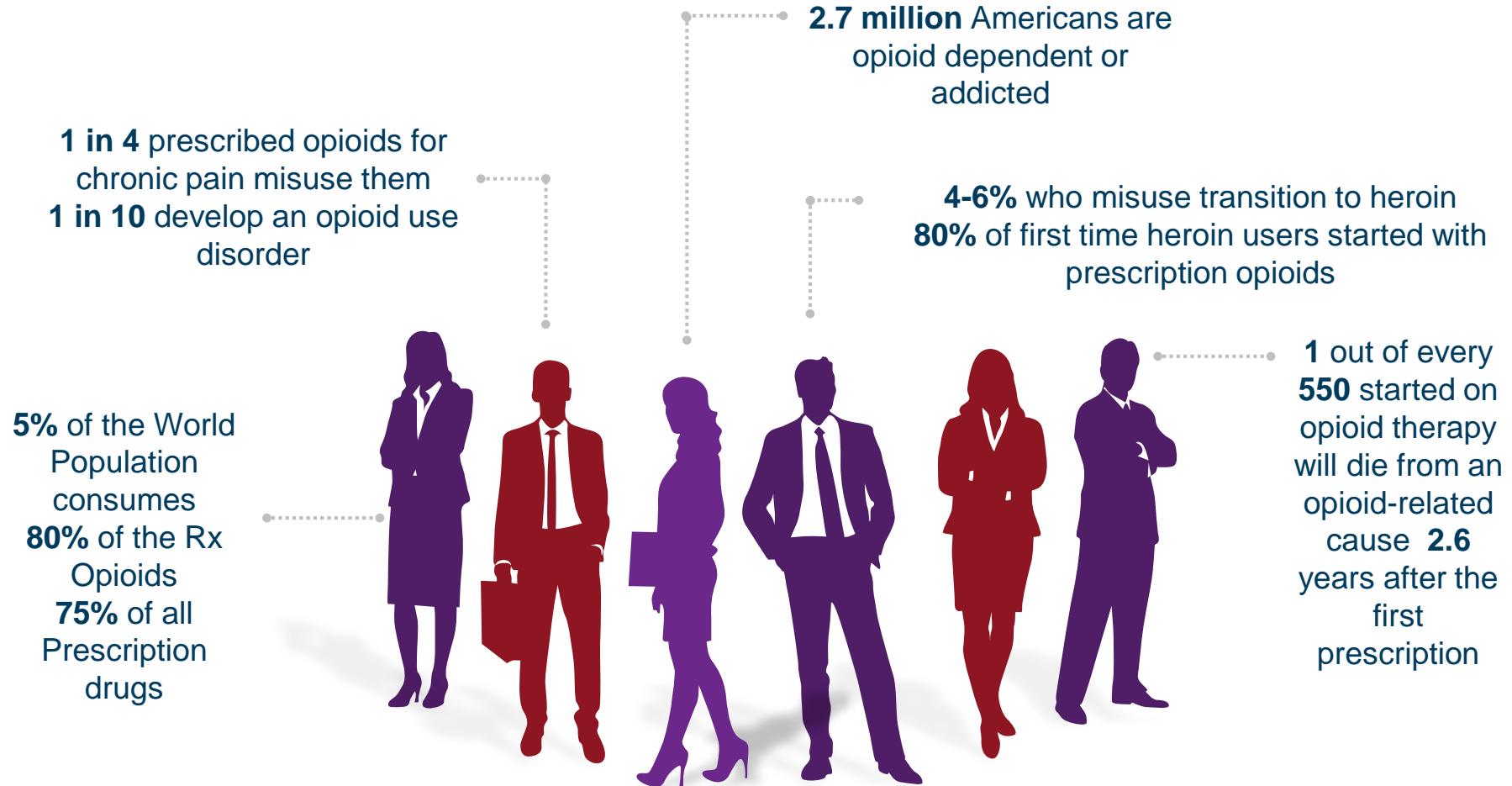


504 billion

In economic costs³

Sources: ¹ 2016 National Survey on Drug Use and Health, ² Mortality in the United States, 2016 NCHS Data Brief No. 293, December 2017, ³ CEA Report: The underestimated cost of the opioid crisis, 2017

An Epidemic in the US



2013 NSDUH at SAMHSA.gov

<https://www.nytimes.com/interactive/2017/06/05/upshot/opioid-epidemic-drug-overdose-deaths-are-rising-faster-than-ever.html>

<https://www.drugabuse.gov/drugs-abuse/opioids/opioid-overdose-crisis>

<https://www.cdc.gov/nchs/data/databriefs/db294.pdf>

Why do US Adults misuse opioids?

