

PERFORMANCE NOTE: AGENCY FORM

H.B. 148

SHORT TITLE: State Employees Health Clinic

Joint Rule 4-2-404 requires a Performance Review Note anytime the legislature significantly increases funding for: New agency New services or benefits Serving a new or larger population

DUE TO THE FISCAL ANALYSIS

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HOW WILL THE PUBLIC BENEFIT?

1 What is the purpose and the duties of the new program, agency, services, or population served? JR4-2-404(4)(c)(i)

- (i) be convenient for employees and their dependents;
- (ii) reduce sick leave for employees;
- (iii) increase compliance with health care screening and management of chronic health care conditions; and
- (iv) dispense commonly used, pre-packaged drugs in a cost effective manner

2 What services are provided by the funding increase? JR4-2-404(4)(c)(ii)

- 1-preventive visits and screenings 2-management of chronic health care conditions 3-immunizations
- 4-primary care office visits 5-limited diagnostic services and labs 6-dispensing commonly used pre-packaged drugs in a cost effective manner

3 What are the expected outcomes of the new or expanded program and how will the public benefit? JR4-2-404(4)(c)(iii)

- 1-Reduce sick leave for employees
- 2-increase compliance with health care screenings
- 3-improve management of chronic health care conditions
- 4-lower use of urgent care and unnecessary specialist office visits
- 5-Accomplish the outcomes listed above without any additional cost to the state beyond start-up costs after the clinic has reached more than 75% capacity, in which case the state should achieve overall cost savings.

4 How will the bill be implemented and what resources are available to achieve the expected outcomes? JR4-2-404(4)(c)(iv)

- 1-PEHP will look to DHRM to select a location that most appropriately meets the requirements of the bill.
- 2-PEHP will work with DHRM to complete the initial build-out and renovation needed to create a clinic within an existing state building.
- 3-PEHP will use a bid process to select a provider to staff the clinic.
- 4-Premiums from the state risk pool will be used to fund the start-up costs, which include the ramp-up period to 75% capacity.

5 How will the proposed agency activities cause the expected outcomes and public benefit in 3?

Because the providers at the clinic will be compensated using a salary instead of a fee-for-service model, the per-unit-costs at the clinic will be lower than the market given sufficient patient volume. Also, the salary compensation aligns the provider's incentives with the employer's to manage care, provide value and improve outcomes rather than focusing on the number of services they are billing (fee-for-service model). In addition, the increased convenience and lower cost of the clinic will likely help reduce employees' and their dependents' use of higher priced urgent care providers and unnecessary specialist office visits.

2. PERFORMANCE MEASURES:

What measures will managers and policymakers use to know if the new or expanded program is providing the expected outcomes and public benefits? Provide one, two, and three year goals or targets, actual results and measures if available to serve as a baseline, and outcomes.

Goal (public benefit):

Measure Title: Improve Health Outcomes and Reduce Cost

Description:

Only a portion of the state risk pool population will have convenient access to the clinic and only a portion of those will use it. The goal is to improve health outcomes and reduce costs for those that are using the clinic. We can estimate the impact of the clinic by benchmarking the utilization and overall claims costs of members who use the clinic against similar individuals who don't visit the clinic after controlling for the demographics, risk scores, and medical conditions.

Fiscal Year:	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Target or Benchmark:					
Baseline:					

How will program managers collect this performance information and ensure its reliability?

We will pull utilization, demographics, risk score and cost data from our claims databases, and feed the data into our models to perform a benchmarking analysis.

Goal (public benefit):

Measure Title:

Description:

Fiscal Year:	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Target or Benchmark:					
Baseline:					

How will program managers collect this performance information and ensure its reliability?

Goal (public benefit):

Measure Title:

Description:

Fiscal Year:	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Target or Benchmark:					
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How will program managers collect this performance information and ensure its reliability?