(Tim McDonald, Aon Hewitt)
(Information/Discussion)
Employer Sponsored Health Centers:
Overview of On-site and Near-site Clinics

PEBP – September 22, 2016
On-site and Near-site Clinics

- Macro-Trends in On-Site and Near-Site Health Centers
  - Employer Sponsored Onsite clinic interest has grown steadily over last three years
  - “Perfect” On-Site Health Center Candidate is Evolving
  - Primary Characteristics
    - 2,000+ employee lives in a location (1,000 minimum)
    - Older workforce with significant health issues
    - Gross medical/Rx cost over $8,000/employee/year
    - Current, well-managed Benefits environment
    - Streamlined health vendor configuration
    - High medical cost geography
  - Additional Considerations
    - Any employer looking to expand their health management services and offer an enhanced benefit to employees
Employer On-Site Health Center Candidates

- **Current Utilization**
  - High emergency room (ER) utilization for non-emergent medical conditions
  - Low utilization of preventive care services
  - High absence and lost time for “unscheduled” medical-related issues
  - Low generic substitution rate and medication adherence

- **Community Care**
  - High cost of care in the community
  - Workers spending time traveling to and from community care providers
  - Timely access to primary care

- **Business Core Values and Objectives**
  - Long-term investment focus
  - Commitment to member health improvement (not motivated solely by savings)
  - Not afraid to innovate and willing to take control

**Staffing and scope of services driven by population size, demographics, clinical conditions, and risks**
Continuum of On-Site Health Centers

Occupational Health

Acute Episodic Care

Patient Centered Medical Home

Wellness—HRA, screening, lifestyle coaching

Primary Care

Non-Occupational Care and Emergency First Aid

More organizations are exploring on-site and near-site strategies due to potential savings opportunities

Savings Opportunity

More organizations are exploring on-site and near-site strategies due to potential savings opportunities
Key Success Factors

Strong Leadership Support
- Program must match executive expectations, perceptions, and experiences
- Buy-in of key business leaders (especially line managers)
- Involvement from start-up and throughout life of on-site health center

Member Communication
- Gain member trust and share impact on individual and organization
- Address member needs and privacy / confidentiality assurances
- Consistent and frequent

Strategic Planning
- Highly visible, accessible, and appealing location and layout
- Health care strategy and plan designs to encourage use of health center
- Positioning and relevant scope of services (supplement vs. substitute)

Data-Driven Delivery
- Electronic medical records, patient portal, and practice management system
- Regularly measure health center effectiveness against pre-defined outcome measures
- Analytics to drive continued funding and shape future development

Superior Trusted Staff
- Highly credentialed and experienced
- Fits with company culture and philosophy
- Holistic, patient-centered with energy and enthusiasm

Program Integration
- Align health center objectives w/ business goals and health-related programs
- Close working relationship with partners, informally and IT connectedness
- Position health center’s role in context of community providers
Potential Value to Employers

- **Medical Plan Savings**
  - Utilization Savings
    - Emergency room and urgent care
    - Specialist visits, procedures, and tests
    - Hospital admissions and length of stay
  - Prescription Drugs
    - Generic substitution
    - Adherence to prescribed medications

- **Productivity—Less Lost Work Time**
  - Patient travel and wait times
  - Modified duty roles and earlier return-to-work

- **Health Status Improvement**
  - Greater demand for workplace wellness programs
  - Potential for early diagnosis
  - Medication compliance

- **Quality of Care**
  - Care driven by evidence-based guidelines
  - Earlier intervention and fewer complications
  - Channeling to preferred providers
  - Mitigate impact of primary care provider shortage

- **On-site health centers have the potential to capture savings by implementing accessible, data-driven, integrated health services to optimize employee health and productivity**
Value to Members

**Convenience and Accessibility**
- Shorter wait times to be treated with longer health center-patient encounters
- Care coordination
- Outreach, education, and referrals

**Optimal Use of Technology**
- Evidence-based algorithms accessible to provider
- EMR, Practice Management, Patient Portal
- Virtual waiting room, online/mobile scheduling

