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## 2011 Innovations Awards Application

**DEADLINE: MARCH 28, 2011**

ID # (assigned by CSG): 2011- \_\_\_\_\_

**Please provide the following information, adding space as necessary:**

State: State of Nebraska

Assign Program Category (applicant): **Health Services**

1. Program Name: **State of Nebraska wellnessoptions**
2. Administering Agency: **Department of Administrative Services, Department of Wellness & Benefits**
3. Contact Person (Name and Title): **Roger Wilson, Administrator**
4. Address: **301 Centennial Mall  
Lincoln, NE 68509-4953**
5. Telephone Number: **402-471-1638**
6. FAX Number: **402-471-1862**
7. E-mail Address: **roger.wilson@nebraska.gov**
8. Web site Address: **[www.wellnessoptions.nebraska.gov](http://www.wellnessoptions.nebraska.gov)**
9. Please provide a two-sentence description of the program.

**In 2009, the State of Nebraska launched a comprehensive plan for health insurance coverage designed to encourage healthy lifestyles. This new wellness initiative features a value-based health and prescription plan, which offers lower premium rates with 100% coverage for preventive health care with a fully integrated wellness program.**

10. How long has this program been operational (month and year)? **2 years**
11. Why was the program created? What problem[s] or issue[s] was it designed to address?

**Under current state statute, the State of Nebraska must pay for 79% of the premium associated with each plan offered to our 18,000 state employees. This factor, along with rapidly rising medical costs, was creating a serious financial challenge to our health insurance program. In 2006 health insurance premiums went up by 22%, in 2007 it was 10% and in 2008 it was 14%.**

During this time, the State offered a portfolio of health plan options, with the typical preventive care benefits. These plans included a low-deductible PPO, a high-deductible PPO, a no-deductible POS and HMO. Premiums were being subsidized by reserve funds, which, by January 2007, were zero.

In 2007, the State launched a feasibility study to provide the framework for rebuilding our approach to offering employee health care. As a result, we developed a new innovative wellness strategy known as wellnessoptions.

Wellnessoptions, coupled with a new Wellness PPO health plan, was built on three important principles:

1. Through premium incentives, build a culture that promotes and encourages healthy lifestyles
2. Increase health care compliance by providing employees with better tools and more communication
3. Drive down spiraling cost trends by being innovative

12. Describe the specific activities and operations of the program in chronological order.

In April 2009, the state launched wellnessoptions along with the companion Wellness PPO health plan. The Wellness PPO plan is only open to those that participate and complete the wellnessoptions program requirements. Successful completion of the program requirements results in lower premiums, better coverage for preventive health care, reduced co-pays and a smoking cessation program with medications at no cost.

The operation of the program is very straight forward – employees and spouses must complete a wellness program, a biometric (blood draw) screening, followed by an online health assessment. A detailed chronology of the annual process is below.

Winter – Employees and spouses complete a wellness program. Currently, we offer four different programs for employees and spouses to choose from:

- **Feel Like A Million** – Employees earn virtual dollars during this fun online game show for recording daily activities. Generally this program takes several weeks to complete.
- **Empowered Lifestyle Management Coaching** – Employees work with a coach to support and guide them in making lifestyle changes by selecting among 13 different focus areas. Successful completion of this program requires at least three coaching phone calls.
- **Condition Management** – Individuals with a chronic condition (heart or respiratory conditions, diabetes, depression or back pain) can work with a coach, in conjunction with a physician, to help manage these issues.
- **Walk This Way** – Employees are issued a pedometer to track their daily steps. Successful completion of this program requires at least 450,000 steps.

Spring – Employees and spouses must complete a biometric screening and an online health assessment

- **Biometric Screening** – Employees and spouses must complete a biometric screening (blood draw) through one of our approved processes. Currently, we offer onsite screenings, home kits and approved doctor's office visits. During onsite screenings, participants have an opportunity to get their results (height, weight, blood pressure, total cholesterol, HDL, LDL, triglycerides and glucose) within minutes and discuss them with an onsite health professional. Home kits and doctor's office visits allow our employees outside of metropolitan areas to actively participate as well.
- **Online Health Assessment** – Employees and spouses have their biometric screening results loaded into an online health questionnaire which asks further questions about health.

13. Why is the program a new and creative approach or method?

**When the State of Nebraska launched the Wellness PPO in conjunction with wellness options, it became one of the first states to offer an integrated plan for health coverage tied to wellness programs. This unique value-based benefit package emphasizes smart use of health care along with individually tailored wellness programs to stay healthy. The end result is yielding effective health care utilization, thereby reducing long term costs.**

**For more information about our creative approach to addressing this challenge, please see number 12.**

14. What were the program's start-up costs? (Provide details about specific purchases for this program, staffing needs and other financial expenditures, as well as existing materials, technology and staff already in place.)

