

Fresno Unified Board of Education 2017 Update

January 25, 2017

Joint Health Management Board
Fresno Unified School District



Update Topics

- Controlling Health Benefit Costs
- Joint Health Management Board
- Building Processes to Maximize Outcomes
- Strategy and Goals 2016/2017





Controlling Health Benefit Costs

- Crisis and Call to Action – 2004/05
 - District was at risk of state takeover due to Negative Certification status
 - Caused by unsustainable health and welfare benefit structure
- Through 2005/06 collective bargaining process, created the Joint Health Management Board (JHMB) to:
 - Administer all aspects of the District’s health benefit plan for active and retired employees
 - To limit employer contribution to “soft cap” based on state revenues provided to the District



Joint Health Management Board

- Joint Health Management Board Directors represent all Employee Labor Units and Management
- Labor and Management have joint seats at the table
- Proactive approach promotes health and wellness





Joint Health Management Board



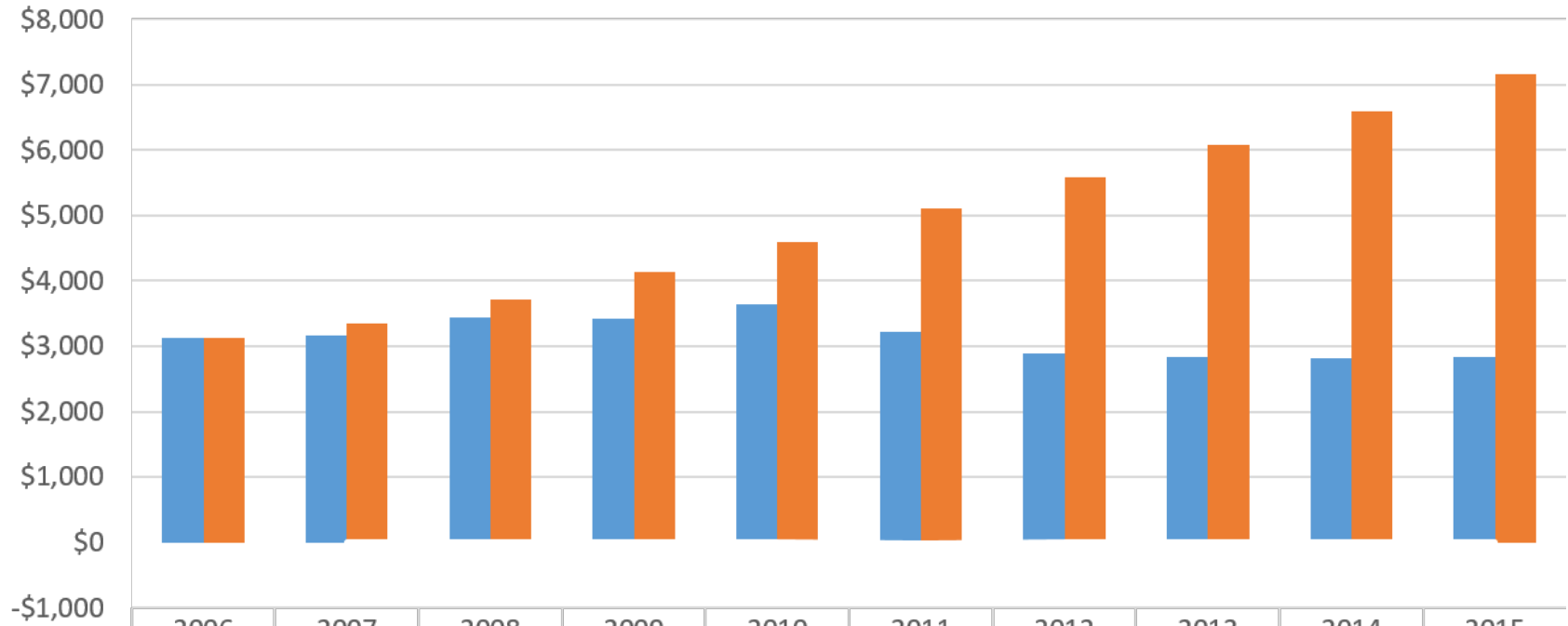
Fresno Unified School District

Name	Organization	Name	Organization
Susan Bedi	ACSA	Richard Bischel	IAMAW
Drone Jones	Building Trades	Jeremy Celaya	IAMAW
Steven Nazaroff	Building Trades	Tom Rotella	IAMAW
Don Redfern	Building Trades	Dan Boyd	Management
Jack Cromwell	CSEA 125	Caine Christensen	Management
Elizabeth Guzman	CSEA 125	Andrew De La Torre	Management
Michael Haynes	CSEA 125	Kim Kelstrom	Management
Stephanie Vasquez	CSEA 125	Richard Marquez	Management
Susan Arguello	CSEA 143	Ruth Quinto	Management
Linda Burrell	CSEA 143	Paul Rosencrans	Management
Denesa Moore	CSEA 143	Tom Abshere	SEIU 521
Sue Swanbeck	CSEA 143	Darwin Duncan	SEIU 521
Michael Friend	FTA	Roy Mansanalez	SEIU 521
Scott Hatfield	FTA	Chris Norman	SEIU 521
Viola Schubert	FTA		
Bill Swanson	FTA		



