

# REGIONAL SCHOOL DISTRICTS WORKING TOGETHER TO SHAPE THE FUTURE OF HEALTH INSURANCE

Regional school districts have united to prove that working together towards a common goal can yield major benefits, particularly when addressing the challenge of rising health care costs.

District leaders worked with HORAN in 2011 to create the Southwest Ohio Organization of School Health (SWOOSH), a health and wellness consortium for school districts and government agencies that come together to provide stability and quality access to health care and benefits to all eligible members.

Initial savings helped motivate the school districts early on as the SWOOSH consortium has saved area districts more than \$10.3 million in both medical and ancillary benefits.

SWOOSH is comprised of seven regional school districts:

- Forest Hills School District
- Indian Hill Exempted Village School District
- Lebanon City Schools
- Milford Exempted Village Schools
- Northwest Local School District
- Southwest Local School District
- Winton Woods City School District

Beginning in January 2015, West Clermont Local School District will be a member of the SWOOSH consortium.

## HOW SWOOSH WORKS

SWOOSH's core philosophy is flexibility within a framework. SWOOSH balances the needs of the school districts with efficiencies at a consortium level. It's an all-for-one mentality with flexibility at the district level that creates the right balance.



The consortium drives economies of scale by leveraging commonality of choices and its overall size. With more members on the plan, the consortium can leverage the larger scale of the entire group and work toward obtaining the most competitive rates while securing unique wellness offerings and additional investments to better manage long-term costs.

The unique factor of SWOOSH as a consortium is the board's level of involvement in determining how things are going to operate. SWOOSH is a district-created, board-driven consortium. The board members drive the direction and the decisions on where SWOOSH is going.

SWOOSH has achieved a balance between receiving the benefits of being in a large pool with meeting the needs of each district. Some examples of this include each

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district being able to have its own plan design, individual rates for plans based on performance and wellness plans geared to a district's specific audience.

The role HORAN serves is to drive the strategy and execution for the SWOOSH Board and provide both employer and employee engagement at the district level. HORAN has a dedicated SWOOSH team who works with the board on SWOOSH's strategic direction, including data analytics, bylaws, operations, health care cost containment, full benefit offerings and growth of the consortium. HORAN also has a dedicated

service team that works at the individual district level on wellness strategy, open enrollment and ongoing engagement with district employees on elevated claims issues or questions they have.

## ACHIEVING COST SAVINGS

Another unique feature of SWOOSH is the extensive data analytics each district receives. Each district receives both aggregate data for SWOOSH and its own individual district-level data. The data helps the board determine renewal strategies that drive stability while rewarding individual districts for strong performance in a given year.

Over the past few years, SWOOSH has had a renewal strategy of applying a tiering formula to an aggregate renewal. The tiering has been based on district plan performance and overall utilization. Access to aggregate

and individual data has been key for each district to understand and explain the renewal strategy to key district personnel.

"This formula rewards groups when they've had a good year and requires groups that had a bad year to compensate for the utilization. Over the long term, it allows groups to come closer in performance, which creates really broad stabilization," said Tim Ackermann, SWOOSH Board President.

## ADVANCEMENTS IN WELLNESS

Each school district is required to have a



SWOOSH Board - Back row (standing): Traci Rea, Tim Ackermann, Debbie Caudle, Randy Seymour and Chris Brown. Front row (seated): Dr. Andrew Jackson, Richard Toepfer, Tammy Carnahan, Julia Toth and Brian Rabe.

wellness plan and is given funding for its wellness budget. The plan includes the standards: biometric screenings, A1C testing, health risk assessments and leadership engagement. The districts are encouraged to go beyond the basics and customize the wellness strategy to the district's needs.

Recent data and benchmarking numbers indicate wellness is a driving factor for cost savings. Currently, 50% of SWOOSH plan members have received a wellness exam, which is 13% better than the peer group. Additionally, SWOOSH plan members have seen improvements from 2012 to 2013 in utilization (i.e., fewer emergency visits, fewer urgent care visits).

SWOOSH has delivered a strong clinical performance, as shown by most peer group comparisons like wellness exams and cancer screenings. This emphasis on preventive care has led to much lower utilizations than for the peer group. Overall claims and claims in key diagnosis categories are down significantly over peers.

SWOOSH's next step in wellness is to drive cost and quality transparency to the



employee level. In order to accomplish this transparency, SWOOSH plans to provide a service for their employees called Castlight, a health care tool that gives employees the ability to research best-quality and best-cost facilities for over 140 services.

## THE FUTURE OF SWOOSH

SWOOSH is in the process of moving to a self-funding medical plan in order to further stabilize the pool and control costs.

"HORAN is proud to have had the opportunity to work with our valued school district clients to create SWOOSH," said Valerie Bogdan-Powers, Vice President of Employee Benefit Services at HORAN and the SWOOSH Board Secretary. "We are honored to have the opportunity to guide the consortium as they begin another chapter with the move to self-funding and continue to support SWOOSH with board-driven decisions, transparent data, wellness initiatives for cost containment and overall results."

SWOOSH is actively searching for like-minded schools, typically large districts with over 500 employees, that would like to be self-funded but aren't in a position to do so on their own.

>> The HORAN SWOOSH team (pictured from left to right): Judi Meyer, Senior Vice President; Kristen Mumper, Account Manager; Caren Martin, Account Representative; Brian Fissinger, Financial Analyst; Tyler Dierkers, Financial Analyst; and Valerie Bogdan-Powers, Vice President of Employee Benefit Services.

## SWOOSH ADVISORY COMMITTEE HELPS SWOOSH BOARD ADDRESS NEEDS OF DISTRICTS AND EMPLOYEES

SWOOSH places a high value on the district and employee needs. As a result, an advisory committee was formed in order to act as an ambassador between the board and the school districts and employees.

The SWOOSH advisory committee's role is to make recommendations to the board and to be an advocate for their districts as well as provide information back to the districts.

Districts are able to have one to three members on the advisory committee. They are the voice back to the SWOOSH Board representing their districts in any key areas of concern.

They bring back perspectives from the districts' insurance committees and are involved in understanding the impact of health care reform and the move to self-funding. The committee is also beginning to be more involved in wellness and employee engagement.

The committee is comprised of a wide range of district employees including teachers, treasurers, bus drivers, custodians, operations managers, building representatives, human resources employees and assistant superintendents.

The advisory committee recently made the recommendation and reviewed the RFP results for all of the ancillary benefits lines that SWOOSH adopted including employer-paid life, voluntary life, voluntary vision and dental.

The ancillary lines recommended by the advisory committee were a huge benefit for the districts at really strong pricing.