



CBIZ

®



WAUKESHA EMPLOYEE HEALTH & WELLNESS CENTER

Clinic Return on Investment Analysis

Time Period: November 2014 – December 2015

Waukesha Employee
Health & Wellness Center
SERVING THE CITY COUNTY + SCHOOL DISTRICT



operated by **healthstat**
improving health outcomes





Agenda

- ROI Analysis
- Unique Patients / Utilization
- Cost Avoidance Details
- Next Steps

Expenses

Category	Projected Implementation + Clinic Year 1 Budget	Actual Costs Implementation Through October 2015	Difference	Details
EXPENSES				
Healthstat Costs				
Admin Fees	\$ 492,921	\$ 471,790	\$ (21,131)	Annual Management fees less credit for overage
Labs	\$ 151,200	\$ 116,859	\$ (34,341)	
Staffing	\$ 1,058,980	\$ 933,756	\$ (125,224)	Annual Staffing fees less credit for training overage
Med Restock	\$ 21,000	\$ 57,950	\$ 36,950	Annual Medication supply+initial setup
Bank Fees	\$ 99	\$ 2,058	\$ 1,959	
Clinic Supplies (inc. furnishings)	\$ 37,305	\$ 46,967	\$ 9,662	
Immunization (flu shots)	\$ 12,480	\$ 14,715	\$ 2,235	Actual includes 2 years of flu shots
Information Technology	\$ 11,000	\$ -	\$ (11,000)	
HRA Costs				
City	\$ 54,598	\$ 41,680	\$ (12,918)	
County	\$ 136,496	\$ 132,905	\$ (3,591)	
School District	\$ 150,146	\$ 59,960	\$ (90,186)	
HRA One-Time Load Fee	\$ 18,000	\$ -	\$ (18,000)	
Facility Costs				
Facility Operations	\$ 62,800	\$ 46,408	\$ (16,392)	
Capital Build Out	\$ 60,750	\$ 60,734	\$ (17)	1/4 of Total Capital Build Out
Other Costs				
CBIZ Consulting	\$ 92,500	\$ 106,918	\$ 14,418	*Implementation - October 2015 (Consulting + Travel)
Carrier Feeds	\$ 14,400	\$ 18,400	\$ 4,000	County and SD Only
Total Expenses	\$ 2,374,675	\$ 2,111,100	\$ (263,576)	
REVENUE				
Revenue				
Medication/Visit Fee Revenue	\$ -	\$ (31,047)	\$ (31,047)	
Performance Guarantees Credit				
Quarter 1	\$ -	\$ (11,375)	\$ (11,375)	
Quarter 2	\$ -	\$ (10,075)	\$ (10,075)	
Quarter 3	\$ -	\$ (10,075)	\$ (10,075)	
Quarter 4	\$ -	\$ (59,719)	\$ (59,719)	
Total Expenses, Less Revenue	\$ 2,374,675	\$ 1,988,808	\$ (385,867)	



ROI Summary

- Baseline Year: November, 2013 – October, 2014
- Clinic Year 1: November, 2014 – October, 2015
- Total Annual ROI Comparison - Aggregate
 - CBIZ Estimate – Feasibility Study 1.2:1
 - Healthstat Estimate – RFP 0.5:1
 - Year 1 Actual **2.3:1**

Category	City	County	School District	Aggregate Total	Notes
EXPENSES					
Projected Implementation + Clinic Year 1 Budget	\$ 379,948	\$ 949,870	\$ 1,044,857	\$ 2,374,675	Capital build out spread over 4 years
Actual Expenses	\$ 326,300	\$ 823,321	\$ 839,187	\$ 1,988,808	
COST AVOIDANCE					
Utilization					
CBIZ Projected Utilization	45%	45%	45%	45%	
Actual Utilization	35%	30%	28%	30%	
Cost Avoidance					
CBIZ Projected Cost Avoidance	\$ 529,891	\$ 858,240	\$ 1,124,361	\$ 2,512,492	
Actual Cost Avoidance	\$ 1,720,080	\$ 690,075	\$ 2,248,838	\$ 4,658,992	
RETURN ON INVESTMENT					
Total Annual ROI	\$ 1,393,780	\$ (133,246)	\$ 1,409,651	\$ 2,670,184	
	5.3:1	0.8:1	2.7:1	2.3:1	