Controlling Health Benefit Costs Comparison of Per Member Cost to State Trend

Medical Claims Cost



	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Actual Combined District and Member Cost per Member	\$3,135	\$3,164	\$3,435	\$3,428	\$3,641	\$3,211	\$2,882	\$2,825	\$2,813	\$2,838
Projected Cost with State Trend per Member	\$3,135	\$3,356	\$3,705	\$4,131	\$4,586	\$5,109	\$5,584	\$6,069	\$6,597	\$7,165
Combined District and Member Trend		1%	9%	0%	6%	-12%	-10%	-2%	0%	1%
State Trend ^A		12%	10%	12%	11%	11%	9%	9%	9%	9%

^A State Trend figures are provided by Anthem Blue Cross for PPO trend in California



Controlling Health Benefit Costs Growth in Enrollment

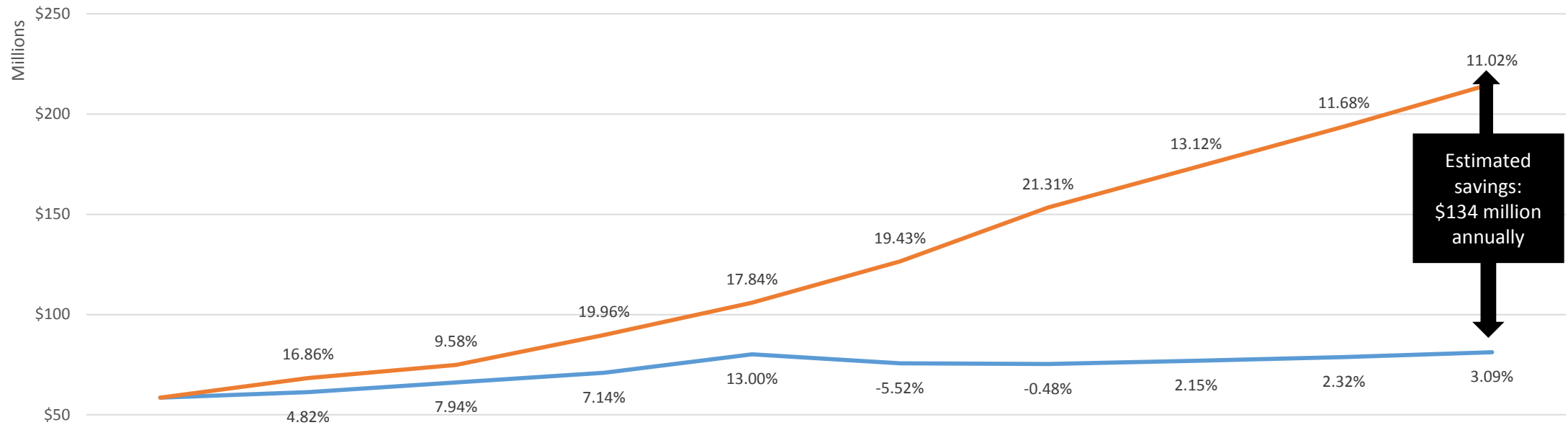
Year	Average Enrolled Members	% change
2006	18,660	
2007	19,379	4%
2008	19,270	(1%)
2009	20,689	7%
2010	22,010	6%
2011	23,580	7%
2012	26,148	11%
2013	27,240	4%
2014	27,996	3%
2015	28,603	2%

- The Patient Protection and Affordable Care Act (PPACA) required that the District offer coverage to dependent children under 26 years old starting in 2011.
- A special open enrollment was held by the District in May 2011 for these new dependents to enroll in the plan effective in July 2011.
- **The full impact of the PPACA was observed in calendar year 2012**



Controlling Health Benefit Costs

Combined Member and Plan Costs Compared to State Trend Adjusted for Enrollment Growth



	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Actual Cost	\$58,504,213	\$61,324,725	\$66,194,130	\$70,919,346	\$80,136,054	\$75,711,084	\$75,346,827	\$76,963,432	\$78,752,081	\$81,187,564
State Trend	\$58,504,213	\$68,370,285	\$74,922,084	\$89,874,464	\$105,910,115	\$126,483,567	\$153,436,464	\$173,571,156	\$193,846,612	\$215,205,837

