**2017 ICMA Program Award Narrative-Town of Chapel Hill, North Carolina’s Wellness@Work Initiative**

**Problem Assessment**

The Town of Chapel Hill, home of the University of North Carolina, is known for quality service delivery to its 59,568 residents and to its 1,000+ fulltime and part-time employees. The Town has historically provided excellent benefits to its employees, highlighted by the health insurance coverage (fully insured) provided to all benefited employees. The health insurance plan features no deductible and no coinsurance for in-network covered services. The only out of pocket co-pays are for prescription drugs, physician office visits, urgent care and emergency room visits (waived if admitted to hospital). However, the cost of the health insurance coverage began to increase significantly in FY 2006-07 (9.7%) and peaked in FY 2009-10 at more than 17%. From FY 2008-09 to FY 2011-12 the average annual premium increase exceeded 10%. By FY 2009-10 health insurance premiums represented 10.2% of the General Fund expenditures. Chronic disease accounted for approximately 75% of the claims cost. While the health insurance plan is highly valued by Town employees, the Town Manager realized there had to be a strategy to control cost because continued double digit premium increases were not sustainable. He understood the basic choices would likely come down to making changes in the benefits and/or implementing a long term strategy of helping employees become healthier. Acknowledging that our own employees are in the best position to examine the issue and make recommendations for improvement, the Town Manager appointed a Health Care Task Force in October, 2009. Membership included representatives from all departments. The charter for the task force included the following:

* Increase employee awareness and understanding of the issues around health care costs and health insurance.
* Solicit and communicate employee interests and concerns around health care costs and health insurance.
* Develop strategies and recommendations for a sustainable, affordable health care plan for employees focused on identified and prioritized needs, understanding how the world has changed around this issue.

The task force met for several months, concluding with a presentation to Town Council. The work of the task force led to several benefit changes (increase in office visit copays and emergency room copays) over the next two (2) fiscal years, but the biggest result from the work of the task force was to give the Town Manager the feedback he needed to move forward with what came to be known as the Wellness@Work Initiative. In his words, the initiative provides the opportunity to “heal our way into savings.”

**Program Implementation and Costs**

The Town Manager initially invited representatives from the Town of Carrboro, Town of Hillsborough, Orange County and the Orange Water and Sewer Authority (OWASA) to meet with representatives of the Town of Chapel Hill and UNC Health Care/UNC Family Medicine to discuss the possibility of creating a wellness partnership to include an onsite clinic. After several meetings, it became clear the other jurisdictions were not ready to move forward, so the Town of Chapel Hill began direct conversations in FY10-11 with UNC Health Care and its UNC Family Medicine division. Hill, Chesson & Woody, the Town’s insurance consultants, were also involved in the discussions. At appropriate points along the way, Blue Cross Blue Shield of North Carolina (BCBSNC), the Town’s health insurance provider was also party to the conversations. These conversations created the framework for a unique partnership between the Town, UNC Health Care/Family Medicine and Hill, Chesson & Woody. The president of UNC Health Care, as well as the medical director and other high level staff from UNC Family Medicine were at the discussion table. While not at the same partnership level, the relationship with BCBSNC became more collaborative than it had been in the past. In fact, during the first 2 years of the initiative BCBSNC provided grants to the clinic for the purchase of nicotine replacement products. After months of work, the Town of Chapel Hill and UNC Family Medicine signed a contract effective July 1, 2011 to provide an onsite wellness clinic. The contract amount was $290,334 and included these services: staffing of the clinic by Nurse Practitioner, Registered Nurse, Smoking Cessation Counselor and oversight by the UNC Family Medicine Medical Director; labs associated with the Health Risk Assessment and gift cards associated with employees meeting healthy living goals; participation in all Wellness@Work activities; coordination of an onsite Weight Watchers program; and employee visits by employees during walk-in hours or by appointment. The staff also maintains the Wellness@Work website (chapelhillwellnessatwork.org) that includes a confidential employee portal and key information about the program. The contract for FY 15-16 was $318,362 and includes the services of a registered dietitian.

