

Nomination for CUPA-HR Excellence in Human Resource Practices Award

The CUPA-HR Excellence in HR Practices Award honors the achievements of college and university human resource professionals or teams at CUPA-HR member institutions in improving the quality of programs and services on their own campuses through effective human resource administration practices. Preference will be given to those achievements that have become or have the potential to become models for best practices for all of higher education human resources.

Nominee: University of Louisville Health Care Integration Team

University of Louisville Staff

Health Care & Consulting Partners

Kimberly Maffet
Special Assistant to the President
[Former Interim VPHR]

Dr. Richard Goldstein
Vice Dean, Clinical Affairs, UofL
CEO & CMO, UPA Services, Inc.

Dana Hummel
Director of Benefits

Alice Cissell
COO, UPA Services, Inc.

Patricia Benson
Director of Health Management

Tom Walton
Director, Service Access & Management
Engineering, UofL Hospital

Donna Matthews
Director of Disease Management

Curt Dame
Vice President, AON Consulting

**Nominator: Sam Connally
Vice President for Human Resources
University of Louisville**

HR Practice: Beyond Wellness – Integrating Health & Disease Management into a Self-Insured Health Plan & Building a Custom EPO with Strategic Health Care Partners

Introduction:

I am pleased to nominate the Health Care Integration Team of the University of Louisville for the CUPA-HR Excellence in Human Resources Practices Award for their innovative and collaborative efforts to develop “**Get Healthy Now**” (our integrated health management and disease management program) and “**Cardinal Care**” (our custom EPO health plan option for University employees consisting of UofL Physicians and UofL Hospital as our exclusive health care partners).

As the recently appointed Vice President for Human Resources, I can take no personal credit for the development of Get Healthy Now or Cardinal Care. However, with 30 years in higher education HR administration – including four separate appointments as a chief HR officer in both public and private, baccalaureate, master’s, and doctoral-research universities – I can attest first hand to the remarkable journey these individuals have travelled in developing signature health care initiatives that are helping faculty and staff lead healthier lives and helping

the University contain long-term health care costs. I am proud to be affiliated with this program and pleased to share the University of Louisville's experience with CUPA-HR colleagues as an example of best practices in higher education HR administration.

1. Provide a brief description of the improved program or service:

Like many large universities confronted with double-digit increases in health insurance rates offered by indemnity insurance providers, the University of Louisville adopted a self-insured health plan for its 6,500 benefit-eligible employees in 2002 in an effort to exercise greater control over future health care costs. After a couple of years of paying our own health plan bills, but without realizing material cost savings, President James R. Ramsey commented, ***"We have met the enemy and it is us. If we're going to contain health care costs, we're just going to have to get healthier! There's no question about it."***

Health Management Program

Thus, UofL embarked on an ambitious health management program in 2005, which it branded, **"Get Healthy Now!"** to focus on actually improving the health of our employees, while letting health plan costs manage themselves as a result. Get Healthy Now represents a collaboration among Human Resources, the College of Education and Human Development, and UofL Physicians and UofL Hospital as our health care partners. Key to program success, the then AVP-HR and then Dean of Education agreed to jointly sponsor the program through the appointment of Patricia Benson, a faculty member from the College of Education, as the inaugural Director of Health Management and Co-Director of the Center for Health Promotion and Prevention Science.

The health management program's primary charge is to mitigate health risks within the employee population. Targeted, coordinated health strategies focusing on UofL's three primary lifestyle drivers of cost (obesity, stress, and lack of physical activity) are aligned to this purpose. Get Healthy Now participants are required to participate in a health risk assessment during open enrollment for the health plan each year. If the HRA discloses personal health or lifestyle risks, participants agree to engage in monthly on-line or telephone health counseling with a personal health coach as a condition of retaining a specified monthly premium reduction on their health plan. In addition, Get Healthy Now maintains an on-site fitness facility exclusively for employees' use, staffed with certified fitness specialists who perform health-fitness assessments and provide positive encouragement and guidance to employees (and their spouses or partners) who are trying to improve their personal health and fitness.