Actual Cost State Trend

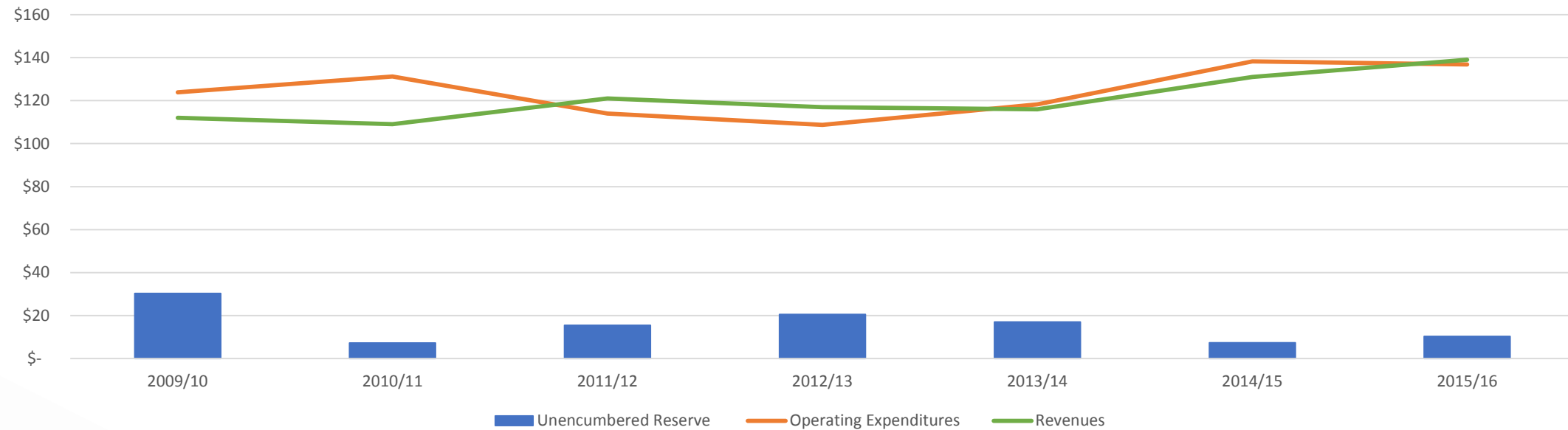
Source for state trend is Anthem PPO



Controlling Health Benefit Costs

Health Fund Reserve Balance

Health Fund Revenues, Operating Expenditures and Unencumbered Reserves (in Millions)



Note: In FY 2013/14, the Board of Education established an irrevocable trust for maintaining OPEB reserves





Building Processes to Maximize Outcomes WellPATH Employee Wellness Program Est. 2012

Mission: WellPATH seeks to foster a healthy work environment and engage employees in their health and well-being through education, resources and support.

Vision: To lead FUSD employees to optimal health through education, wellness activities and resources that support healthy lifestyle choices.

- Since its inception WellPATH has engaged:
 - Over 4,500 or 24% of eligible members
 - In one or more wellness activity
- The program has been effective:
 - Keeping costs down
 - Prevention of chronic disease
 - Members with one chronic condition who participated in at least one WellPATH activity every year from 2012 to 2015 experienced an 11% reduction in medical claims cost





Building Processes to Maximize Outcomes Enhanced Primary Care

Enhanced Primary Care expanded to cover a total of 7,086 District employees and dependents

↑ 2,342 members in 2015; 2,240 members in 2016

↑ Screenings for diabetes, cholesterol, blood pressure, and cancer

For members enrolled over a 5-year period:

↑ Medical claims cost increased only 9%

For members eligible but **not** enrolled:

↑ Medical claims cost increased 26%





Building Processes to Maximize Outcomes

WellPATH Employee Wellness Program

- A Wellness Champion is an on-site ambassador committed to creating a workplace culture of health and wellness by promoting WellPATH programs and events, coordinating wellness initiatives at their worksite, and creating excitement around leading a healthy lifestyle

Sites/Departments with Wellness Champions			
Ahwahnee Middle	Facilities Management	Lowell Elementary	Special Education Office
Anthony Elementary	Fresno Adult School	Mayfair Elementary	Sunnyside High
Bullard High	Hamilton K-8	McCardle Elementary	Tehipite Middle
Bullard Talent K-8	Health Services	Norseman Elementary	Tenaya Midde
Del Mar Elementary	Holland Elementary	Prevention and Intervention	Viking Elementary
Duncan Polytech High	Instructional Services	Roeding Elementary	Vinland Elementary
Eaton Elementary	Jefferson Elementary	Roosevelt High	Wawona Elementary
Equity and Access	JE Young Academic High	Scandinavian Middle	Wilson Elementary



Strategy and Goals for 2016/2017

- Reduce the rate of increase in pharmacy spending from >25% to 10% or less
- Maintain annualized medical trend at 1-3%
- Promote telemedicine utilization and evaluate feasibility of on-site clinics