- 11.5 million adults who misused prescription pain relievers at least once in the past year

To **relieve physical pain**



To **feel good** or get high

To **relax or relieve tension**

To **help with sleep**

To **help with feelings or emotions**

An Epidemic in the US Workforce



2/3 of those who report abusing pain killers are employed

70% of US Workplaces affected by opioid painkiller abuse



Opioid-Related Overdose is a leading cause of death for **employees under 50**

The Economic Burden of the Opioid Crisis

- \$78.5 Billion ~\$765 PEPY²
 - 10x what is spent on heart attacks and diabetes events²
- Worker's Compensation claims 4x higher if opioid prescribed³
 - 10 x higher if long acting opioids are prescribed
- Lost productivity and missed workdays = \$25.5 billion⁴
- Higher cost of care⁵
- Lost workforce^{5,6}



1. From <https://www.drugabuse.gov/drugs-abuse/opioids/opioid-overdose-crisis>
2. From <http://www.quizzify.com/single-post/2017/09/12/6-Shocking-Facts-About-Employee-Opioid-Abuse-Which-Cost-You-Money>
3. From <http://www.nytimes.com/interactive/2013/06/23/sunday-review/the-soaring-cost-of-the-opioid-economy.html>
4. From Societal Costs of Prescription Opioid Abuse, Dependence, and Misuse in the United States Birnbaum, et al. Pain Medicine, Volume 12, Issue 4, 1 April 2011, Pages 657–667
5. From <http://www.chicagotribune.com/business/ct-opioid-crisis-at-work-20170925-story.html>
6. From <https://www.theatlantic.com/business/archive/2017/12/workers-dying-overdoses/549008/>

Quantifying Financial Impact of Substance Abuse in Your Workplace

National Safety Council Calculator



Real Costs of Substance Use in Your Workforce Results

Pennsylvania

YOUR COSTS

This report combines the latest research on employment costs with data from National Survey on Drug Use and Health (NSDUH) to calculate how much substance use in your workforce costs employers annually.

TOTAL COST: \$132,968



Lost Time

COST:

\$44,460



Job Turnover & Re-training

COST:

\$50,350



Healthcare

COST:

\$38,158

Expand Cost Detail ▼

National Safety Council Substance Abuse Calculator

WHO'S AFFECTED?

Your employees and their family members can struggle with substance dependence. These graphics illustrate how many people in your organization may be affected, broken out by group.



Employees

38



Dependents & Family

67

SUBSTANCES

It is important to note that individuals may be struggling with more than one substance use disorder. Click on the substance image for more information.



Alcohol

EMPLOYEES:

34

FAMILY:

57



Opioids & Heroin

EMPLOYEES:

1

FAMILY:

5



Marijuana

EMPLOYEES:

4

FAMILY:

11



Other Drugs

EMPLOYEES:

6

FAMILY:

18

RECOVERY IS GOOD FOR BUSINESS

Substance misuse and substance use disorders (SUDs) can be an expensive problem for employers. However, providing resources to assist workers with their SUD can be a very good investment.

Workers in recovery

help employers

AVOID
\$1,626

in turnover & replacement costs

Workers in recovery miss

5 DAYS
LESS
WORK
per year
than workers with a SUD

[Learn Why](#)

Each employee who recovers

from a substance use

disorder saves a company

MORE THAN
\$3,200
PER YEAR

Member Scripts by Region in Large Employer Sponsored Plans



Among those with large employer coverage, most opioid prescriptions are in the south

Percent of enrollees with large employer coverage and an opioid prescription, by region, 2016



Source: Kaiser Family Foundation analysis of Truven MarketScan data, 2016 • [Get the data](#) • PNG