Launched with \$75,000 in one-time funds and a \$500,000 annual line item in the health plan budget, voluntary participation in a health risk assessment and personal health coaching provided by an outside vendor, a \$240 reduction in annual health premiums, and with the President setting the bar high with a public commitment to improve the health of his own lifestyle by leading weekly three mile runs with university employees for the first year, Get Healthy Now attracted 50% of all health-benefit eligible employees. After six years, reflecting substantial growth in program offerings and a participation rate exceeding 70% of all health-benefit eligible employees, program budgets have increased to over \$940,000 and the participation incentive has increased to a \$480 reduction in annual health premiums (or a \$960 annual reduction for two-employee households).

Disease Management Program

In 2008, an informal health plan work group, consisting of Dana Hummel, Director of Benefits, Patricia Benson, Director of Health Management, and Curt Dame, Vice President of AON (the University's benefit consultant) was formed to review AON's health plan data analytic tools designed to help make sense of health claims experience for self-insured health plan administrators. One of the features of AON's data analytics is the ability to recognize that many employees with serious, long-term health conditions have a significant "care gap" in terms of the health care they are receiving. For example, AON's data analytics program identifies employees with diabetes (behind a HIPAA fire wall to protect individual patient identity), then analyzes historical medical claims information to ascertain whether employees with diabetes are receiving CDC-recommended preventive and diagnostic care such as flu vaccinations; annual bloods tests for HbA1c, lipid proteins, HDL/LDL cholesterol; annual retinal eye exams, and annual office visits with an endocrinologist (as opposed to a family practitioner).

AON's data analytics for diabetes documented that, depending on the healthcare measure, from 20% to 70% of UofL employees with diabetes were not receiving recommended preventive care. **"Look at all the health care we're not providing,"** exclaimed Dana Hummel, Director of Benefits. **"These people need some help!"** Of course, it goes without saying that, while having employees with serious health conditions forego appropriate preventive and diagnostic health care services may save money in the short term, it is not an effective strategy to hold down long-term health care costs. Individuals with significant care gaps drive up long-term health plan costs as their disease progresses and results in more serious acute care requirements or avoidable ER visits or inpatient hospitalizations.

It quickly became apparent that the University needed to develop disease-specific programs to reach out to employees (and other health plan members) with serious, long-term, high-cost conditions to help employees gain better control of their disease, in order to facilitate healthier lifestyles and support long-term cost containment. The University looked to the leadership of Dr. Richard Goldstein, CEO and CMO of UPA Services, (the administrative arm of UofL Physicians), and Alice Cissell, COO of UPA Services, to help the University develop a "disease management" program to augment our health management program. With an additional allocation of \$200,000 in its health plan budget for staff and start up expenses, the University launched its disease management program in 2010 with an initial focus on diabetes.

Donna Matthews, a registered nurse, was appointed as the new Director of Disease Management, a position funded by the UofL health plan budget, but staffed to UPA Services under the medical supervision of Dr. Goldstein. In its first year, the diabetes management program enrolled approximately 40% of employees with diagnostic indicators and enjoyed a remarkable 98.5% retention of program participants throughout the year. Employee participation incentives include 100% of diabetic medications and supplies, 100% of heart-related medications, and 100% of cholesterol medications – conditions that are often exacerbated by the presence of diabetes. Employees participate in a medically-supervised disease management protocol with UofL Physicians, receive drug and disease management counseling from a dedicated pharmacist at UofL Hospital, and partner with Get Healthy Now staff at UofL to promote more healthy lifestyles that reinforce disease management goals.

With an additional allocation of \$100,000 in the 2011 health plan budget, we are currently in the process of launching a COPD management program and plan to launch a depression/mental health management program in July 2011.

Cardinal Care Custom EPO Health Plan Option

Another major undertaking occurred in 2009, following the appointment of Kimberly Maffet as Interim VPHR at UofL – a former AVP-HR, registered nurse, and regional health care facility administrator for Norton Health Care, a major local competitor for both UofL Hospital and UofL Physicians. Without looking back at her former employer, our newest Cardinal team member asked, **“Why are we spending our hard earned health plan dollars on our competitors?”** – acknowledging that 80% of UofL’s hospital expenses and over 90% of physician expenses were spent among an array of local health care providers, but without any structured plan to direct these expenditures to UofL Physicians or UofL Hospital.

