



Wellness Health Incentive Payment Program

Maricopa County, AZ

(submitted by Michael Schaiberger)

Sustainable healthcare should always involve an accountable partnership between the payor and the third party insurance administrator. The Wellness Health Incentive Payment (WHIP) Program facilitates better health/wellness outcomes by holding health insurance vendors fiscally responsible for health and wellness activity. The WHIP rewards or penalizes health insurance administrative vendors according to the vendor's wellness activity performance against nationally recognized health and wellness standards.

Maricopa County, Arizona, is the fourth largest county in the United States. The county provides healthcare to approximately 30,000 people through the county's self-insured \$144 million Employee Health Benefits Trust Fund (EHBTF). For the EHBTF, the primary mode of healthcare vendor payment is for the payor to reimburse the third-party health insurance vendor for medical claims and administrative services. The WHIP places secondary emphasis on reimbursement for annual health and wellness performance or progress towards specific disease prevention milestones (e.g., as relates to mammography screenings, "well adult" screenings, "well child" screenings, colorectal cancer screenings, "well child" immunizations, among others).

The Maricopa County Employee Health Care Benefit Request for Proposal (RFP) and the health insurance administrator vendor contract with CIGNA Health Care, Inc., specifies that the healthcare vendor must actively "partner" with Maricopa County and propose fee-specific health wellness and other performance incentives and guarantees. Prior

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to contract renewal and each year thereafter, these incentives and guarantees are negotiated with the contract overseer, Maricopa County's Employee Health Benefit Department, until the contract is otherwise concluded.

The minimum health and wellness performance standards are based on the national Health Employer Data Information Standards (HEDIS) for specific health and wellness disease prevention activity or a higher metric standard.

Immediately following the implementation of the WHIP contract and measurement of the first year's results, the payor shifts its focus to negotiating "stretch goals" with CIGNA for the next contractual evaluation period. Each contract period, the county prioritizes and determines how much of their budget is to be invested and allocated to the payment of incentives in the event that CIGNA exceeds performance standards. The county and CIGNA have been patient and have committed to a vision of continuous increases in screenings and disease prevention activities, improvements in health outcomes, and short- and long-term medical cost avoidance.

The WHIP Program has been one driver behind the county's effort to develop a culture of health awareness and high employee health benefit satisfaction. The county's costs have increased at a significantly lower rate than the national average.

Adoption of the WHIP would allow Massachusetts state and local governments, and private and public payors who fund and provide healthcare to significantly improve health outcomes and contain the cost of care. Critical to attaining these goals is financially encouraging healthcare administrative vendors and their agents to periodically and systematically evaluate individuals for indicators of early stage disease and take timely measures to prevent disease.

Payors and health insurance vendors should

carefully evaluate the economic values of their discrete performance guarantees and incentives. Important factors to consider include past vendor performance, the demographic needs and health risks of the payor's respective population, and health and wellness improvement goals. Such an approach is superior to a "straight line" performance guarantee/incentive strategy, where performance guarantees and incentives are "weighted" equally.

The WHIP Program alone will not guarantee that all populations served by the payor and the healthcare vendor will live in good health. WHIP is one instrument in a comprehensive Health Care Reform "tool box" that creates an accountable, financially focused payor/insurance vendor partnership that improves health outcomes, prevents disease, and reduces medical costs.

Success depends on the payors' willingness to identify, procure and monitor progressive-minded insurance vendors, rather than select vendors that abhor putting their reimbursement fees for health screenings and administrative activities "at risk". A note of caution: Adopting a program similar to WHIP requires that payors and vendors take the long-term view. Both parties must be patient and mutually commit to a path of continuous improvement in health/wellness and administrative performance.



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