



*The Florida Association of Homes and Services for the Aging
Innovation Exchange*

Submission Form

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Date of Submission:	4/28/09
Title of Innovation:	Cost Savings Through Effective Management of Health Care Benefits and Workers' Compensation Risks
Topic for Submission: (Please choose a topic from the list included in the attached submission guidelines which best describes the innovation you are submitting.)	Workforce Issues (such as employee benefits programs)
Audience: (Choose one or more, as appropriate.)	<input checked="" type="checkbox"/> Affordable Housing (HUD, tax credit, etc.) <input checked="" type="checkbox"/> Assisted Living Facilities <input type="checkbox"/> Home & Community-Based Services <input checked="" type="checkbox"/> Nursing Homes <input checked="" type="checkbox"/> Retirement Communities (CCRC or Fee-for-Service) <input type="checkbox"/> All of the Above

1. **Description of Innovation:** Please succinctly describe the innovative program or service, creative idea or best practice and the resulting benefits to your organization or the consumers you serve. Limit the narrative to three pages, excluding attachments such as forms.

Westminster Services Inc. owns and operates nine continuing care retirement communities and eight affordable housing communities. We employ 2,300 individuals statewide. For more than two decades, Westminster's business structure has included a cost saving component that is part of its on-going operational activities. Management is constantly implementing program efficiencies rather than forcing budget cuts during economically difficult times. Stewardship of its resources is a part of Westminster's mission statement. "This Process... ensures that the entire workforce embraces and accepts cost control, sees it as an opportunity, and supports it for the sake of better and more secure jobs." (Peter F. Drucker)

The operational tools used by Westminster to track expenditures include: bi-weekly labor hour reports, spend down sheets, a general ledger and monthly financial statements. The annual budget is prepared from the ground up. Those preparing it ask what the job is and what it takes to get it done. Because our organization is large, we have the advantage of being able to do line item comparisons and identify strengths and weaknesses among and between the communities we operate.

One of our most effective cost-saving initiatives is our Great Employees Means Success (GEMS) program where employees who participate in health insurance are incentivized to maintain healthy lifestyles. Employees are given monetary credit towards their annual healthcare premium for the following year, if they participate in wellness initiatives. The Rhinestone level is the base level with no requirements and no credit. At the Sapphire level, individuals participate in one approved program and receive a \$130 health insurance premium credit. The Ruby level requires individuals to participate in two approved programs and in return receive a \$260 premium credit. At the Diamond level, individuals must participate in three programs and are required to have proof of a physical examination. These participants receive a \$390 credit towards their health insurance premiums. The participants are educated on weight loss, exercise, and healthy eating. Participants undergo a Health Risk Assessment in order to determine how they can become healthier. Attachment # 1 below is an employee flier explaining GEMS.

Over a two year period, 700-800 individuals have used the program. The outcome has been both physically and emotionally positive for participants, some claiming life changing experiences. Everyone wins in this program. It has resulted in substantial reductions in health care premiums because of the improved health of employees. Employees look and feel better.

Also, Westminster has implemented a prescription reimbursement program. If employees use the \$4 prescription plans at Wal-Mart, K-Mart, or Target, Westminster will pay the employee \$5 so the individual makes a dollar, incentivizing them to use the program. The money saved on premiums overwhelmingly covers the dollar incentive per prescription. Attachment # 2 below is a copy of Westminster's policy for its prescription drug program.

In addition, Westminster has a very successful risk management initiative which has allowed us to have a Worker's Compensation premium that is one-tenth the industry average. We have a number of programs which are geared to improve employee safety and reduce the likelihood of injury including:

- A Lift-free Program, where employees are taught how to properly lift heavy objects.
- Shoes for Crews® slip-resistant footwear is required for all employees who run a high risk of slipping while on the job.
- A Safety Walkabout program.
- A Drug Free Workplace Program of random drug testing of employees.
- Safety Award Program.

Once again, these are programs where everyone wins- employer, employees, and residents.

The risk management program alone saves us \$2.5- \$3 million dollars a year.

Cost reduction policies are also in place when an injury is claimed. Westminster has initiatives in place to ensure the validity of the claims through aggressive pursuits of fraud and claims monitoring. Westminster also has onsite therapy in order to reduce the healthcare costs of its injured employees.