Peterson-Kaiser
Health System Tracker



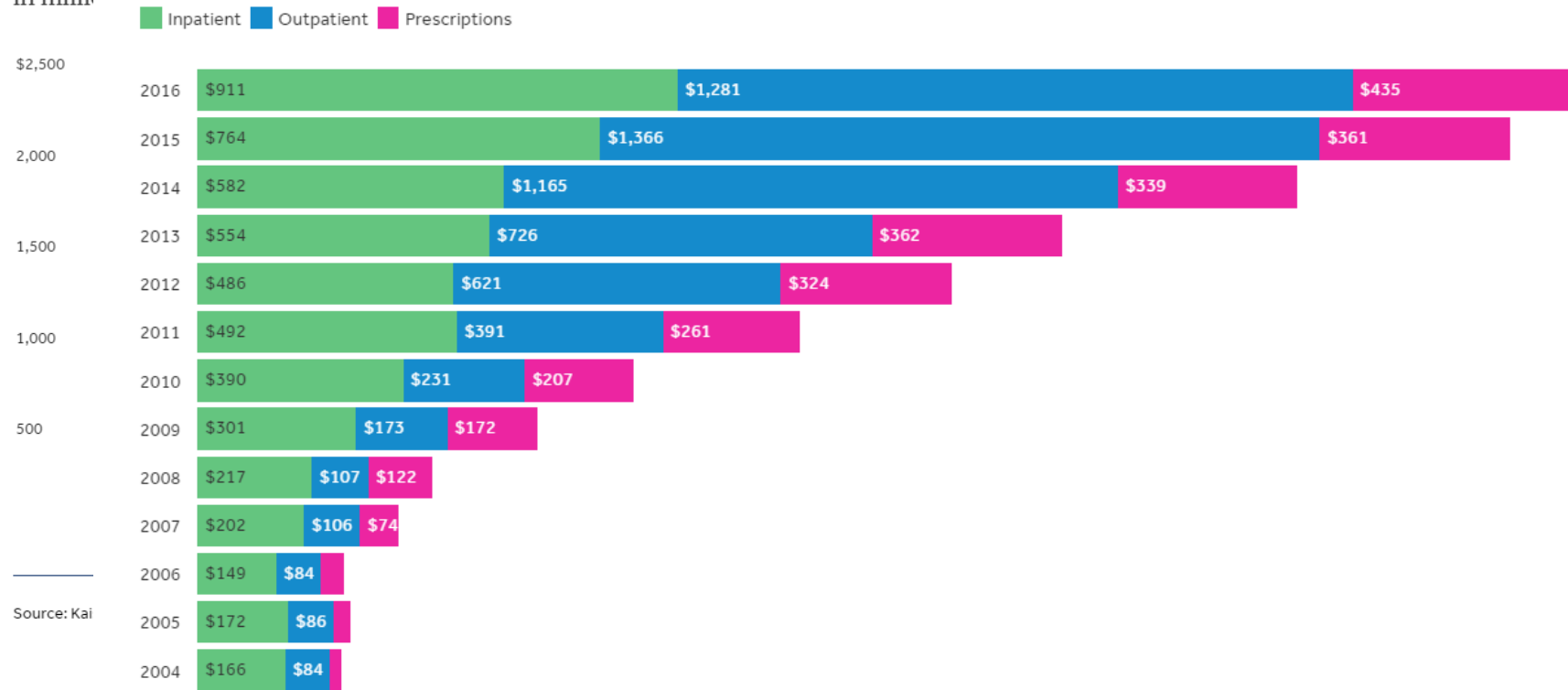
Employer Spending on Treatment

The co
prescr

Spending on opioid addiction and overdose treatment has increased each year in the last decade

