

**CLEVELAND PUBLIC LIBRARY**

**Finance Committee  
October 16, 2012**

**AMENDING RESOLUTION AUTHORIZING AMENDMENT TO AGREEMENT WITH  
GALLAGHER BENEFITS SERVICES INC. TO AUTHORIZE LIBRARY TO ENTER  
INTO AGREEMENT DIRECTLY WITH BRAVO WELLNESS LLC  
FOR WELLNESS INCENTIVE PROGRAM**

WHEREAS, In August of 2011, Gallagher Benefits Services, Inc. ("Gallagher"), the Library's health care benefits consultant, obtained proposals from two Wellness Program providers on behalf of the Library, and the Library selected BRAVO Wellness LLC ("BRAVO") as the vendor best suited to provide a Wellness Incentive Program at a reasonable cost; and

WHEREAS, On September 18, 2012, the Board of Trustees of the Cleveland Public Library adopted a Resolution authorizing the Executive Director CEO to amend its existing contract with Gallagher to provide Wellness Program Provider services to the Library through a subcontract with BRAVO; and

WHEREAS, The September 18, 2012 Resolution further authorized the Library to pay \$18,500 toward the cost of the BRAVO subcontract, with Gallagher contributing the balance in the estimated amount of \$73,688 (depending upon enrollment); and

WHEREAS, The Library and Gallagher now agree that it is in its best interests to enter into a direct contract with BRAVO for Wellness Initiative Program services instead of through a subcontract with Gallagher, in order to ensure that the Library can hold BRAVO accountable for its obligations and enforce contract provisions directly against BRAVO; and

WHEREAS, The Library has received a cost proposal from BRAVO for a three-year Wellness Plan through the end of year 2015, the total amount of which is estimated at \$194,700, which could be more or less depending upon employee participation in the health screenings and in the Wellness Initiative Program. A copy of the BRAVO proposal is attached to this Resolution; and

WHEREAS, Gallagher has agreed to contribute the amount of commission it receives from Medical Mutual toward the Library's contract with BRAVO, which through the end of calendar year 2013 is estimated to be approximately \$77,000, depending upon Cleveland Public Library employee participation in Medical Mutual health insurance plan; and

WHEREAS, The Library will be responsible to pay BRAVO contract charges in excess of Gallagher's contribution, which amount shall depend upon the total number of employees participating in health screenings and the total number of employees enrolled in the Wellness Program; now therefore be it

RESOLVED, That the Executive Director, CEO, or his designee, is hereby authorized to negotiate and execute an agreement with Bravo Wellness LLC (aka IncentiSoft Solutions), subject to the approval of the Chief Legal Officer, for Wellness Program Provider services in accordance with proposal submitted by BRAVO on October 12, 2012, for a period of up to three years through 2015, and to expend funds from General Fund No. 115110053-53710 Professional Services to cover the Library's portion of the cost of the contract with BRAVO agreement after Gallagher's contribution; be it further

RESOLVED, In January 2013, and at the end of each contract year, the Fiscal Officer shall report to the Board for its approval, the total number of employees participating in the Wellness Program, the total number of employees participating in the health screenings, and the total cost to the Library of the BRAVO contract for the applicable year; be it further

RESOLVED, That the authority granted to the Executive Director, CEO, or his designee in the September 18, 2012 Resolution to enter into a new agreement with Gallagher to extend the term of its existing agreement through December 31, 2013 and to increase the contract amount by \$19,600 shall remain unmodified by this Resolution and in full force and effect.



