



**MILWAUKEE
PUBLIC SCHOOLS**

Start. Stay. Succeed.
Comienza. Quédate. Triunfa.

On-site Clinic Update

Darienne B. Driver, Ed. D., Superintendent of Schools

Himanshu Parikh, Interim Chief Human Resources Officer

Christiane Standlee, J.D., Sr. Director Benefits & Compensation

Michael Trueblood, Manager Office of Accountability & Efficiency

2/16/2017

Overview

- **Background**
- **Current Budget Forecast and Healthcare Cost Projections**
- **Changes Implemented by MPS and Opportunities for Savings**
- **On-site Clinics**
- **Feedback & Data Gathering**
- **Updates to Board of Directors**
- **Request for Proposal (RFP) Selection Criteria**
- **Request for Proposal (RFP) Responses**

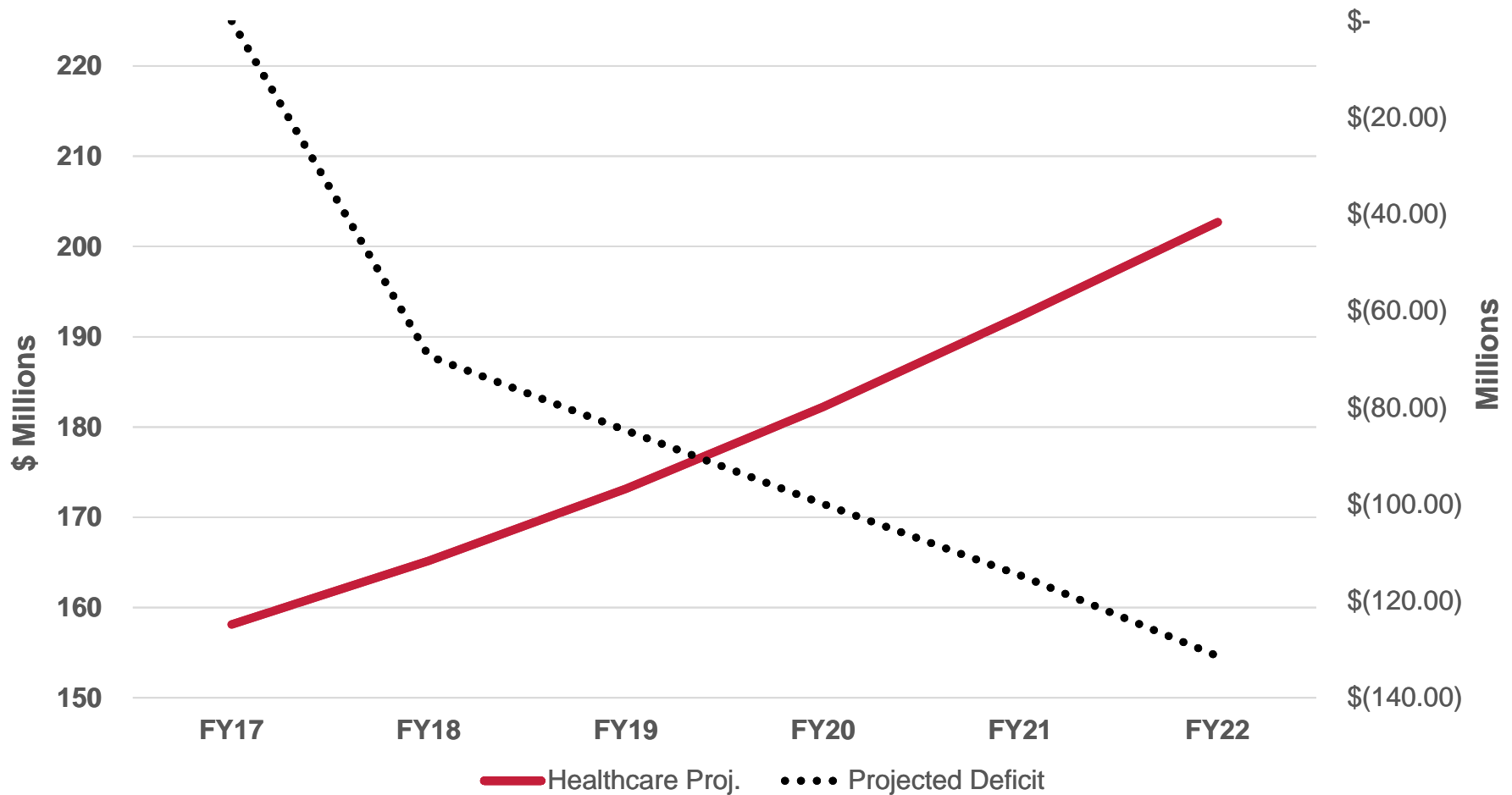
Five Year Forecast

School Operations - Five-Year Projection

(In Millions)