Total a
in milli

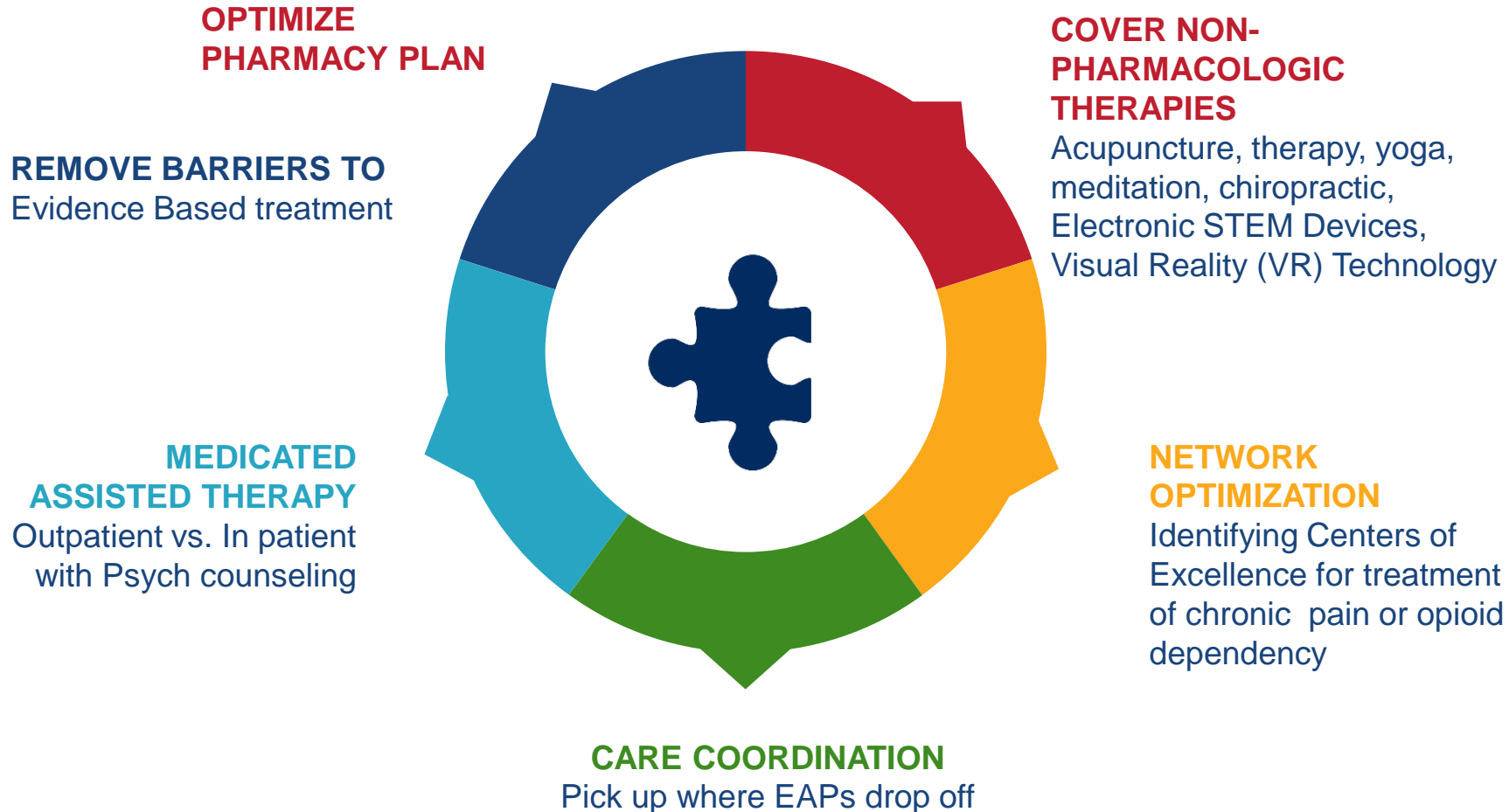
Total amounts paid for opioid addiction and overdose treatment diagnoses for enrollees in large employer plans, in millions, 2004-2016



Source: Kai

WHAT CAN YOU DO?