*2012 WELLNESS PROGRAM OVERVIEW AND PROJECTED ANNUAL COSTS  
FOR*

*THE CLEVELAND PUBLIC LIBRARY*

- 1. PROGRAM OVERVIEW*
- 2. ANNUAL PROJECTED FEES*
- 3. BIOMETRIC GRID PRICING SCHEDULE*
- 4. PER EMPLOYEE PER MONTH FEE ESTIMATE AND PAYMENT SCHEDULE*

**CONFIDENTIAL**

October 12, 2012

[www.BravoWell.com](http://www.BravoWell.com)



## WELLNESS PROGRAM OVERVIEW FOR THE CLEVELAND PUBLIC LIBRARY

### *Program Administration*

Cleveland Public Library (CPL) will be working with Bravo Wellness to administer a results-based wellness program for the employees of CPL. The wellness program is designed to help employees achieve healthy goals through healthy lifestyle choices. As in CPL's case, most employers apply a premium contribution differential in the form of a lower cost to those achieving healthy goals or demonstrating progressive improvement from baseline screening results.

The Final Wellness Rules for Group Health Plans adopted by the Department of Labor, IRS, Center for Medicare and Medicaid and most recently, the Patient Protection and Affordable Care Act (PPACA), have significantly strengthened the employee wellness industry and given employers a way to reduce health care costs in both the near term and long term. Carefully designed biometric goals, financial impacts and toolkits for better health motivate behavior change in those previously impossible to reach through "traditional" wellness initiatives, making this a real win-win for all parties involved.

- **Consulting and "predictive modeling"** tools to assist employers in designing a cost-neutral plan with goals that motivate behavior change without causing major employee backlash
- **Logistics support** to streamline and simplify employee communications, the biometric screening process, tracking the completion of various participation goals and securing results required to administer any employers program.
- **State-of-the-Art compliance and incentive tracking.** Results-based wellness programs require the careful management of Protected Health Information (PHI), the administration of an appeals process and robust technology to convert many moving parts into a simple payroll or eligibility file. Bravo's Incentisoft Technology platform does just that. This unique software was designed to track hundreds of ways to earn points, administer appeals, generate participant report cards and provide employers with the data files they need to apply the results. A vigorous reporting package showing aggregate data, year-over-year trends and program return on investment makes this a feasible first step for any wellness strategy.

### *Contribution Strategy*

Current rules allow up to 20% of total premium (20% of COBRA rates for self-funded groups) to be tied to the results of a health assessment. This means that the person who scores the best cannot be separated from the person who scores the worst by more than 20% of total premium. Sample plan designs are outlined below.



ANNUAL PROJECTED BRAVO WELLNESS PROGRAM MANAGEMENT, ADMINISTRATION, AND SCREENING FEES

2012

✓ PROJECTED NUMBER OF PARTICIPANTS: 450 (86% ENGAGEMENT RATE )	
✓ ADMINISTRATION FEES:	\$55 PER PARTICIPANT = \$24,750
✓ SCREENING FEE:	\$55 PER PARTICIPANT = \$24,750
✓ "KYN" HRA: \$15 PER PARTICIPANT @ 40% PARTICIPATION =	\$ 2,700*
✓ ANNUAL SET UP FEE:	<u>\$ 5,000</u>

**TOTAL \$57,200**

\* 2012 PARTICIPATION IN THE HRA WILL BE OFFERED ON A VOLUNTARY BASIS. 40% PARTICIPATION RATE IN THE HRA IS USED FOR BUDGETING PURPOSES.

2013

✓ PROJECTED NUMBER OF PARTICIPANTS: 500 (96% ENGAGEMENT RATE)	
✓ ADMINISTRATION FEES:	\$50 PER PARTICIPANT = \$25,000*
✓ SCREENING FEE:	\$65 PER PARTICIPANT = \$32,500**
✓ "KYN" HRA: \$15 PER PARTICIPANT @ 90% PARTICIPATION =	\$ 7,500***
✓ ANNUAL SET UP FEE:	<u>\$ 5,000****</u>