While some academic medical centers and clinical practices are wholly owned by the universities where they are housed (such as Duke, Emory, and Vanderbilt), the historical structure at the University of Louisville evolved in a very different way. The University of Louisville Hospital grew out of the former Jefferson County General Hospital, while the clinical practices that comprise University of Louisville Physicians grew up as independent, physician-owned medical practices. As a result, while UofL Physicians and UofL Hospital are affiliated with the University of Louisville, the reality is that we comprise three separate entities. It is possible that the “separateness” of our corporate structures may have prevented UofL from recognizing earlier on the mutual shared interest that could be served by the University directing its health plan spending toward our affiliated organizations.

The **UofL Health Care Integration Team** was formed to evaluate strategies to direct UofL health plan spending toward our affiliated health care partners – with the health care integration team consisting of the UofL health plan, health management, and disease management staff already noted; our health care partners at UPA Services; Tom Walton, Director of Access and Management Engineering at UofL Hospital; and Curt Dame from AON Consulting. Thus was conceived **“Cardinal Care,”** a custom-designed EPO (exclusive provider organization) as a separate health plan option for University employees, consisting of UofL Physicians and UofL Hospital as our exclusive health care providers. Launched in 2010, Cardinal Care was priced as the lowest cost health plan option and included a waiver of co-payments for all UofL employees (regardless of plan option) for any primary care or pediatric care physician in the UofL physician family. First year enrollments attracted approximately 10% of our benefit-eligible employees, with our 2nd year seeing an increase to approximately 15% of eligible employees.

Our long-term goal is to partner with UofL Physicians and UofL Hospital to form an accountable care organization that is focused on helping employees lead healthier lives, while helping the University contain long-term health care costs. We are already seeing the fruits of this collaboration, as noted in subsequent sections of this nomination.

2. What programs or services were affected by the improved practices?

ROI for Health Management

After the first three years of its Get Healthy Now program, the University’s external health management vendor and benefit consultant documented an overall return on investment (ROI) of 2.67 – meaning that the University saved \$2.67 in health care expenses for every \$1.00 in Get Healthy Now program costs. This analysis also demonstrated that annual health care costs for participating employees increased by only 2.5% compared to 19.5% for non-participating employees.

ROI for Disease Management

While data is limited to its first full year in only one of three disease management programs, the return on investment in the targeted disease management program offers substantial savings. In its first full year of operation, the University's cost indicators suggest a significant downward trend in diabetes costs. Conservative estimates suggest a 15% year-over-year savings for enrollees in the Diabetes Management Program (reducing total health care costs, on average, from \$11,500 to \$9,800 per participant).

ROI for Cardinal Care

The "return on investment" for Cardinal Care is not measured in cost reduction in the health plan, per se, as it appropriately is for expenditures for our health management and disease management programs. Rather, the most significant return on the proposition that the University direct health plan expenditures to its affiliated health care providers is that we help strengthen our clinical practices and support our teaching hospital – without whom our medical research and application of new medical knowledge could not occur. Our first year's experience demonstrates the value of this proposition. Over the first full year of Cardinal Care, the University's spending with UofL Physicians increased from 10% to 22% of our total physician spending, increasing revenues for UofL Physicians from \$965,000 to \$2.2 million, representing a 228% increase in revenue for UofL Physicians from health care spending that the University health plan would have incurred in any event (but with different providers).

By directing health plan expenditures to our affiliated health care organizations, particularly in the instance of UofL Physicians, Human Resources contributes to helping maintain robust, private clinical practices for our medical faculty. This in turn, helps the University's College of Medicine recruit top quality faculty and staff, to engage in medical research, teaching, and public service. This is an example of aligning a basic administrative function of Human Resources (administering a self-insured health) with the academic, research, and service mission of the University.

UofL Physicians have reciprocated this commitment to a long-term partnership by entering into a custom contract with the UofL health plan to provide a 3.0% discount below network contract reimbursement rates for all services provided to UofL employees and family members through Cardinal Care for 2011 – contributing toward our ability to control health care costs in the future. UofL Hospital has offered a similar, but somewhat more modest, reimbursement of expenditures based on the annual increase in total hospital expenses incurred by Cardinal Care participants to be deposited to the University's health plan reserve to forestall against excess claims experience or to stabilize future health plan premiums.