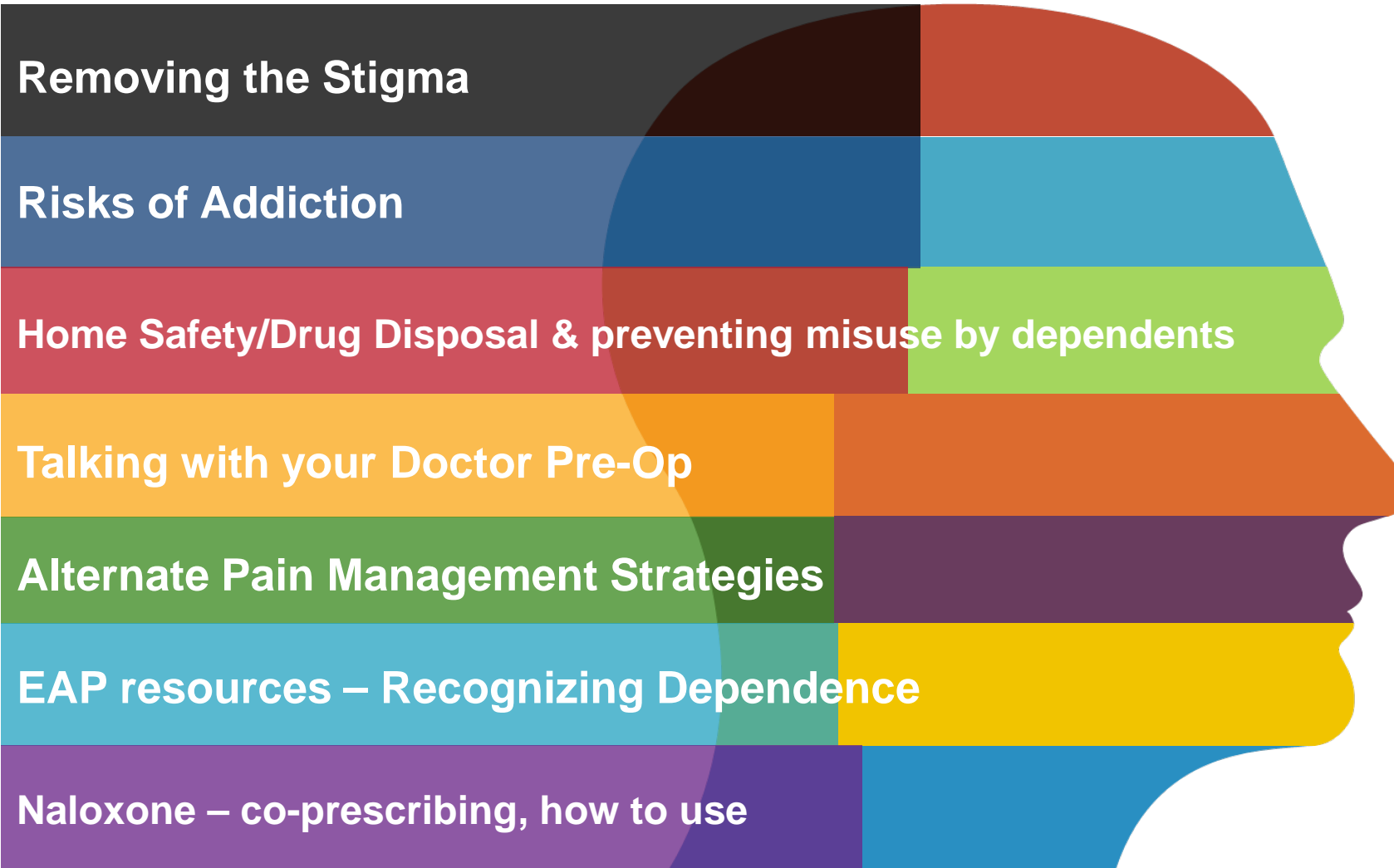
Healthcare Strategies



Licensing Boards, Pharmacies, Insurance Carriers, State and Federal Policy are aggressively **LIMITING** supply

WHAT CAN YOU DO?

Opportunity: Targeted Communication



WHAT CAN YOU DO?

- Reduce Risk to Create a Safe Work Environment

A safe work environment where employees feel supported is more productive and allows people to do their best work.



EDUCATION AND TRAINING:

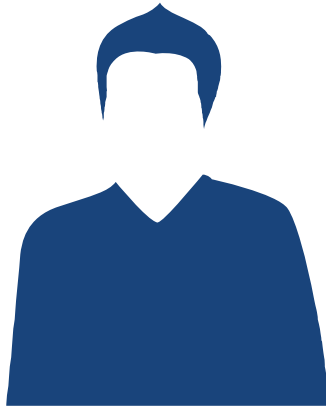
Supervisors Training

- to deal with prescription drug misuse
- recognize signs of potential impairment
- understand the company drug-testing policy
- Be able to direct employees to proper resources

Staff Training – identify signs of misuse

WHAT CAN YOU DO?