**TOTAL \$70,000**

\*ADMINISTRATION FEES ARE REDUCED IN 2012 AND 2013 TO \$50 PER PARTICIPANT

\*\* GROUP SCREENING FEES MAY BE OFFSET BY SCREENING EXAMS DIVERTED TO THE PRIMARY CARE PHYSICIAN OFFICE LEVEL. FOR THESE TYPES OF ENCOUNTERS, BRAVO WILL CHARGE A \$15 PER PHYSICIAN FORM PROCESSING FEE. CPL WILL ALSO INCUR A PCP CLAIM LEVEL CHARGE UNDER THE HEALTH INSURANCE PROGRAM. BRAVO IS PROJECTING AN AVERAGE SCREENING RATE OF \$65-\$70 BASED UPON THE GRID PRICING SCHEDULE NOTED BELOW.

\*\*\*WE ARE PROJECTING THAT PARTICIPATION IN THE HRA WILL INCREASE IN 2013 AS MEMBERS BECOME MORE FAMILIAR WITH THE PROGRAM AND THE CUSTOMIZED REPORTING FEATURE OF THE KYN HRA.

\*\*\*\* WE ANTICIPATE THAT THE \$5,000 ANNUAL SET UP FEE WILL REMAIN IN PLACE FOR 2013 TO ACCOMMODATE ANTICIPATED PROGRAMMING ENHANCEMENTS REQUIRED FOR CPL'S YEAR-TWO RESULTS BASED WELLNESS PROGRAM.

2014

✓ PROJECTED NUMBER OF PARTICIPANTS: 500 (96% ENGAGEMENT RATE)	
✓ ADMINISTRATION FEES:	\$50 PER PARTICIPANT = \$25,000*
✓ SCREENING FEE:	\$65 PER PARTICIPANT = \$32,500**
✓ "KYN" HRA: \$15 PER PARTICIPANT @ 100% PARTICIPATION =	\$ 7,500 ***
✓ ANNUAL SET UP FEE:	<u>\$ 2,500****</u>

**TOTAL \$67,500**



\*ADMINISTRATION FEES ARE REDUCED IN 2012 AND 2013 TO \$50 PER PARTICIPANT

\*\* GROUP SCREENING FEES MAY BE OFFSET BY SCREENING EXAMS DIVERTED TO THE PRIMARY CARE PHYSICIAN OFFICE LEVEL. FOR THESE TYPES OF ENCOUNTERS, BRAVO WILL CHARGE A \$15 PER PHYSICIAN FORM PROCESSING FEE. CPL WILL ALSO INCUR A PCP CLAIM LEVEL CHARGE UNDER THE HEALTH INSURANCE PROGRAM.

\*\*\*WE ARE PROJECTING THAT PARTICIPATION IN THE HRA WILL INCREASE IN 2013 AS MEMBERS BECOME MORE FAMILIAR WITH THE PROGRAM AND THE CUSTOMIZED REPORTING FEATURE OF THE KYN HRA.

\*\*\*\*THE ANNUAL SET-UP FEE WILL BE DECREASED BY 50% IN YEAR-THREE OF THE PROGRAM

*Bravo's Fees include the following:*

- |  |                              |
|--|------------------------------|
| • consulting, custom analysis, predictive modeling and summary of recommendations  | <i>Plan design</i>           |
| • Bravo suggested plan components and/or integration of employer selected vendors for biometric screenings and remedial wellness support | <i>Implementation of</i>     |
| • Account Manager to facilitate communications, timeline and program deployment  | <i>Dedicated Client</i>      |
| • employee communications  | <i>Print Ready</i>           |
| • for your employee communications and registration  | <i>Exclusive website</i>     |
| • for all biometric screenings and lab value data transfer   | <i>Logistical support</i>    |
| • points earned and creation of member score card, mailed to home address  | <i>Calculation of all</i>    |
| • appeals and "reasonable alternatives" as required by federal law   | <i>Administration of all</i> |
| • co-fiduciary status relative to the administration of appeals and alternatives   | <i>Bravo will accept</i>     |
| • secure transfer of payroll or eligibility file in employer's desired format to communicate results                                     | <i>Creation and</i>          |
| • Checklist – Completion of the Department of Labor checklist to illustrate compliance with result-based wellness program requirements.  | <i>Compliance</i>            |
| • Document language or stand-alone booklet for health plan participants  | <i>Summary Plan</i>          |
| • employer reporting of biometric results, financial results and alternative design analysis   | <i>Aggregate</i>             |