	FY17	FY18	FY19	FY20	FY21	FY22	Change FY22 vs FY17
(In Millions)	Budgeted	est	est	est	est	est	
Revenues	\$928.3	\$904.6	\$906.9	\$914.5	\$920.1	\$927.9	(\$0.4)
Expenditures							
Salaries/Other Wages	\$420.5	\$429.1	\$433.1	\$437.5	\$441.6	\$446.5	\$26.0
Benefits							
Medical/Vision Insurance-Active	\$110.3	\$117.6	\$124.6	\$132.1	\$140.3	\$149.1	\$38.7
Medical-Retiree (no Vision)	\$51.0	\$51.8	\$53.2	\$55.3	\$58.0	\$60.5	\$9.5
Employee Contribution-Active	(\$12.0)	(\$11.6)	(\$12.0)	(\$12.7)	(\$13.5)	(\$14.3)	(\$2.3)
Employee Contribution-Retiree	(\$1.4)	(\$1.7)	(\$1.9)	(\$2.2)	(\$2.5)	(\$2.9)	(\$1.4)
Other Benefits	\$58.0	\$55.6	\$56.8	\$58.0	\$59.3	\$60.8	\$2.8
Total Benefits	\$205.8	\$211.8	\$220.7	\$230.6	\$241.6	\$253.1	\$47.3
Purchased Services							
Contracted Schools Charters	\$82.8	\$93.5	\$93.1	\$96.8	\$99.0	\$101.2	\$18.4
Open Enrollment -Outbound	\$38.8	\$36.3	\$35.5	\$34.7	\$33.8	\$32.9	(\$5.9)
Pupil Transportation	\$62.8	\$64.1	\$65.4	\$66.7	\$68.0	\$69.4	\$6.5
Other Purchased Scvc.-Includes Utilities	\$71.6	\$66.1	\$66.9	\$67.7	\$68.4	\$69.1	(\$2.4)
Total Purchased Services	\$256.0	\$260.0	\$260.9	\$265.9	\$269.2	\$272.6	\$16.5
Supplies/Materials/Capital Purchases/Other Expenditures	\$35.8	\$40.4	\$40.8	\$41.3	\$41.7	\$42.1	\$6.3
Debt Service	\$31.1	\$32.8	\$34.0	\$34.5	\$33.7	\$35.4	\$4.3
Insurances	\$10.1	\$9.8	\$10.2	\$10.6	\$11.1	\$11.6	\$1.6
Use of prior Year Funds for Legacy Costs	(\$31.0)	(\$10.0)	(\$8.0)	(\$6.0)	(\$4.0)	(\$2.0)	\$29.0
Total Expenditures	\$928.3	\$974.0	\$991.6	\$1014.4	\$1034.8	\$1059.3	\$131.0
Final Surplus (Deficit)	(\$0.0)	(\$69.3)	(\$84.7)	(\$99.9)	(\$114.7)	(\$131.4)	

Healthcare Cost Projections



Healthcare is Changing

A brief look...

- **Employees**

- Go to local doctor
- Do what the doctor says
- Pay small amount

- Use internet to research best providers and treatments
- Make treatment decisions in partnership with doctor
- Care costs more than in the past

Past

Present & Future

- **Employers**

- Offer multiple health plans
- Enroll people in a plan
- Costs are a small amount of total budget

- Offer plans and benefits to encourage best care
- Encourage employee wellness
- Costs are a large amount of total budget (approximately 47%)

Employees → Shared Goals ← Employers



Opportunities for Health Plan Savings & Changes Previously Implemented by MPS

Cost Sharing

- Increase employee contributions
- *MPS: Tied to % of plan costs; plan costs have increased 5%*
- Increase deductibles
- *MPS: Not increased in five years (2012-2017)*