**Our wellness program is a part of the health plan. An RFP was issued for a wellness vendor and HealthFitness was awarded the contract. Our first year expense with Health Fitness was approximately \$1.3 million. All expenses are included with the Health Fitness contract. Included in our costs, HealthFitness provides one full time onsite employee to assist the state in aggressively marketing this program.**

15. What are the program's annual operational costs?

**Our annual operating cost for the wellness program through HealthFitness is \$3.5 million.**

16. How is the program funded?

**The program is funded thru health plan premiums among all those enrolled in a State of Nebraska health plan.**

17. Did this program require the passage of legislation, executive order or regulations?

**No, however, legislators and the union were involved in early discussions regarding the set-up, structure and integration of the wellness program.**

**The State of Nebraska conducted a RFP to obtain a wellness program provider, in which, HealthFitness Corporation was selected as an outside third-party company to ensure that data and results are confidentially managed in compliance with federal privacy regulations.**

**Prior to the launch, the State held 25 employee town hall meetings throughout Nebraska to gain buy-in from its diverse work force. Decision makers took measures to educate employees in meetings and communication releases at all levels, from agency heads to front line employees.**

18. What equipment, technology and software are used to operate and administer this program?

**The State of Nebraska provides an office, computer access and supplies to the onsite Wellness Coordinator and Wellness Specialist who are both employed by the third-party vendor, HealthFitness. The onsite visibility is critical for the wellness programs success. HealthFitness provides and maintains the web-based platform for all eligible State of Nebraska employees and spouses to access, enroll and complete programs.**

19. To the best of your knowledge, did this program originate in your state? If YES, please indicate the innovator's name, present address, telephone number and e-mail address.

**Yes. After just one year, the State of Nebraska's approach to employee health is proving to be an effective model for other government entities to consider. Wellness PPO premium costs for 2010-2011 resulted in a decreased trend from the previous year, compared to an increase for the BlueChoice POS plan (health plan option without wellness requirements). In addition to a significant decrease in Wellness PPO plan utilization, participation in the wellness programs are resulting in healthier lifestyles and an increase in preventive care utilization.**

**The integration of wellness options with the value-based Wellness PPO plan created a single benefit package that can be utilized in any business, public or private. The incentive structure is positively impacting premiums through maintaining eligibility in the Wellness PPO health plan each year. It allows a single focus to impact a person's lifestyle along with better benefits choices for a long term decrease in utilization and cost trends.**

**Innovator's Name and Title: Roger Wilson, Administrator**

**Address: 301 Centennial Mall  
Lincoln, NE 68509-4953**

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E-mail Address: roger.wilson@nebraska.gov**

20. Are you aware of similar programs in other states? If YES, which ones and how does this program differ?

**Although many other public and private entities may have a wellness program, the State of Nebraska is not aware of any other States that have the same structure as the State of Nebraska with a truly integrated wellness program tied to health coverage.**

21. Has the program been fully implemented?

**Full implementation of the wellness program occurred in April 2009, however the program continues to add new features and resources to address the risks and needs of the State of Nebraska population.**

22. Briefly evaluate (pro and con) the program's effectiveness in addressing the defined problem[s] or issue[s]. Provide tangible examples.

**PRO's**

**In 2009, the State launched a wellness program to create a healthier workforce by encouraging healthy behaviors and the use of preventive care benefits. The wellness program is available to all employees and spouses enrolled in any of the four State health plans. At the end of December 2010, over 5,300 employees and 2,100 spouses are enrolled in a wellness program.**

**Over 5,000 participants are currently enrolled in a walking program with many literally achieving millions of steps. In addition, over 4,000 participants are receiving guidance and support with their enrollment in a coaching program, including those with a chronic health condition.**

**As a result of the State of Nebraska Wellness Program, wellness program participants are getting healthier. Results among wellness program participants show a reduction in the average number of individual risk factors. This group experienced health improvements related to increased levels of physical activity and consumption of vegetables and fruits, in addition to decreased prevalence of tobacco use and stress. One area**

we need to improve is weight management. As we continue to reduce health risks, we know, based on national research, that there becomes an opportunity to impact the healthcare cost trend.

Another goal of the wellness program is encouraging the use of preventive care benefits among those enrolled in any of the four State health plans. These efforts include personalized reminders for preventive screenings being mailed to homes based on national recommendations and guidelines. Before the launch of this program, only 33.1% were current with recommended preventive screenings.