ROI for Employee Value Proposition

Six years' experience with our health management program and our first year's experience with our disease management program demonstrate that **the University has finally developed an effective strategy to control long-term health plan costs – by focusing on improving employees' health, rather than simply seeking cost reductions in a typical fee-for-service model.** In effect, our employees become our partners in long-term cost containment, while the University is able to partner with our employees to help them lead healthier lives. This is a true win-win for both the University and its employees.

With respect to our partnership with UofL Physicians and UofL Hospital in Cardinal Care, it is also notable that a significant, though non-financial return on investment is building employees' awareness of and pride in the world class medical research and clinical care that is occurring within UofL Physicians practices and at UofL Hospital – enhancing the value that faculty and staff place on being UofL employees in the first place, contributing to our retention efforts.

3. Why were improvements needed?

Prior to implementing its health and disease management programs, the University was experiencing double-digit increases in health plan costs. Increasing health care costs consumed a disproportionate share of university resources to sustain the health care benefit, undercutting the University's ability to enhance the market competitiveness of faculty and staff salaries, while sustaining competitive benefit programs.

4. What were the positive results of the change?

Improved employee health and integrated disease management has slowed the growth in total health care costs. Over the past three years, the University budgeted for a 10.0% increase in its self-insured health plan (consistent with national trends in health care costs, which have averaged 10.7% per year). The University's actual cumulative increase in health care costs, by contrast, has averaged only 6.0% -- allowing the University to enhance benefits, while keeping health insurance premiums for employees constant for three years in a row! In bidding our health plan administration contract for 2011, subject to independent third party network contracting, we realized **a net increase in total health plan funding requirements for 2011 of only 2.9%!**

The difference between budgeted expenses and actual requirements for the 2011 health plan year resulted in **freeing up over \$4.0 million in continuing funds which the Executive Leadership Team has allocated directly to salary increases for faculty & staff** – even while doubling our parental leave benefit from three weeks to six weeks of paid time off upon the birth or adoption of a child, reducing premiums in Cardinal Care as our core health plan option by \$180 per year per employee, reducing co-payments for generic prescription drugs in Cardinal Care from \$8.00 to \$5.00 per script, and increasing the health plan subsidy for regular part-time employees and contract faculty from a flat amount of \$108.10 per month to 50% of the subsidy for regular full-time employees or \$294.28 per employee per month across all options in our health plan.

5. How were the changes received by those affected by the program or service?

While 50% of employees enrolled in Get Healthy Now in its first year (a very respectable launch for any wellness program), employees viewed Get Healthy Now with some caution in its early years, as employees everywhere view any new initiative they believe might simply be cost driven (rather than for their personal benefit). As the rewards of living a healthier lifestyle became more evident through seeing their colleagues participate and through positive word-of-mouth, Get Healthy Now participation rates have increased to just over 70% in 2010.

Employee feedback from Get Healthy Now health and disease management program participants clearly demonstrates the value of health management and disease management programs to convey institutional value to employees. Said one employee who decided to take control of her long-ignored Type II diabetes and who has volunteered to share her personal

story with other employees, ***“I think the University may have saved my life.”*** That’s a return on investment that really counts!

6. What effective human resource administration practices do the changes exemplify?

UofL’s integrated health management and disease management program in Get Healthy Now and its growing partnership with UofL Physicians and UofL Hospital in Cardinal Care exemplify the HR practice of maximizing value for employees in the design and administration of self-insured health plans, while identifying practical strategies to contain long-term health care costs.

As with any component of total compensation (salary or benefits), increasing costs of providing employee health insurance threaten to undercut the University’s ability to maintain market-competitive salaries or to sustain other employee benefit programs. Yet, we know that simply cutting costs or reducing salaries or positions to meet budget targets would quickly erode employees’ confidence in the University and their decisions to invest their time and talent in our collective success. The goal, rather, is to preserve the “value equation” for employees in promoting long-term, sustainable salary and benefit programs. By investing in actually improving individual employee’s health (rather than simply looking for cost-reduction strategies), we invite employees to become partners in this venture.

Promoting long term sustainability in employee benefit programs, while maintaining employees’ confidence that HR is looking out for their overall interests, is critical to Human Resources’ ability to achieve its fundamental purpose of helping the institution recruit, retain, recognize, and reward top qualify faculty and staff.