Drug Free Workplace



Frequent Employee Education

Policy for 2nd chance and RTW



Increased Frequency of Testing

Broader Drug Panel Testing

Drug Free Policy:

Develop & Publicize

Supervisor Training:

Recognize & Respond



Employee Assistance Programs:

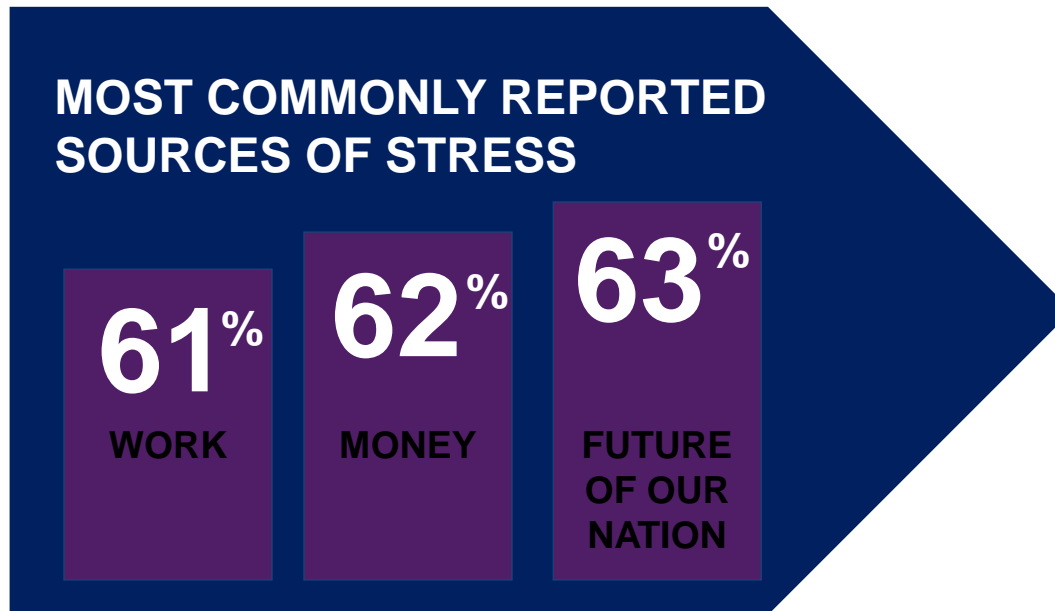
Confidential Community Referrals



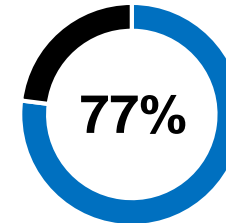
WHAT CAN YOU DO?

Focus Wellbeing Initiatives on Stressors

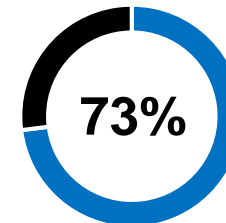
What's Got Us So
STRESSED Out?



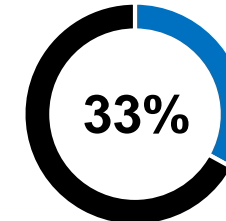
Regularly Experience
Physical Symptoms



Regularly Experience
Psychological Symptoms



Living with Extreme Stress



APA *Stress in America*™ Survey: US at 'Lowest Point We Can Remember,'
Future of Nation Most Commonly Reported Source of Stress



Wellbeing & Engagement



Gallagher

Insurance | Risk Management | Consulting

Start with Why...

The reasons why employers in the Utilities Industry are investing in wellbeing...

1. Reducing healthcare **costs** (57%)
2. Improving **employee experience** and satisfaction (48%)
3. Creating a desirable **culture** (24%)
4. Do the **right thing** (19%)
5. Reduce **Absenteeism** (19%)



Top HR Priorities (Utilities)

1. Attracting/Retaining Talent (83%)
2. Benefit Costs (57%)
3. EE Engagement & Productivity (40%)
4. Training & Development (34%)
5. Creating Strong Culture (26%)



What's The Strategy: Utilities

What best describes your organization's wellbeing strategy?

