

# State of Preventive Health 2008

## Inmar, Inc. - Incentives & Rewards

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### Change old attitudes about medical care expenses

- Plan participants view medical insurance as a generous benefactor responsible for their medical costs.
- Plan participants are disconnected from the true cost of medical care.
  - Premiums are deducted from paychecks.
  - Co-pays and co-insurance mask the true cost.
  - Employees lack understanding of the company's costs for health insurance.
- Education of participants
  - Help employees understand that, as a self-funded insurance plan, Inmar's claims are not paid by "the insurance company." Rather, claims and other plan costs are paid by employees and Inmar, making both of us "co-op members" in the medical plan.
  - Participants must be made aware that their claims behavior and health status affect their premiums.
  - Communicate, educate, inform, repeat, repeat, repeat. A weekly company e-newsletter is our primary communication vehicle.

### Get in front of claims

- Claims represent 84 percent of our medical plan costs at Inmar.
- There are several ways to contain the cost of claims:
  - Reduce benefits and pass cost to employees
  - Enhance network discounts
  - Teach participants to shop for medical care
  - ***Expose participants to the true cost of medical care***
  - ***Develop a healthier participant population (our chosen approaches)***
- Education efforts are designed to expose employees to the true cost of medical care.
  - Through communications efforts, we show participants how their claims are driving their cost.
  - We want participants to see that their health (or lack of good health) and their medical care buying decisions are the largest contributors to medical care costs.

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- Our Wellness Program, backed by financial incentives/penalties, is designed to encourage healthy habits among participants.

### **Build meaningful financial incentives**

- Inmar's Wellness Program is based on four components:
  - BCBSNC Blue Points (physical activity)
  - BCBSNC Member Health Partnerships (disease management)
  - BCBSNC On-Line Health Risk Assessments (with bio-metric screening provided at company expense)
  - Tobacco Cessation (free to participants and provided by WFU BestHealth)
- Incentives
  - Nonparticipation costs the employee \$15/month for each component. Maximum financial penalty is \$60/month.
  - Nonparticipants subsidize medical plan cost of those who do participate in the Wellness Program.
  - Nonparticipants will pay an additional \$80,000 in contributions to the plan in 2008.
  - Wellness program participation requirements apply to covered spouses.
- The plan must be clearly communicated and understood.
- Be prepared for complaints.

### **Results**

- Did we reduce claims? We can't attribute changes specifically to this initiative.
- Did we improve focus on wellness and medical plan costs? Absolutely.
- A 72 percent success rate on Blue Points participation in 2007 and a 78 percent success rate in 2008. In 2008, we added the health risk assessment and have had a 55 percent success rate.