



Department of Administrative Services
Division of Employee Benefits

INTER-OFFICE COMMUNICATION

Date: August 26, 2013
To: Marina Dimitrijevic, Chairwoman, Milwaukee County Board of Supervisors
FROM: Matthew Hanchek, Director of Benefits – Department of Human Resources *M. Hanchek*
SUBJECT: **Report from the Director of Benefits, Department of Human Resources, requesting authorization to execute a 3-yr contract with Froedtert Health for wellness plan administration from January 1, 2014 – December 31, 2016**

Background

The 2013 Adopted Budget provided directives regarding wellness, including:

- Broaden the definition of preventive services eligible for 100% coverage
- Develop a request for proposals (RFP); select and implement a vendor for a comprehensive County wellness plan including:
 - Health assessment with biometric screenings
 - Quarterly health coaching
- Employee engagement strategies enhanced by a staff wellness coordinator
- An incentive program to promote participation

To complete the RFP, a review panel was assembled consisting of representation from the DHR – Employee Benefits Division, County Board Staff, DAS Fiscal (currently Office of the Comptroller), and the Community Business Development Partners. The RFP was facilitated by the County's health care consultant, Willis of Wisconsin.

More than 17 responses were reviewed, and 3 finalists were selected by the panel for interview. The consensus recommendation of the panel is to award the contract to Froedtert Health.

Froedtert Health:

Froedtert Health's proposal fulfilled all requirements of the RFP, and provided the following key differentiators:

- Broad range of inclusive screening options, including scheduled on-site, and at Froedtert/Dynacare facilities
- Direct uploading of screening data
- In-person and telephonic coaching options by large local staff
- ½ FTE dedicated to onsite promotion and engagement strategies
- Patient-focused customizable action plans
- Support for targeted initiatives and campaigns

- Communication support including subject matter experts, and assistance with design, branding, and marketing.
- Aggregate analytics reporting with consulting

Financial Analysis

The cost of vendor services is contingent upon participation in the assessment/screening process, and engagement with health coaches. For the purpose of comparison, 70% participation by employees and spouses was assumed for the health assessment and screening process. Ongoing coaching was estimated at 30% of the population.

Under Froedtert’s proposal, the base rates for services would be \$65 per participant for the initial labs, HRA, and review with a health coach. The ongoing coaching would be provided at a rate of \$60 per hour. Participation reporting is based on \$2.50 per person per year (approximately \$3800 annually based on the County's current covered population). , There is a fixed program fee of \$20,000 per year.

At the assumed utilization rates, the terms of Froedtert’s proposal would cost approximately \$345,000 per year. Increases/Decreases to participation in the screening and/or coaching will impact cost projections

The positive fiscal impact of this program (return on investment) will be gradually observed as one factor within the annual health care cost projections. Additional “soft savings” such as increased productivity and decreased employee absences may also be realized. However, directly quantifying savings due to the wellness plans may not be possible.

DBE Participation

Using the professional services goal of 17%, Froedtert would be required to demonstrate DBE utilization of \$58,650. Froedtert does not subcontract coaching, screening, or lab services, but has submitted a plan for utilizing printing services and supplies to meet the goal. The Community Business Development Partners have been briefed on this contract, and Froedtert has committed to working with the CDBP to identify additional opportunities to utilize DBE’s throughout their organization.

Cc: County Executive Chris Abele
 Supervisor Willie Johnson, Co-chair, Finance, Personnel, and Audit Committee
 Supervisor David Cullen, Co-chair, Finance, Personnel, and Audit Committee
 Amber Moreen, Chief of Staff, County Executive’s Office
 Don Tyler, Director of Administrative Services
 Scott Manske, Comptroller
 Mark Grady, Corporation Counsel
 Kerry Mitchell, Executive Director of Human Resources
 Steve Cady, Fiscal and Budget Analyst, County Board
 Carol Mueller, Committee Clerk