## BIOMETRIC HEALTH SCREENINGS

Bravo Wellness facilitates venipuncture blood draws as well as biometrics (height, weight, waist, body fat, blood pressure) through partners including Hooper Holmes Health and Wellness, Summit Health and several others. We have successfully implemented and provided this service to our clients with multiple locations and shifts throughout the United States. Biometrics is a part of a specific timeline created for the implementation of the program. Participant's results are mailed directly to their home within seven working days of their blood draw - to support confidentiality. Results can be electronically downloaded to the HRA or manually entered by the participants.

**Standard Wellness Panel and Biometrics includes results for the following:**



- |   |  |
|---|--|
| <ul style="list-style-type: none"> <li>• High Density Lipoprotein (HDL)*</li> <li>• Triglycerides*</li> <li>• Total Cholesterol*</li> <li>• Low Density Lipoprotein (LDL)*</li> <li>• Total Cholesterol / HDL Ratio*</li> <li>• LDL / HDL Ratio*</li> <li>• Glucose*</li> <li>• Blood Pressure*</li> <li>• Height/Weight, BMI, Body Composition*</li> <li>• Waist Measurement*</li> <li>• Globulin</li> </ul> | <ul style="list-style-type: none"> <li>• Serum Cotinine (nicotine in blood)</li> <li>• Creatinine</li> <li>• ALT</li> <li>• Total Protein</li> <li>• Total Bilirubin</li> <li>• Albumin</li> <li>• AST</li> <li>• GGT</li> <li>• ALB/GLO Ratio</li> <li>• BUN</li> </ul> |
|---|--|

\* indicates panel results available when using finger stick method (not available for groups <20)

**Upon the execution of the Letter of Engagement, CPL shall remit a non-refundable deposit equal to 30% of the estimated total amount due to Bravo Wellness for the annual screening Event.**

#### Basic per Person Cost

Basic per person cost applies during standard hours of 6:00 a.m. – 7:00 p.m and is tiered based on the greater of the number of people signed up or the actual number who show up at each event.

<u>Number of Participants at Event</u>	<u>Cost Per Participant</u>
1	\$115
2-19	\$85
20 – 100	\$60
101 – 500	\$55
>500	\$50

#### Includes:

- Blood Draw & certified lab testing of results indicated above
- Blood Pressure
- Testing Kit and all supplies
- Phlebotomist/Examiner Fee
- Confidential report results mailed directly to participant's home
- All travel and shipping Fees
- Dedicated Event Manager for events with 20 or more participants

#### Additional Costs

- Pipe and Drape Screening Room Set-Up: **\$ 30 per station per day**
- Premium off-hours, Weekend and Holiday Hours (contact Bravo Wellness® for pricing)
- Cancellation less than 10 days prior to the event is subject to a 50% cancellation fee. If less than 48 hours, a 100% cancellation fee will apply.

\*Client must delegate one (1) internal key contact person (per site) for the duration of the planning and testing period.

## ELIGIBLE PER EMPLOYEE PER MONTH PRICING AND PAYMENT SCHEDULE FOR 2012

- ✓ 30% Screening Fee Deposit + Annual Consulting Fee: \$12,425
- ✓ Balance of Screening and HRA fees to be paid out in 3 equal installments (1/1/2013, 4/1/2013, 7/1/2013)
- ✓ Bravo Administrative Fees to be paid out over 12 equal installments

- Estimated Monthly Bravo Admin Fees: \$2,062.50