ROI Analysis

Category	Year 1 Claims Cost Avoidance	Details
DIRECT COST AVOIDANCE		
City		
Medical Claims Cost Avoidance	\$ 1,427,977	<i>Assuming 9% trend from baseline data</i>
Pharmacy Claims Cost Avoidance	\$ 292,103	<i>Assuming 9% trend from baseline data</i>
Worker's Compensation Incurred Cost Avoidance	\$ 0	
City Total	\$ 1,720,080	
County		
Claims Cost Avoidance	\$ 645,975	<i>Assuming 9% trend from baseline data</i>
Worker's Compensation Incurred Cost Avoidance	\$ 44,100	<i>Assuming 9% trend from baseline data</i>
County Total	\$ 690,075	
School District		
Claims Cost Avoidance	\$ 2,248,838	<i>Assuming 9% trend from baseline data</i>
Worker's Compensation Incurred Cost Avoidance	\$ 0	
Replacement Staffing	\$ 0	
School District Total	\$ 2,248,838	
Aggregate Total		
Aggregate Total	\$ 4,658,992	
RETURN ON INVESTMENT		
Total Annual ROI - Aggregate	\$ 2,670,184	
	2.3:1	



RETURN ON INVESTMENT ANALYSIS

Cost Avoidance Details



Unique Patients / Utilization

Aggregate

Timeframe	Detail	Employee / Retiree	Spouse	Child
	Eligible	3,294	2,061	3,314
0 - 90 Day	Participants	643	186	176
0 - 180 Day	Participants	887	237	250
0 - 270 Day	Participants	1,170	292	335
0 - 365 Day	Participants	1,694	409	463
	Total	51%	20%	14%

- 30% Total Eligible Participation
- 5,745 Total Visits

City

Timeframe	Detail	Employee / Retiree	Spouse	Child
	Eligible	562	348	567
0 - 90 Day	Participants	119	25	31
0 - 180 Day	Participants	168	37	40
0 - 270 Day	Participants	255	50	56
0 - 365 Day	Participants	372	74	74
	Total	66%	21%	13%

- 35% Total Eligible Participation
- 1,124 Total Visits (20% of Overall Visits)

County

Timeframe	Detail	Employee / Retiree	Spouse	Child
	Eligible	1,238	717	1,135
0 - 90 Day	Participants	260	68	51
0 - 180 Day	Participants	355	92	88
0 - 270 Day	Participants	438	114	114
0 - 365 Day	Participants	581	170	163
	Total	47%	24%	14%

- 30% Total Eligible Participation
- 2,238 Total Visits (39% of Overall Visits)