The criteria for participation in Wellness@Work is to be an employee enrolled in the Town’s health insurance program. The Town is looking to expand to include pre-65 retirees and ultimately to spouses and dependents covered by Town’s health insurance. Employees can go to the clinic on work time without using leave and without any copay.

Confidentiality and protection of personal health information is the foundational piece of the program. There is a strong firewall between Town and UNC Family Medicine to prevent individual information from being shared with the Town. Information is shared only in the aggregate. At the heart of the initiative is the employee-centered Wellness@Work Committee.

Employee membership includes both volunteers and invited members representing the diversity of the organization. Members are expected to serve at least one year. Members are also expected to serve on a subcommittee that meets between the monthly W@W meetings and provides support to the full committee. Membership also includes the Clinic’s Medical Director, Nurse Practitioner, Tobacco Specialist, UNC Family Medicine Director of Community Health Initiatives, and the Town’s insurance consultant’s Area Vice-President and Health Management Advisor.

Wellness@Work Committee Charter:

* Represents employees from all organizational levels.
* Helps to create an action plan for the wellness program that includes short-term and long-term goals.
* Recommends policies that promote a healthy worksite and workforce.
* Encourages co-worker participation in wellness activities.
* Helps to implement wellness activities.
* Serves as champion for wellness activities at the worksite.
* Helps to evaluate the wellness program’s impact on employee health and health care costs.

Clinic services include treatment of minor illnesses, management of chronic health problems including smoking cessation counselor and free nicotine replacement products, wellness visits, nutrition counseling and flu shots. The Town made a conscious decision for the clinic not to provide employee physicals, workers compensation exams or drug testing to avoid any appearance that the Town’s interests are considered over the employees’ interests.

Current wellness programs include walking groups, Community Supported Agriculture (CSA) whereby fresh produce is delivered to the clinic for participating employees to pick up, mindfulness classes at greatly reduced rates, Tar Heel 10 Miler Town race team with team leaders setting up training regimen and employee registration discount, monthly Lunch and Learns on various topics with Town-provided healthy lunch, Weight Watchers@Work where Town pays 50% of employee cost, free Town pool and gym access for employees who complete their annual Health Risk Assessment, membership to local O2 fitness facilities at greatly reduced rates (payroll deduction of $5.00 per month for HRA participants and $10.00 per month for non-HRA participants and spouses/domestic partners/dependents), peer support through Living Healthy classes for employees with chronic conditions. Programs are routinely reviewed by the Committee. Each year the Committee surveys all employees regarding the wellness program and bases its annual work program on survey results. Also, for the past two (2) years, the Committee has held an annual retreat facilitated by UNC Family Medicine staff to establish a strategic plan.

**Tangible Results or Measurable Outcomes of the Program**

One of the primary tools used by the clinic staff is the annual administration of a UNC Family Medicine developed Health Risk Assessment (HRA). This is a three-part process: employee completes the HRA, has blood drawn and blood pressure taken by clinic staff, meets with Nurse Practitioner to discuss results and sets goals. The focus is on cholesterol, glucose level, blood pressure and weight. HRA participation is voluntary. The first year of the program, HRA participation was at 63%, 52% in FY12-13 and 38% in FY 13-14. In FY 14-15 the Committee recommended to the Town Manager that if an 85% HRA participation rate was not reached, then the Town should institute a $10.00 per pay period employee cost-sharing towards health insurance premiums. Cost-sharing would be waived for HRA participants, so there is no cost to the employee for individual coverage. HRA participation reached 80%, so the Town Manager implemented the Committee’s recommended cost-sharing proposal. HRA participation for FY 15-16 reached 93%! UNC Family Medicine staff tracks a number of metrics each month including clinic visits, tobacco cessation visits, chronic conditions, employees’ healthy living goals, etc. One example of the importance of this monitoring is the discovery in the first year of the program that 6% of participating employees had prediabetes, which allowed clinic staff to work with individual employees to avoid developing full blown diabetes. Average clinic use is 2 visits per employee per year over the first 5 years of the clinic operation, so the clinic is being used! One extremely successful outcome has been with the tobacco cessation program. From the inception of the program in 2011 through FY-15-16, the 12 month quit rate for participating employees is 25%, which is considered very good. A real life example of a measurable outcome is Lana’s experience with trying to quit smoking. Lana, a Transit employee, smoked a pack of cigarettes a day for 50 years. She had never tried to quit, but when she heard that the Wellness@Work initiative offered free medication, counseling and $100 incentive for quitting, she said to herself “might as well try.” Lana has been tobacco free for over 2 ½ years. The benefits she now enjoys are a clearer speaking voice, a clean smelling house and car, not having to think about smoking, and using the money she is now saving to buy fruits and vegetables to eat healthier. She is grateful to the tobacco treatment specialist for giving her tips along the way. She enjoyed the easy conversations, making her meetings with the tobacco treatment specialist the fun part of her journey.