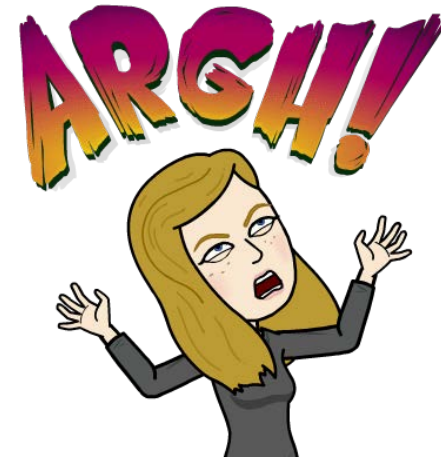


Strategies are lagging or not in place to meet new “Why” objectives



Top 5 Reasons Why Employees HATE Wellness Programs

1. My job is killing me
2. My manager doesn't get it
3. The program isn't fun
4. I'm concerned about my privacy
5. It feels more of a hassle than a help





Is the strategy you have in place meeting your objectives?



Stronger. Smarter. Better.



It's all connected!



Manager Effectiveness
Leadership
Workload **Conflict**
Talent Engagement
Policies

safety **Fitness**
Family Benefits
Finances Conflict
performance
Addiction
Mental Health

Health & Safety
Attract/Retain
Performance
Financial

Individual
Organizational



Building Sustainability with People

Wellbeing is all the things that affect how people think about
and experience their lives