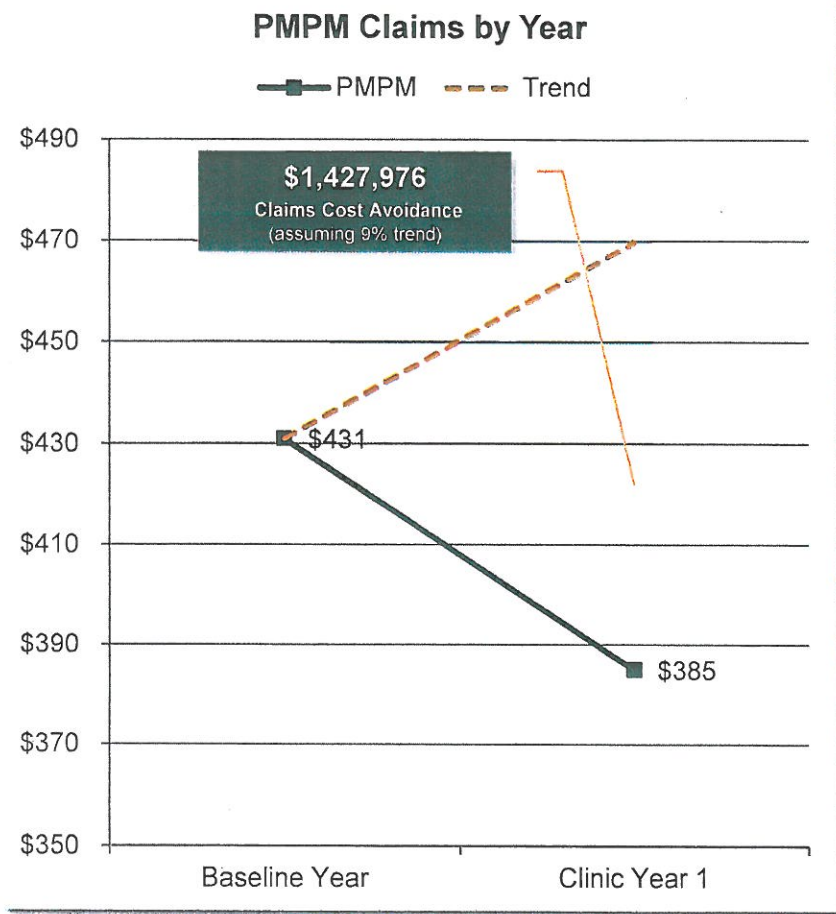
School District

Timeframe	Detail	Employee / Retiree	Spouse	Child
	Eligible	1,494	996	1,612
0 - 90 Day	Participants	264	93	94
0 - 180 Day	Participants	364	108	122
0 - 270 Day	Participants	477	128	165
0 - 365 Day	Participants	741	165	226
	Total	50%	17%	14%

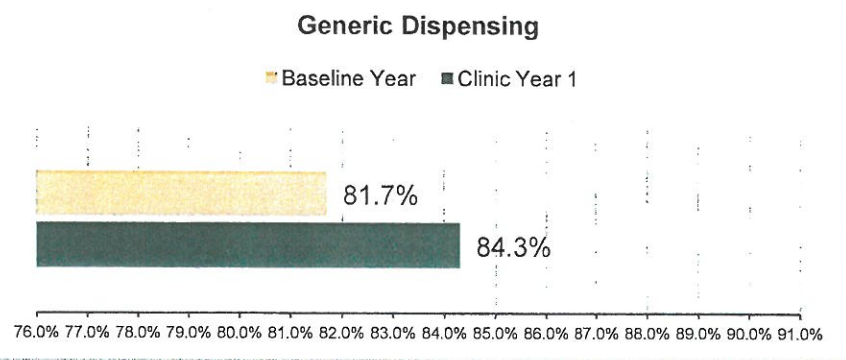
- 28% Total Eligible Participation
- 2,382 Total Visits (41% of Overall Visits)



City Claims



- Observations:
 - PMPM: 11% reduction from baseline year
 - Detailed plan data not available from UMR at time of report