The impact on health insurance premiums has generally been positive. The Town received a premium reduction of 1% off BCBS’s proposed 11% rate increase in FY 11-12 based on a telephone call by UNC Family Medicine to the BCBS President touting the future benefits of this unique wellness partnership with the Town. Premium rate changes in subsequent fiscal years are as follows: FY 12-13 -3.0%; FY 13-14 0.8%; FY 14-15 6.9%; FY 15-16 -8.5%. The previous 4 fiscal years had averaged double-digit premium increases. In FY 15-16, health insurance premiums represented 8.6% of the General Fund budget compared to 10.2% in FY 09-10.

In addition to positive impacts on insurance premiums and employee health, our employees are generally very satisfied with the program. The annual wellness survey routinely shows greater than 80% of our employees agree or strongly agree that the Town provides a strong wellness program. Over 80% of our employees also agree or strongly agree the Town is committed to health and wellness and that the Town cares about employees’ health and wellness. A 2013 Town of Chapel Employee Perspectives Survey administered by the UNC School of Government showed that 68% of employees thought the health insurance/retirement benefit was the most important factor of their job (compensation was second at 59%). 83% of employees were either satisfied or very satisfied with the health insurance/retirement benefit.

**Lessons Learned**

The opinions of employees matter. It is important to involve employees at all levels-don’t let job titles/departmental silos get in the way of involving employees who can add value and perspective to the process. We found some real leaders in this venture. Have an employee-driven wellness committee. Give them broad guidelines, listen to their recommendations and let them do their work. They will do a great job. It is important to take the long view and begin with the end in mind. The easy short-term solution would have been to slash benefits, but that doesn’t address the importance of having a healthy work force and creating a culture of wellness. Pick good partners. Be bold! Joining forces with an institution like UNC Health Care may seem like a formidable task, but their top leadership was committed to making this partnership work. Maintaining a true partnership with the health insurance carrier is difficult and the relationship has slipped back in to a more “us versus them” over the past couple of years. Strengthening that partnership requires work from all parties. We know there is more work to do with metrics, particularly in determining the program’s impact on issues such as absenteeism. We also know more targeted work is needed in assisting employees with chronic conditions. UNC Family Medicine staff is beginning more direct outreach to those employees in a manner that reflects the Town’s commitment to employee confidentiality.

**How the Program Raises Awareness of Contributions of Local Government Managers**

This program shows that managers follow and analyze financial trends and take actions to maintain sustainability of employee health care. It reflects an awareness of the value of employees and a commitment to provide excellent benefits, a healthy work place and a culture of wellness. It has provided an opportunity to walk the talk of a shared vision by routinely involving employees in policy development and implementation. The initial Health Care Task Force is one of many the Town Manager has used over the years to involve employees in working on important issues. Many of the participants don’t occupy formal leadership positions within the organization. However, the organization fosters an atmosphere that allows employees the opportunity to lead from wherever they are.