After one year, the rate for completing recommended screenings has increased by 19.1%. For many, this was the first time a preventive screening has been completed. The screenings resulted in 'catching' many cases of early stage, and even late stage colon, breast and cervical cancers. Specifically, 257 new cases were detected in an early stage of cancer and 10 new cases were diagnosed with a late stage of cancer. Other conditions newly diagnosed from preventive screening include 288 new high cholesterol cases, 218 new high blood pressure cases and 191 new diabetic cases. Not to mention the positive impact from a quality of life point of view, significant cost savings are associated with identifying those early stage conditions.

Specifically, from the 257 new cases were detected in an early stage of cancer and 10 new cases that were diagnosed with a later stage of cancer:

- The average State of Nebraska medical cost was found to be 68x less for treating an early stage of colorectal cancer versus treating a late form of colorectal cancer.
- The average State of Nebraska medical cost was found to be 39x less for treating an early stage of cervical cancer versus treating a late form of cervical cancer.
- The average State of Nebraska medical cost was found to be 6x less for treating an early stage of breast cancer versus treating a late form of breast cancer.

By targeting modifiable health risks and maximizing early detection efforts, the results are a healthier population and a positive impact on healthcare costs. Prior to double digit annual cost increases, the State experienced an overall healthcare cost trend of 2.2% in 2009-10 among all State of Nebraska health plans after the initiation of the wellness program.

#### CON's

Although participation in our wellness program is higher than expected, there is still a large opportunity to increase participation. Anytime employers become actively engaged in employee health, there is a certain amount of distrust among the workforce. Segments of our employee population are apprehensive or unwilling to participate because they don't feel comfortable sharing personal health information with their employer. This reluctance can make growing the program a challenge.

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

Wellness program enrollment has increased 45% from 2010 to 2011. In 2010, 4,148 participants were enrolled in one or more wellness program compared to 7,501 in 2011. Specifically, the greatest growth in wellness programs includes a 51% increase in the walking program enrollment, in addition to a 34% increase in the coaching program.

As modifiable health risks are reduced, there becomes an opportunity to impact the healthcare cost trend. When comparing the healthcare and prescription utilization among each of the four State of Nebraska health plans, the Wellness PPO health plan utilization was significantly lower.

In January 2011, the State of Nebraska was awarded the Well Workplace Award presented by the Wellness Council of America for its wellness program. Nebraska is one of only two states to win the award.

**The Well Workplace Award has four levels: bronze, silver, gold, and platinum. The State of Nebraska was recognized at the gold level, which recognizes organizations that have developed comprehensive programs that are producing results. Benchmarks for measuring award applicants include: capturing senior level support, creating cohesive wellness teams, collecting data to drive health efforts, developing an operating plan, choosing appropriate interventions, creating a supportive environment, and consistently evaluating outcomes.**

24. What limitations or obstacles might other states expect to encounter if they attempt to adopt this program?

- 1. Lack of senior leadership support: Nebraska Governor Dave Heineman actively participates and promotes the program's success. In addition, Chief Medical Officer, Dr. Joanne Schaefer and other Agency Directors actively participate.**
- 2. Lack of trust with private health information: Although the degree of distrust has and will continue to decrease over time, many were concerned about the use of private health information. The State of Nebraska includes the privacy policy on all communication pieces to assure confidentiality.**
- 3. State statute with the use of incentives: Because the wellness program is truly integrated into the health plan, the incentive comes in the form of lower out of pocket premium costs. State statute does not allow for gift cards or cash incentives.**
- 4. Funding: Because the wellness program is truly integrated into the health plan, the wellness program is funded through the health plan premiums.**
- 5. Lack of data/metrics to measure the impact: HealthFitness, the wellness program third-party vendor, measures and provides aggregate reporting to measure the impact of each wellness program.**

CSG reserves the right to use or publish in other CSG products the information provided in this application. If your agency objects to this policy, please advise us in a separate attachment.



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## 2011 Innovations Awards Application Program Categories and Subcategories

Use these as guidelines to determine the appropriate Program Category for your state's submission and list that program category on page one of this application. Choose only one.

### *Infrastructure and Economic Development*

- Business/Commerce
- Economic Development
- Transportation

### *Government Operations and Technology*

- Administration
- Elections
- Information Systems
- Public Information
- Revenue
- Telecommunications

### *Health & Human Services*

- Aging
- Children & Families
- Health Services
- Housing
- Human Services

### *Human Resources/Education*

- Education
- Labor
- Management
- Personnel
- Training and Development
- Workforce Development

### *Natural Resources*

- Agriculture
- Energy
- Environment
- Environmental Protection
- Natural Resources
- Parks & Recreation
- Water Resources

### *Public Safety/Corrections*

- Corrections
- Courts
- Criminal Justice
- Drugs
- Emergency Management
- Public Safety

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