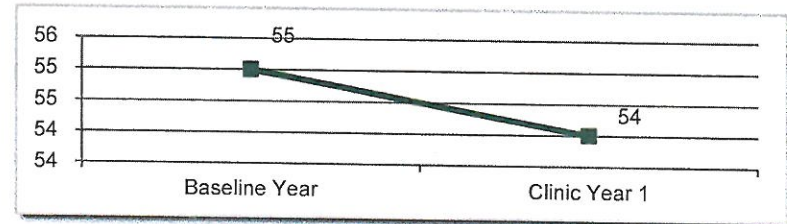


City Worker's Compensation



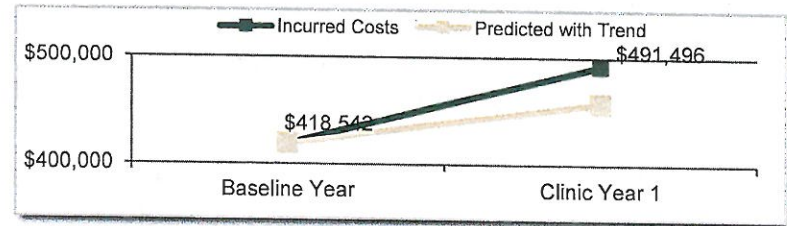
Total Claims

- 2% reduction since baseline data



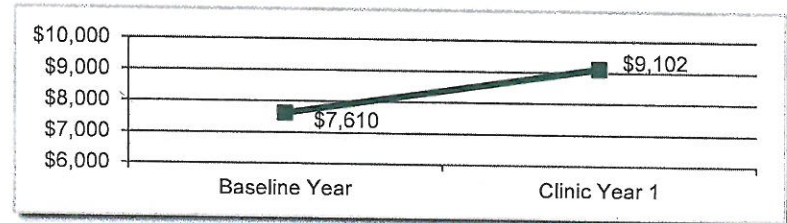
Total Incurred Costs

- \$35,285 above projected cost with 9% trend applied
- 17% increase from baseline data



