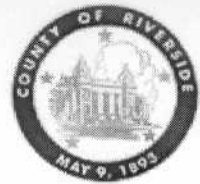


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**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



FROM: Human Resources

SUBMITTAL DATE:
February 16, 2006

SUBJECT: Blue Shield Healthy Lifestyle Rewards Program Administrative Services Agreement

RECOMMENDED MOTION: That the Board of Supervisors, 1) Approve the Healthy Lifestyle Rewards Program Agreement with Blue Shield of California for employees and retirees enrolled in Exclusive Care, Kaiser Permanente, and PacifiCare Secure Horizons; 2) Authorize payments for this program's administration and rewards from Medical Waiver Revenue; 3) Authorize the Chairperson to sign four (4) copies of the attached agreement, retain one (1) copy of the signed agreement and return three (3) copies to Human Resources for distribution; and 4) Direct the Auditor/Controller to make adjustments as indicated on Attachment "A".

BACKGROUND: On September 13, 2005, Agenda No. 3.52, Human Resources updated the Board on its strategies for reducing Workers' Compensation and other absence costs. Included in the update was an extensive plan for implementing and enhancing wellness programs for County employees.

Barbara [Signature]
Ronald W. Komers

Asst. County Executive Officer/Human Resources Dir.

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 112,000	In Current Year Budget:	No
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	Yes
	Annual Net County Cost:	\$ 0	For Fiscal Year:	2005/2006

SOURCE OF FUNDS: Medical Waiver Revenue	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input checked="" type="checkbox"/>

C.E.O. RECOMMENDATION:

APPROVE

County Executive Office Signature *Sally A. Seava*

FORM APPROVED COUNTY COUNSEL
 FEB 22 2006
 BY *[Signature]*
 Deputy Departmental

FISCAL PROCEDURES APPROVED
 ROBERT E. BYRD, Auditor-Controller
 BY *[Signature]* 2/16/06
 Deputy

- Policy
- Policy
- Consent
- Consent

Dept's Recomm.:
 Per Exec. Ofc.:

Prev. Agn. Ref.: District: Agenda Number:

ATTACHMENTS FILED WITH THE CLERK OF THE BOARD

3.26

FEB 17 11:51 AM '06
 AUDITOR - CONTROLLER
 RIVERSIDE COUNTY

Wellness programs show definitive returns on investment through decreased overall medical costs, increased productivity and increased employee morale. Additionally, absences due to lifestyle diseases can be prevented or mitigated by changing behaviors that contribute to disease and adopting healthier habits, such as improving diet, increasing exercise and managing stress.

Human Resources has negotiated a wellness program, Healthy Lifestyles Rewards, for employees and retirees enrolled in the Blue Shield HMO and PPO Plan. This Agreement will broaden eligibility for the Healthy Lifestyle Reward Program to include employees and retirees enrolled in County-sponsored medical plans: Exclusive Care, Kaiser Permanente and PacifiCare Secure Horizons.

The Healthy Lifestyle Rewards program is a comprehensive, online program designed to motivate, support and reward individuals for completing activities designed to improve their specific health risk factors. After completing a health risk assessment, which includes lifestyle and family history questionnaires, the individual has access to a variety of online support tools to encourage healthy living. Employees can choose to participate in various wellness programs to earn rewards for adopting and exploring healthy habits, such as improved diet, exercise and smoking cessation. Each week, the individual logs on to the website for their "To Do List" and tracks their progress on assigned lifestyle activities. Once the participant successfully completes twelve (12) weeks of tracking wellness activities, the individual earns a \$50 dollar cash reward. All participants can earn up to \$150 in 2006.

Typically, we would request a termination clause extending the opportunity to terminate the agreement without cause. However, in order to provide this benefit to our Non-Blue Shield members, Blue Shield had to prepay the vendor who administers the program. Blue Shield will not agree to this termination clause due to their financial exposure. An analysis will be done each year prior to renewing to confirm that utilization and outcomes are worth the associated cost to continue the program.

The cost to the County of Riverside for Blue Shield's administration is \$1.75 per member per month, plus the reimbursement of all cash rewards provided to the participants. These costs are only associated with the employees and retirees who are not currently enrolled in a Blue Shield medical plan. Like Blue Shield, Exclusive Care will cover the charges and rewards for employees covered by its plan. Human Resources requests that the Board authorize the charges associated with this wellness program for those employees in the Kaiser and Secure Horizons Plans to be paid from the Medical Waiver Revenue collections that accumulated in the Occupational Health and Wellness Fund. Estimated cost for Fiscal Year 2005-06 is \$112,000; estimated cost for Fiscal Year 2006-07 is \$224,000.

ATTACHMENT "A"

	Fund-Dept ID-Acct.	Account Description	Amount
Human Resources			
Increase in Appropriation	46120-11329-00000-527780	Special Program Expense	112,000
Total			<u><u>\$112,000</u></u>
Increase in Estimated Revenue	46120-11329-00000-774960	Medical Waiver Fees	112,000
Total			<u><u>\$112,000</u></u>