**Patient-Centric Staff**
- Team-based holistic care—focus is on patient and relationship building
- Hand selected highly credentialed staff driven by predefined measures
- Screen for other potential problems unrelated to immediate visit
Aon Hewitt subject matter experts can lead a strategy and tactical roadmap development process to produce a game plan that’s ready for execution and optimal cost and clinical outcomes.
Key Health Center Design Considerations

Population Access
- Employees
- Spouses
- Dependents
- Children 5-18
- Children <5
- Local retirees
- Contractors
- Union members
- Employees from other locations
- Employees of nearby employers

Scope of Services
- Preventive Care
- Acute Episodic
- Primary care
- Patient-Centered Medical Home
- Pharmacy
- Dental
- Health Coaching
- Physical Therapy
- Occupational health
- Safety
- Wellness Programs
- Laboratory
- Health Advocate
- Case Management
- Telemedicine
- Ancillary

Staffing
- Medical Director
- Primary Care Physician
- Nurse practitioner
- Operations Manager
- Medical Assistant
- RN/LPN
- Specialists
- Dieticians
- Pharmacist
- Case Manager
- Health Coach
- Receptionist

Hours of Operation
- Flexible
- Monday-Friday
- Shift hours
- Evening
- Weekend
- 24/7 Coverage

Facility
- Square footage estimates
- Location
- Layout
- Parking
- Public Access

Plan Design
- Self-funded vs. fully insured plans
- No copayments for PPO
- Meet regulatory copayment amount for HDHP with HSA
Feasibility Study

- Reasons to conduct a feasibility study:
  - Unbiased Aon Hewitt third-party analysis to support Go/No-Go decision
  - Educate all stakeholders to onsite health center services, benefits, and risks
  - Estimate start-up and annual operating costs for 5 years along with net present value of savings
  - Provide common understanding among all decision-makers in the advantages and disadvantages of a new onsite health center

Data Collection
- Location
- Demographics
- Cost of services in community
- Utilization of services in community
- Existing health center utilization

Assumptions
- Construction vs. renovation of space
- Eligibility
- Scope of services
- Staffing
- Utilization/penetration rate
- Hours of operation

Analysis
- Direct and indirect savings
- Staffing and spacing requirements
- Implementation and ongoing costs
- Net present value of five-year experience; benefit-to-cost ratio
Fees

Our fees are determined by the staff time utilized in performing engagements for our clients. Based on our experience with engagements similar to that outlined above, we estimate our fees to conduct the following projects for PEBP to be as follows:

The fees outlined below are based on a not-to-exceed cost proposal for assisting the PEBP with developing a new health care strategy.

<table>
<thead>
<tr>
<th>Project</th>
<th>Fees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Phase I – Feasibility Study (first location)</td>
<td>$35,000</td>
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<tr>
<td>Phase I Feasibility Study (second location)</td>
<td>$25,000</td>
</tr>
<tr>
<td>Phase I Additional locations for feasibility study</td>
<td>$10,000</td>
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</tbody>
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The Team

We are committing our most appropriate resources and have established the highest standards for performance for the quality, accuracy, and timeliness of all deliverables. The following individuals will be assigned to the PEBP project, will serve as resources during this project, and coordinate with all other team members.

<table>
<thead>
<tr>
<th>Role</th>
<th>Team Member</th>
<th>Description of Duties</th>
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<tbody>
<tr>
<td>Lead Consultant</td>
<td>Tim McDonald</td>
<td>Tim will serve as lead consultant, subject matter expert and project team leader working closely with Aon Hewitt assigned team of health actuaries and analysts. Will use other Aon Hewitt resources as needed.</td>
</tr>
<tr>
<td>Project Manager and Analyst</td>
<td>Sarah Chien</td>
<td>Sarah will provide analysis and project management support.</td>
</tr>
<tr>
<td>Account Executive</td>
<td>Kirby Bosley</td>
<td>Kirby will continue to serve as the relationship manager with the Public Employees’ Benefits Program</td>
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Questions?