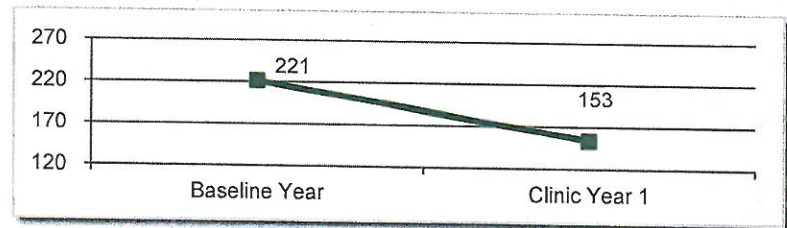
Severity of Claims

- 20% increase from baseline data



Lost Days

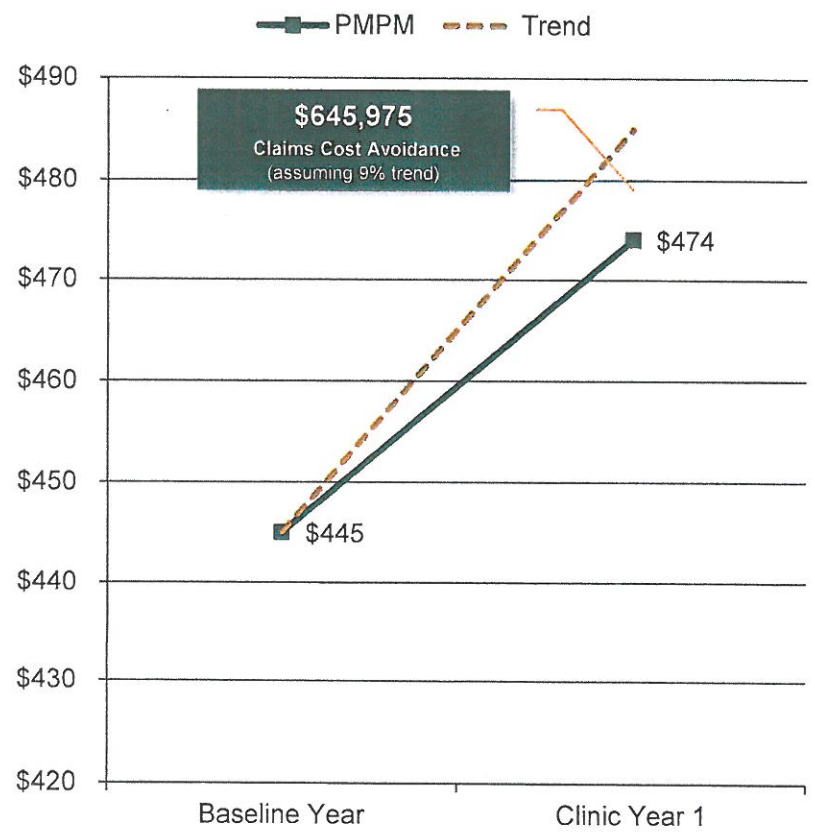
- 31% reduction from baseline data





County Claims

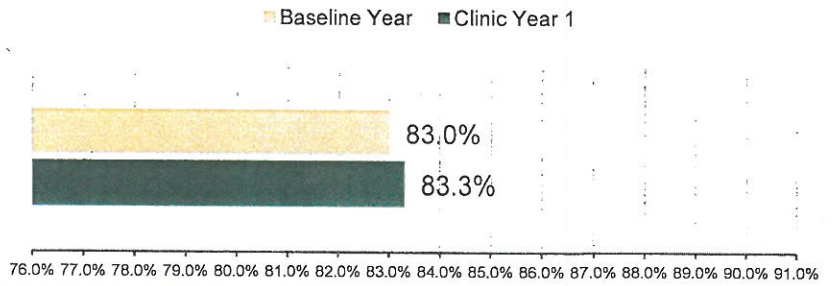
PMPM Claims by Year



Observations:

- PMPM: 6% increase from baseline year
- 12% reduction in spend for outpatient/professional medical for subscribers; no change for spouses; 7% reduction for dependents
- 10% reduction in spend for outpatient x-ray and lab for subscribers; 20% increase for spouses; 15% increase for dependents
- ER utilization and cost is up for all categories. Cost increased by 55% overall.
- 20% overall increase in prescription costs
- Minimal change in preventive care compliance. Higher than UHC BoB average in all categories except colon and cervical cancer screening.