7. Why do the improvements represent best practice that could be widely adopted?

By all public measures of typical wellness programs (even others with a mandatory health risk assessment or premium-reduction incentive), the University of Louisville has achieved a remarkably high participation rate of 70% over six years. Proven employee engagement strategies in health awareness, organized wellness and physical activities, and targeted disease management programs are currently being shared with other higher education and community organizations, including:

- UofL was recognized by the **American Heart Association** Gold Start Program as a “fit-friendly employer” for four consecutive years from 2007-2010, as a model program for other employers.
- UofL received the **Mayor’s Healthy Hometown Movement Worksite Wellness Conference Award** in 2010, for long term successful health management programs, with award recipients sharing program experience with conference attendees.
- UofL received the 1st annual **Healthiest Employer of Louisville Award**, sponsored by Humana Insurance Corporation in 2010 in a competitive selection among local area organizations – besting our old nemesis Norton Health Care in the large employer category. As above, award recipients shared program experience with community businesses and other not-for-profit organizations.

In addition to traditional award and recognition programs, UofL has shared its success in its Get Healthy Now program with broader audiences in the following ways:

- The university President appeared on **CBS' 60 Minutes** in 2005 to participate in a discussion of effective strategies to promote health awareness and health management.
- HR staff have submitted a concurrent conference proposal for consideration by the **CUPA-HR National Conference** program committee, of the same title, "Beyond Wellness – Integrating Health & Disease Management into a Self-Insured Health Plan," to share our experience with other higher education HR professionals.
- Get Healthy Now staff and our faculty partners in Health Promotion & Prevention Science have been accepted to present a paper titled, "Repositioning Health in the Workplace as Sustainable Behavior," at the 2nd **World Non-Profit & Social Marketing Conference**, in Dublin, Ireland with a conference focus of promoting health literacy.
- Closer to home, and potentially of national significance, the **Commanding General of Fort Knox, KY** asked for the University's help in addressing the silent plague of increasing stress on military personnel and their families from multiple deployments to Iraq and Afghanistan. With suicides among military personnel in 2010 exceeding the number of combat deaths in war zones, the mental health and wellbeing of military personnel and their families is of paramount importance.

The President assigned responsibility to Patricia Benson, Director of Health Management; Blake Haselton, Interim Dean of Education & Human Development, and Richard Goldstein, in his newly-appointed role as Vice Dean, Clinical Affairs, UofL School Medicine to develop a "**comprehensive soldier fitness program for the U.S. Army**" based on the University's health and disease management program.

8. Any additional information to support your nomination?

It is axiomatic that any new practice or paradigm in higher education ultimately must be evaluated in the context of the outcomes it helps the University achieve in relation to its overarching mission – teaching, research, and service – as well as its impact on employees and HR professionals serving their needs. The following outcomes seem relevant in assessing UofL's Get Healthy Now and Cardinal Care programs as examples of best practices among higher ed HR administration.

Employee Outcomes

Key to the success of UofL's Get Healthy Now program was the founding decision to collaborate with the College of Education and Human Development (through a joint administrative-academic appointment of the inaugural director), as well as to leverage the knowledge and expertise of faculty within the Center for Health Promotion and Prevention Science.

Through our disease management program, employees with long-term serious health conditions are receiving an invitation to take control of their health in new substantive ways through medically supervised disease management programs.

Thus, through our Get Healthy Now program, University employees enjoy the expertise of University education and medical faculty in helping employees lead healthier lives.

Academic Outcomes

In addition to the benefits of Get Healthy Now for employees, one of the fruits of this joint venture has led to student involvement opportunities through a Wellness Coaching internship and the development of an Interdisciplinary Wellness Coaching Minor (IWC). The IWC minor integrates proven methods recognized by the American College of Sports Medicine into the academic curriculum, while Get Healthy Now provides students an opportunity to practice skills learned in the classroom in an immediate, real world experience.

With respect to Cardinal Care, as we help strengthen the clinical practices of our medical faculty by directing health spending dollars to our health care partners, we strengthen the ability of the School of Medicine to recruit top quality faculty – and the quality of our faculty, in turn, helps the School of Medicine recruit top quality students for our medical programs.