Westminster is unique in that it has 17 facilities statewide which allows its communities to share valuable financial data and ideas. Some of the cost saving ideas that have proven successful for Westminster can be modified for use by smaller organizations. Smaller organizations may be able to modify and adapt some of the

ideas in this innovation when evaluating and improving internal efficiencies.

2. **Budget:** Provide information about the annual budget or total cost of your innovation (if a one-time expense) and the number of staff or volunteers used to implement it. If your innovation did not require a budget or staff, please indicate.

The estimated annual cost of the GEMS program is \$170,000.

The estimated annual cost of pharmacy reimbursement is \$1,000.

Minimal Costs are associated with the other programs.

Attachment # 1 Below:



GEMS (Great Employees Mean Success)



Rhinestone (level 1)

- Requires no extra effort on your part.
- No programs to attend.

What you get:

- The same great insurance that you have had at the current rate plus the market increase.



Sapphire (level 2)

- Complete the annual Health Risk Assessment
- Complete 1 Wellness Program

What you get:

- Health insurance with a Wellness Reward of \$130 per year. (\$5/pay period)



Ruby (Level 3)

- Complete the annual Health Risk Assessment.
- Complete 2 Wellness Programs

What you get

- Health insurance with a Wellness Reward of \$260 per year. (\$10/pay period)



Diamond (Level 4)

- Complete the Annual Health Risk Assessment
- Complete 3 Wellness Programs
- Provide proof of an annual physical

What you get:

- Health insurance with a Wellness Reward of \$390 per year. (\$15/pay period)
- **You will be paying the lowest possible premium!**

If it is unreasonably difficult due to a medical condition for you to achieve the standards for the reward under this program, or if it is medically inadvisable for you to attempt to achieve the standards for the reward under this program, call Mary Klein, Vice President of Human resources at 407-839-5050, and we will work with you to develop another way to qualify for the reward.

Attachment # 2

WESTMINSTER REIMBURSEMENTS

AETNA

4/01/09

The following is a list of the reimbursements offered by Westminster:

1. Deductible Reimbursement:

Individual or Family: After employee pays deductible expenses in excess of \$1,000, Westminster will reimburse them UP to \$500.

2. Out-of-Pocket Reimbursement:

Individual: After employee pays out-of-pocket expenses in excess of \$2,000, Westminster will reimburse them UP to \$2,000 (includes the \$500 deductible reimbursement).

Family: After employee pays out-of-pocket expenses in excess of \$4,000, Westminster will reimburse them UP to \$4,000 (includes the \$500 deductible reimbursement).

3. Colonoscopy Reimbursement: Westminster will reimburse employees the 20% co-insurance for routine or preventive colonoscopies for employees or covered spouse 50 years of age and older.

4. Prescription Reimbursement: Employees that elect to take any of the generic drugs offered at Target, Wal-Mart, Kmart, etc., Westminster will reimburse them \$5 for a 30-day supply and \$11 for a 90-day supply (amounts may vary based on the store and based on dosage).

Note: All reimbursements apply to any covered spouse and/or dependent children.

FREQUENTLY ASKED QUESTIONS:

How does the employee apply for reimbursement? Employees must submit an explanation of benefits or EOB to their HR department. The HR Director will fax the EOB to Management Services for processing and it may take up to 15 business days from date of receipt for payment to be processed. If the employee does not have an EOB, they must contact Aetna's member services number at 1-877-402-8742 to request one or they can register at www.aetna.com and print one. Please ensure the employee submits an EOB, Management Services cannot accept Hospital Bills because it doesn't give them the necessary information to make a determination on whether or not the employee qualifies for reimbursement.

How is payment processed? If the employee has a direct deposit bank account in UltiPro the reimbursement is via ACH-Direct deposit. If the employee has a pay card, then a check will be mailed to the employee's home address listed in UltiPro.

How does the employee know when payment has been made? Employees who are on our e-mail system will receive an e-mail from MSS finance department advising them that the money was deposited to their bank. If the employee does not have access to WS email system, the email will be sent to the community's business office manager and they will make sure the employee receives the notice. The HR Directors will not receive an e-mail.

Any questions, please contact your community's HR Director.