Generic Dispensing

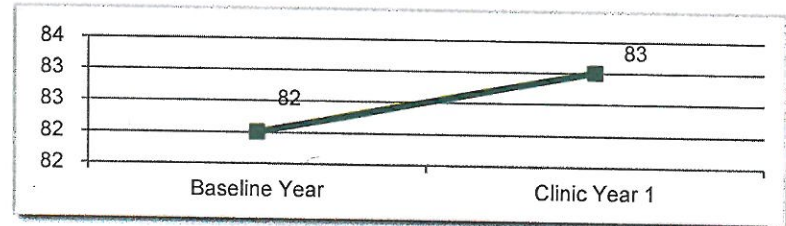




County Worker's Compensation

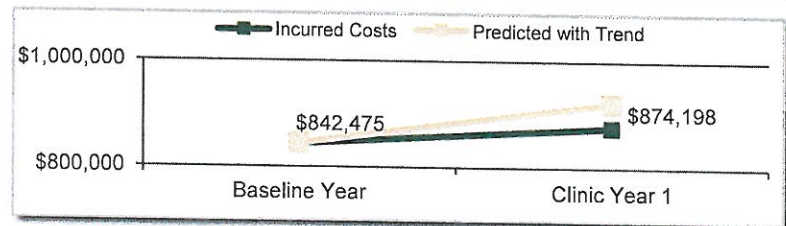
Total Claims

- 1% increase from baseline data



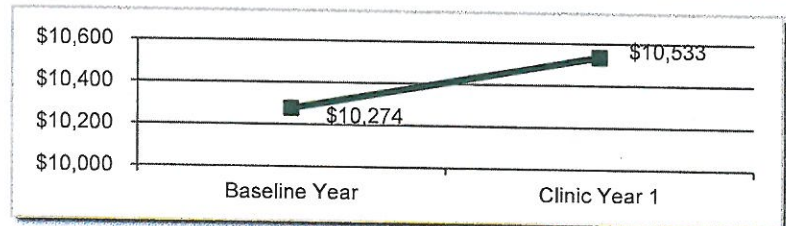
Total Incurred Costs

- \$44,100 cost avoidance with 9% trend applied
- 4% increase from baseline data



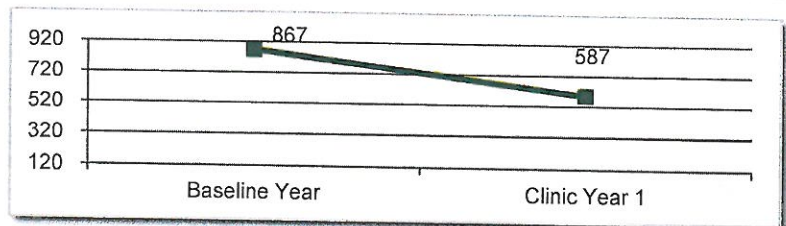
Severity of Claims

- 3% increase from baseline data



Lost Days

- 32% reduction from baseline data

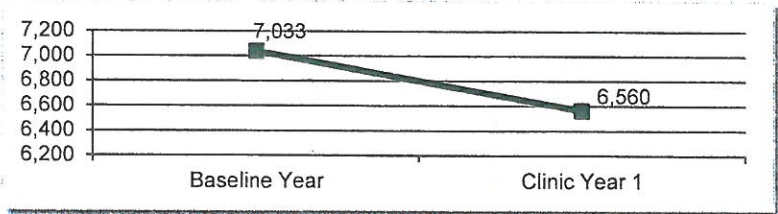




County Employee Absence Impact

Total Sick Time Used (Days)