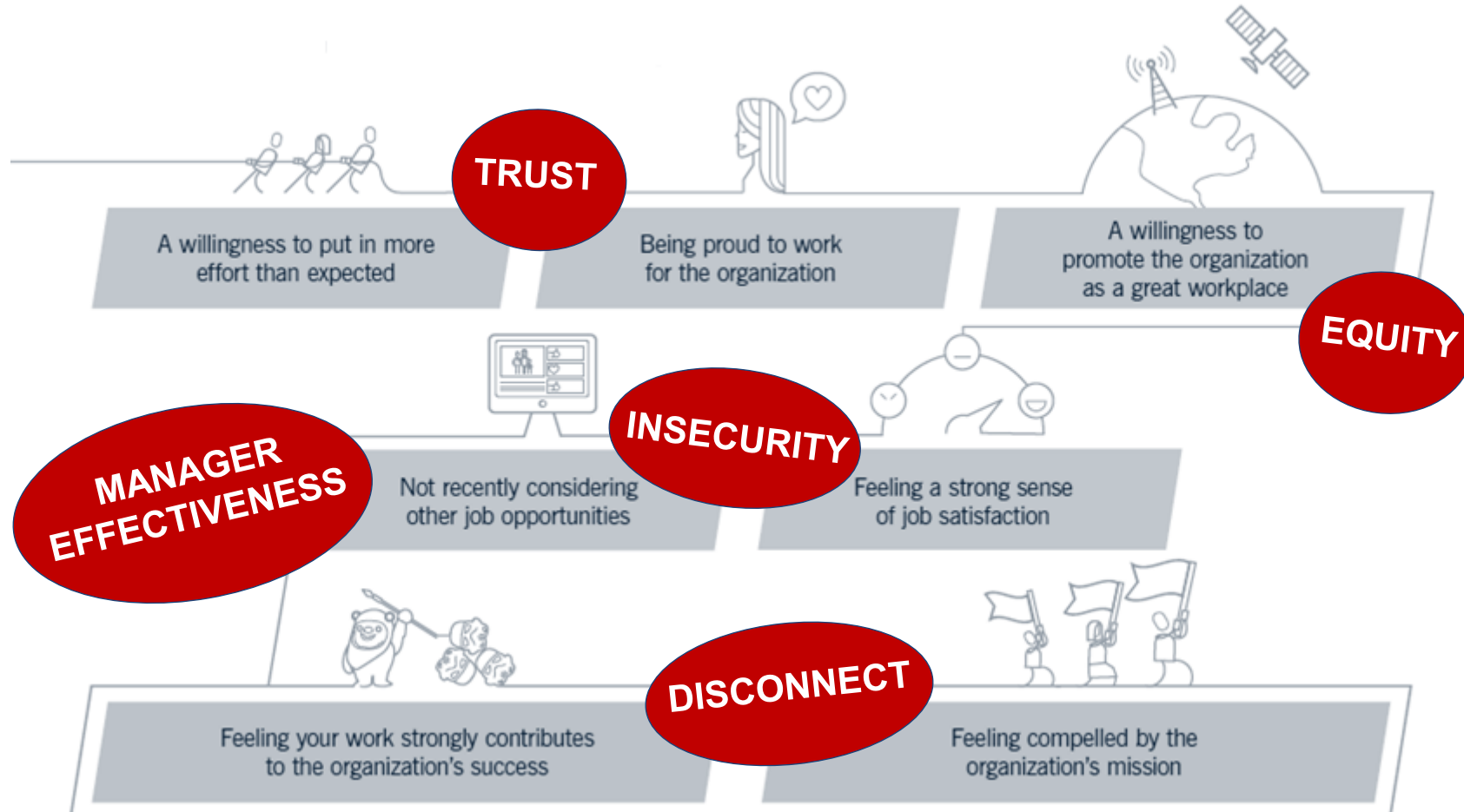


The **WHOLE** person comes to work every day...



each associate's wellbeing influences
individual and organizational performance

What We're Aspiring To...



Connecting Employee Engagement & Health Risk

LONG HOURS	JOB INSECURITY	INJUSTICE/ FAIRNESS	WORK/FAMILY CONFLICT
↑ Blood Pressure	↑ Stress	↑ Migraines	↑ Sleep Disorders
↑ Obesity	↑ Risk Heart Attack	↑ Blood Pressure	↑ Sickness related absence
↑ Diabetes	↓ Opinion of Health	↑ Burn Out	↑ Risk Heart Attack
↑ Injury		↑ Depression	↓ Opinion of health



The Solutions are Evolving...



A New Framework



The best of the best build strong cultures that help their employees thrive at work, at home, and in their communities.



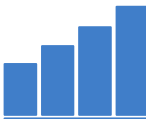
1. Assess your unique culture, strategic business model and organizational objectives.



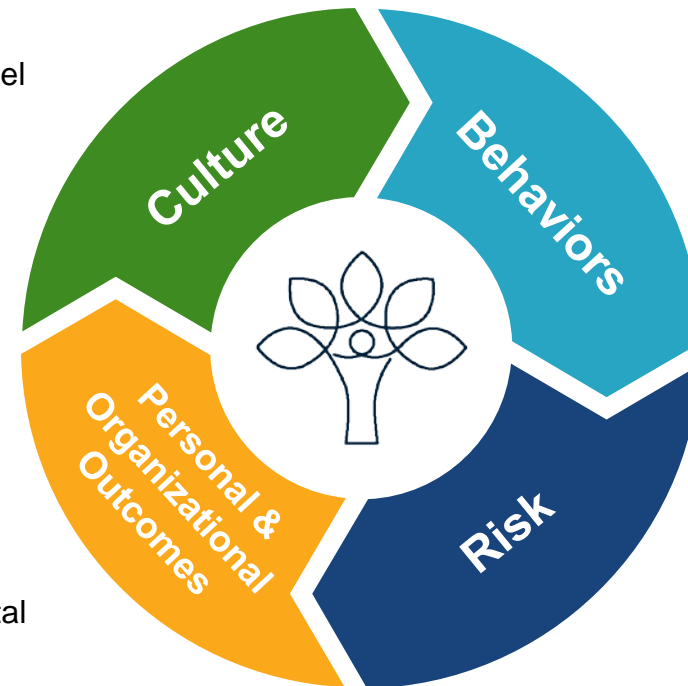
2. Understand your workforce and talent strategy to develop recommendations that are relevant by career stage and support destination employer efforts.



3. Identify prevailing population health risks through analyzing biometric, claims, and utilization data in conjunction with employee focus group/survey information to assess readiness to change.



4. Build a long-range philosophic vision focused on total wellbeing and engagement that enhances culture and improves individual and organizational outcomes.



The Critical Connection



Engaged, thriving employees
perform better



Additionally:

Wellbeing items are not always drivers of engagement.... without favorable views of wellbeing it is very unlikely that key drivers of engagement can be optimized



Making it Real...

- Transition to Destination Employer Game