Plan Design

- Offer only a High Deductible Plan with an HSA
- *MPS: HSA plan is one of three options*
- Alter copays for office visits & Rx copays
- *MPS: Not increased in five years (2012-2017)*

Network

- Reduce the size of the provider network
- *MPS: Maximum network savings realized with expansive network with transition and continued negotiations with City and County*

On-site Clinic(s)

- Utilize MPS sponsored On-site clinics
- *MPS: Current recommendation to align with peers in public sector. Offer \$0 care to employees and dependents on health plan and increase chronic care management while realizing fiscal savings*

On-site Clinics

On-site Healthcare: Workplace health centers operate with a commitment to clinical excellence and health engagement, superior account management, and improved health outcomes. The model results in increased patient satisfaction, lower costs and increased overall health and wellbeing of the District's employees and dependents.

MPS Wellness Mission: Assist MPS employees and their families to thrive personally and professionally by providing the resources and support needed in order to live well.

Components:

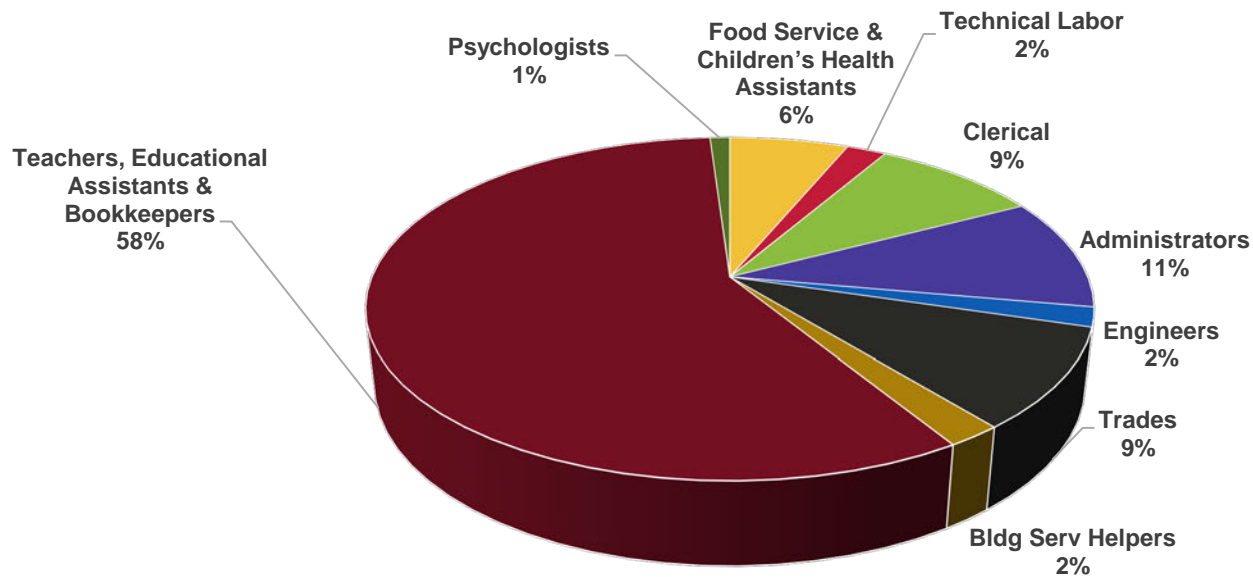
- ✓ Choice to keep current healthcare providers or see clinic providers no cost
- ✓ Choice to access generic prescription drugs at retail or mail order pharmacy or see the clinic provider and receive them for nominal cost or free
- ✓ Comprehensive assistance with chronic health conditions and mental health
- ✓ Contributes to lower healthcare costs (pays for itself)
- ✓ Reduced wait times for services

On-site Clinics

- An estimated 29% of employers with 5,000 or more employees had workplace, or work site clinics in 2014, according to Mercer, a benefits consulting company.
 - Source: <http://www.jsonline.com/business/city-of-wauwatosa-opens-workplace-clinic-b99745388z1-383168591.html>
- Districts who have implemented On-site clinics:
 - Green Bay School District
 - Greendale School District
 - Lake Geneva School District
 - Muskego School District
 - Oshkosh School District
 - Sheboygan School District
 - Watertown Unified School District
 - Waukesha School District
 - Wauwatosa School District
 - West Bend School District