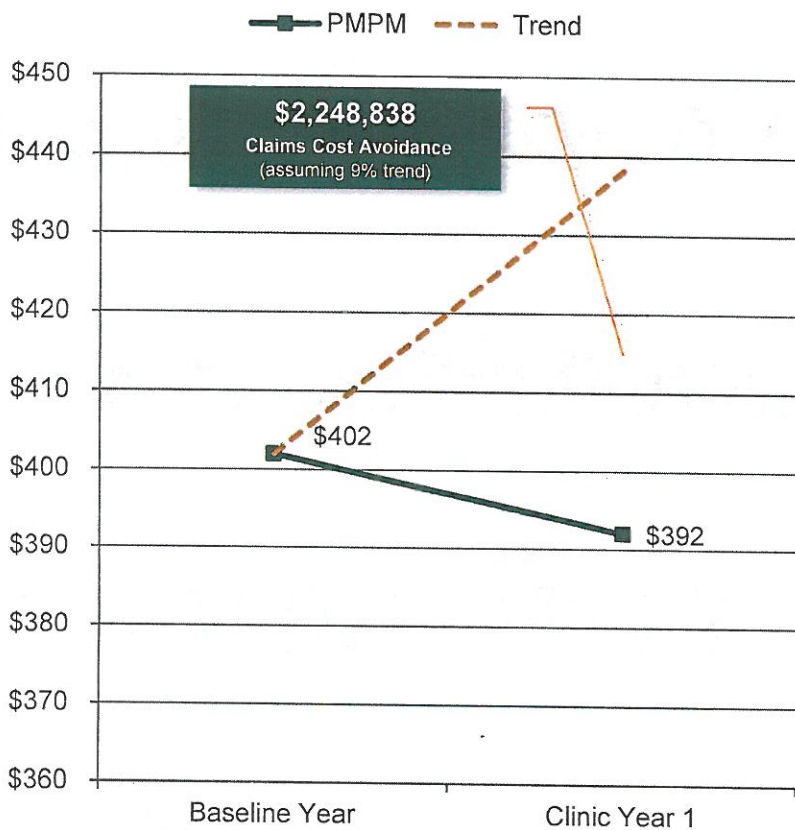
- 7% decrease from baseline data



School District Claims

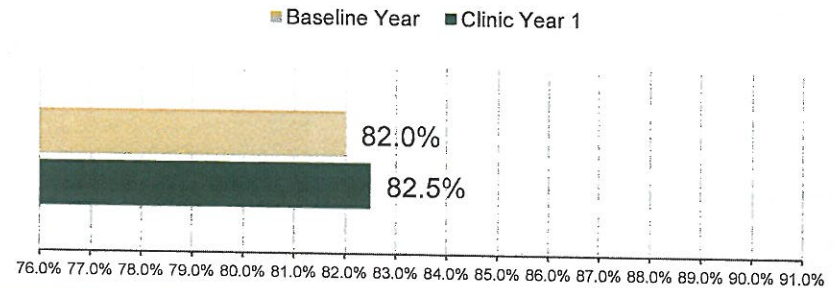


PMPM Claims by Year



- Observations:
 - PMPM: 2% reduction from baseline year
 - 19% reduction in spend for outpatient/professional medical for subscribers; 30% reduction for spouses; 6% reduction for dependents
 - 2% reduction in spend for outpatient x-ray and lab for subscribers; 18% reduction for spouses; 6% increase for dependents
 - ER utilization and cost is up for all categories. Cost increased by 34%.
 - Overall slight increase of 2% in prescription costs.
 - Overall reduction in preventive care utilization. However, over the UHC BoB average in all categories except cervical cancer screening and well-adult visits for over age 65.

Generic Dispensing

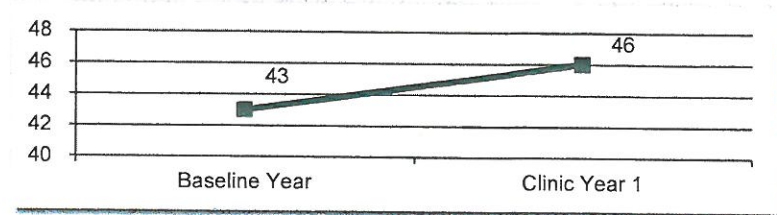


School District Worker's Compensation



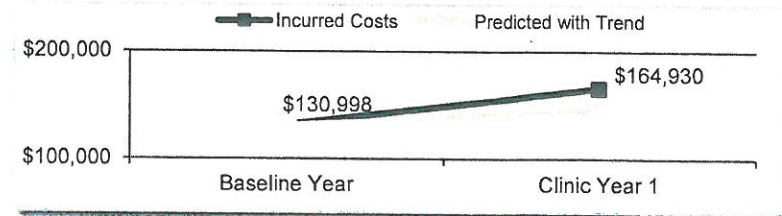
Total Claims

- 7% increase since baseline data



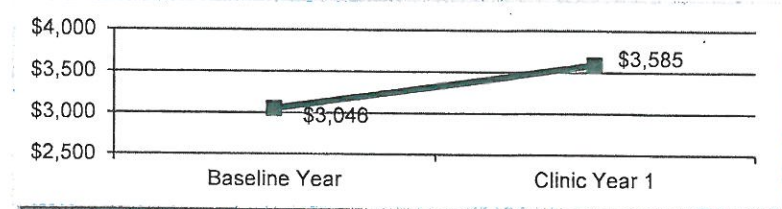
Total Incurred Costs

- \$22,142 above projected cost with 9% trend applied
- 26% increase from baseline data



