

# City of Bedford

The City of Bedford, Texas provides health coverage to 300 municipal workers and their dependents. Concerned about rapid increases in their health care coverage expenses and rising rates of disease in its population, the City turned to CIGNA for help in late 2006.

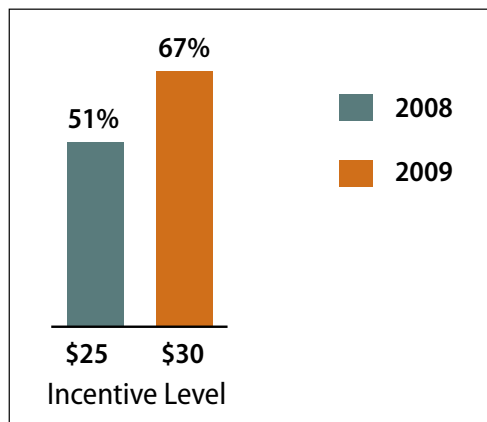
Together, the City and CIGNA set out to create a health plan strategy designed to improve health awareness in order to reduce the production and destruction of disease in the population, improve health and lower costs.

In 2007, the City transitioned all employees to **CIGNA Choice Fund®** Health Savings Account, a consumer-driven, account-based health plan (CDHP). The plan included access to **CIGNA Health Advisor®**, with dedicated health and wellness coaches. Working by phone, coaches helped City employees set health improvement goals, take steps to reduce their disease risks, and answer questions about their new account-based plan.

With support from the City Manager, the City also formed a Wellness Committee with representatives from each of its departments. The committee provided ongoing health and wellness promotion as well as **communication and financial incentives** to encourage employees to take an active role in improving their health.

The City started with a focus on improving participation in **health assessments**, which had historically been low. By driving higher participation, more employees were able to identify their health risks so they could begin working with a Health Advisor coach to reduce those risks.

## Incentive Impact on Health Assessment Completion



Increased employee participation resulted in **\$41,979** annual savings

### Population Facts:

- 1.5% of the population drives 50.4% of cost
- \$2,186,500 annual medical spend
- \$2,155 average annual medical costs per participant

### Actions:

- Focus on health awareness and improvement to lower cost
- Full replacement CDHP Health Savings Account
- Continuous communication
- Implemented Wellness Committee
- Incentives for health assessment completion
- Monthly health education seminars
- Quarterly health behavior challenges

### Highlights of Results:

- 31% jump in health assessment participation
- 5% reduction in high-risk employees; \$3,914 annual prospective savings per employee that moves from the high-risk category to the moderate-risk category
- Participants who take the health assessment will save the City of Bedford \$42,000 a year, driven from health awareness activities.
- 155 unique Health Advisor coach interactions completed
- 1.15:1 return on investment for CIGNA Health Advisor program



Through a multi-pronged joint strategy to increase health awareness and improve health across the City of Bedford's population, CIGNA has helped the City drive significant improvement in health risk awareness and health risk reduction that has helped them lower annual per-employee medical claims by more than half in just two years.

Annual employee health assessment data showed the City the year-over-year improvement in the risk level of its employees. Between 2008 and 2009, the efforts of the Wellness Committee moved employees from the high risk category into the lower risk categories. Consequently, in 2009 the percentage of high-risk employees decreased, and the percentages of medium- and low-risk employees increased – a clear indication of health improvement.

**Next Steps:**

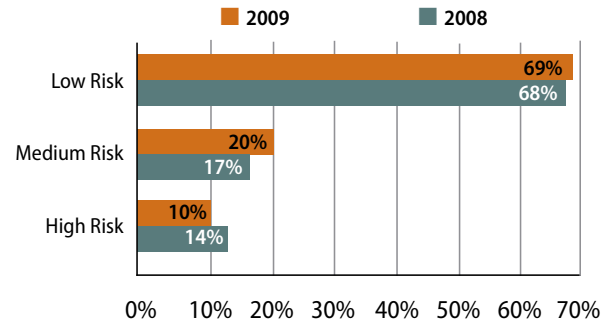
Based on its early success, the City plans to expand its health improvement effort to:

- Introduce a financial incentive for getting an annual physical in order to maximize early risk identification for chronic health conditions.
- Offer on-site lifestyle management programs to reduce the prevalence of weight complications in the population.
- Institute new workplace policies around healthy eating to further demonstrate its commitment to building a culture of health for employees and their families.

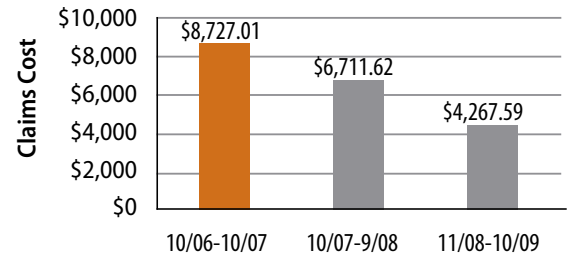
**Conclusion:**

In just two years working with CIGNA, the City of Bedford has seen promising results, including higher participation in health improvement programs, a reduction in health risks across the population and a significant decline in claims. Based on current plan projections, the City expects see continued and sustainable health improvements resulting in cumulative savings of \$500,000 over five years.

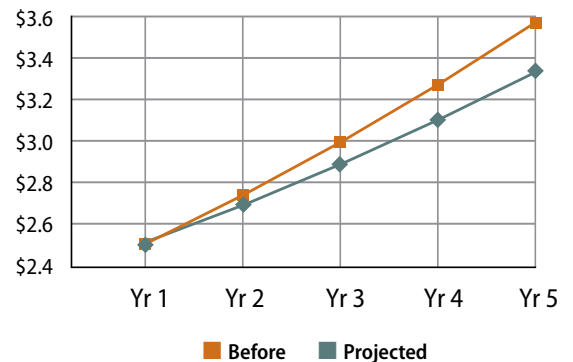
**Risk Status Distribution**



**Total Claims per Employee per Year**



**City of Bedford Projected Cost Savings**



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