Thus, through our Get Healthy Now and Cardinal Care partnerships, Human Resources is helping support the academic mission of the University.

Research Outcomes

Faculty in the Center for Health Promotion and Prevention Science have an opportunity to engage in research related to their academic discipline. Effectively, the Get Healthy Now initiative provides faculty with a living laboratory of individuals in researching how to best promote health and prevent disease through an active health & disease management program.

With respect to Cardinal Care, as we provide increased revenue for the clinical practices that comprise UofL Physicians, we help the School of Medicine support research programs, given that a percentage of UofL Physicians' income is shared with the Health Sciences Center of the University to support clinical and transformational research.

Thus, through our Get Healthy Now and Cardinal Care partnerships, Human Resources is helping support the research mission of the University.

Public Service Outcomes

As illustrated in our sharing program knowledge with community partners and most critically in our emerging partnership with Fort Knox to help design a comprehensive soldier fitness program for the U.S. military, the University and its faculty and staff export the knowledge of the academy in ways that directly benefit the public.

Thus, through our Get Healthy Now and Cardinal Care partnerships, Human Resources is helping support the public service mission of the University.

HR Outcomes

Chief HR Officers have long sought a “**place at the table**” for Human Resources in the life of the colleges and universities we serve. We have long strived to discover how we can “**add value**” to the institution and for our employees. We have aspired to “**align HR services with the university’s academic, research, and public service mission.**” However, we have not always found tangible ways to do these things in ways that are readily recognized and acknowledged by fellow members of the academy.

From an entirely transactional view, Human Resources is serving the needs of the University by identifying practical strategies to contain long-term health care costs. This is what any benefit plan administrator has always done, of course, with varying success. From a total compensation management perspective, HR has been able help the University “re-balance” the total rewards calculation by realizing material savings in the health plan that are now available to support increasing the labor market competitiveness of our salaries – a presidential score card goal, with progress toward full market value reported annually to the Board of Trustees.

More critically, however, I believe that the leadership the Health Care Integration Team has evidenced is more transformational in nature, given that our experience has shown the most effective strategy for containing long-term health care costs is not simply to look for a broader network, shift co-pays, or increase re-insurance rates in a fee for service model. Rather, echoing the President’s earlier insight, **we have demonstrated that the most effective strategy for containing long-term health care costs is to help employees actually live healthier lives by investing in the resources they need to do so.**

The University of Louisville’s **Get Healthy Now** and **Cardinal Care** programs represent tangible, visible, and highly valued examples for the University community of just the kind of partnership, collaboration, and strategic alignment with institutional purpose that we all hope would characterize Human Resources in our institutions. The strategy of promoting individual health as the primary driver of reducing health care costs over time is the right place at the table for HR, is a strategy that adds value to our institution and our employees, and connects Human Resources to the academic, research, and public service mission of the University. This strategy is working for the University of Louisville and can work for you on your campus, as well.

9. If you would like to supplement your nomination with testimonials from those who have benefited from the programs and services, please attach them below.

See Get Healthy Now Success Stories at <http://louisville.edu/hr/gethealthynow/wo/success-stories/success-stories>.

Respectfully submitted,

Sam Connally
Vice President for Human Resources
University of Louisville

1980 Arthur Street, Louisville, KY 40208
sam.connally@louisville.edu, 502-852-3698

Biographical Note: Sam Connally has worked in higher education HR administration for 30 years, and has served 18 years in chief HR officer roles at the University of North Carolina at Wilmington, the University of Nevada Las Vegas, Washington College Maryland, and the University of Louisville. A former chair of the CUPA-HR Foundation, Sam has been an active member of CUPA-HR for 25 years and has presented over 20 program sessions at state, regional, and national conferences. Sam is co-author of the feature article of the Spring 2006 CUPA-HR Journal, “HR as Partner: Building Strategic Partnerships for HR on Campus,” and the co-recipient of two national CUPA-HR awards – the 2004 SunGard Award for Innovation in HR Technology (together with UNC Wilmington HR colleagues for the development of Consensus® search support software) and the 2006 Award for Excellence in HR Practices (together with the UNLV Vice Provost for building strategic long-term partnerships between HR and Academic Affairs at UNLV).