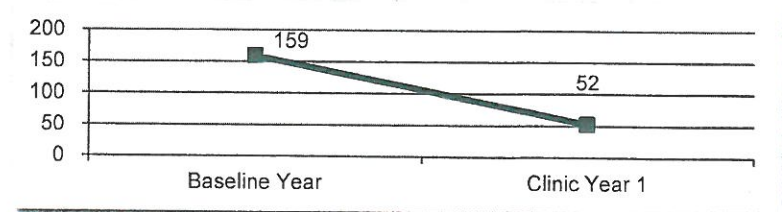
Severity of Claims

- 18% increase from baseline data



Lost Days

- 67% reduction from baseline data

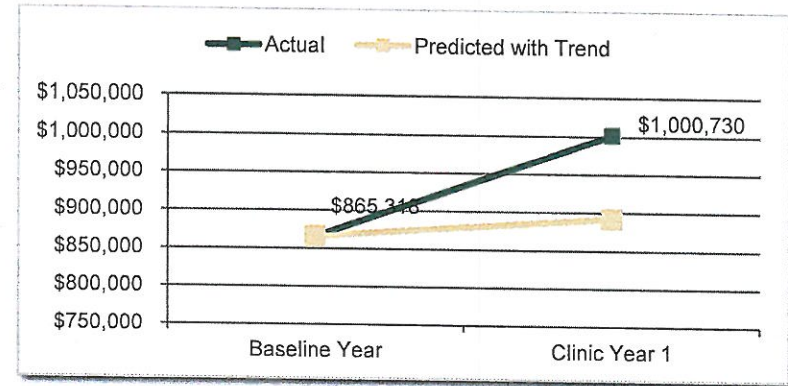


School District Employee Absence Impact



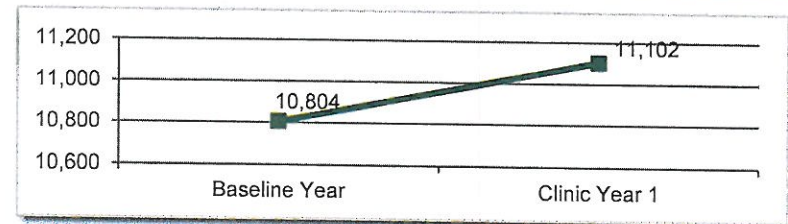
Replacement Staffing

- \$109,452 above projected cost assuming 3% trend
- 16% increase from baseline data



Total Sick Time Used (Days)

- 3% increase from baseline data





RETURN ON INVESTMENT ANALYSIS

Next Steps

Expenses Year 2 – November, 2015 – December, 2016

Category	Projected Clinic Year 2+ Budget	Projected Costs Through January 2016	Actual Costs Through January 2016	Difference from Projected	Details
EXPENSES					
Healthstat Costs					
Admin Fees	\$ 533,200	\$ 114,257	\$ 100,749	\$ (13,508)	
Labs	\$ 177,400	\$ 25,157	\$ 55,754	\$ 30,597	
Staffing	\$ 1,428,150	\$ 281,175	\$ 219,936	\$ (61,239)	Adding PT in May'16 and Care Coordinator 11'16
Med Restock	\$ 70,000	\$ 15,000	\$ 19,991	\$ 4,991	
Bank Fees	\$ 2,400	\$ 514	\$ 924	\$ 410	
Clinic Supplies	\$ 7,700	\$ 1,650	\$ 601	\$ (1,049)	
Immunization (flu shots)	\$ 12,500	\$ 12,500	\$ 2,571	\$ (9,929)	
Other	\$ -	\$ -	\$ 1,047	\$ 1,047	DOT Training Course - County ONLY
Facility Costs					
Facility Operations	\$ 66,550	\$ 14,260	\$ -	\$ (14,260)	Includes Electricity, Gas, Water, Housekeeping, Facility Maintenance, Telephone, Medical Waste
Initial Facility Renovation	\$ 60,733	\$ -	\$ -	\$ -	
Capital Equipment	\$ 20,000	\$ -	\$ -	\$ -	PT Equipment
Other Costs					
CBIZ Consulting/Travel	\$ 52,500	\$ 10,930	\$ 9,265	\$ (1,665)	
REVENUE					
Revenue					
Medication/Visit Fee Revenue	\$ -	\$ -	\$ (14,053)	\$ (14,053)	
Performance Guarantees Credit					
Quarter 1					
Quarter 2					
Quarter 3					
Quarter 4					
Total Expenses, Less Revenue	\$ 2,431,133	\$ 475,443	\$ 396,785	\$ (78,658)	

***Nov-Dec, 2015 + Jan-Dec 2016