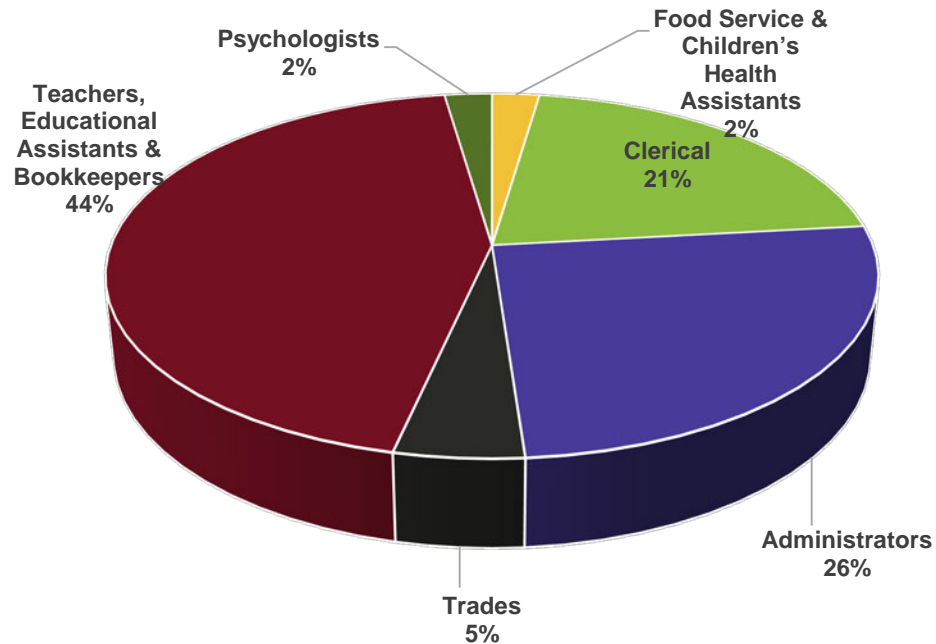
Feedback & Data Gathering

- **Feasibility Study performed by Willis Towers Watson**
- **World Café (Employee Feedback) - Invited**
 - Facilitated 2 focus groups
 - March 16 & April 6, 2016
 - Invites were proportional to employee classification size



Feedback & Data Gathering

- **World Café (Employee Feedback) - Attended**



Focus Group Requested Clinic Services

- ✓ Primary care services
- ✓ Immunizations
- ✓ Preventative care
- ✓ Chronic health condition case management
- ✓ Occupational health services
- ✓ Mental health services
- ✓ Physical Therapy
- ✓ Chiropractic services
- ✓ Generic prescription drugs
- ✓ General lab draw and review
- ✓ Liaison services for coordination of all benefit offerings
- ✓ Pre-employment testing

Additional Feedback & Data Gathering

- **Union/Representative meetings**

- Held period meetings with all union/representative groups to update and inform group leaders on progress of changes
 - June 28, 2016, July 26, 2016, August 22, 2016 & January 11, 2017
- At representatives request also sent email updates
 - In lieu of meeting sent information on August 31, 2016

- **Tours of local On-site clinics**

- Toured local government and employer On-site clinics for best practices and information regarding Request for Proposal (RFP) proposal
 - Waukesha School District
 - S.C. Johnson & Son, Inc.
 - MillerCoors
 - Kwik Trip

Updates to the Board of Directors

- **Board of Directors**

- Healthcare Trends and Marketplace Strategies Presentation
 - AFP - April 19, 2016
 - Regular Monthly Board Meeting - April 21, 2016

- **Executed Request for Proposal (RFP) for clinic providers**

- Released RFP with MPS' healthcare consultants to select vendor to administer MPS' On-site clinic services
 - May 19, 2016
- Nine (9) person multi-discipline MPS review panel

RFP Selection Criteria

- **Request for Proposal (RFP) Selection Criteria**
 - Cost Savings that Promotes Employee & Dependent Health
 - Net Financial Impact
 - Disease & Chronic Health Management – High Quality Support
 - Care Delivery Option
 - Does **NOT** Mandate Clinic as Primary Care Provider
 - Types of Services Provided & Proposed Staffing Model
 - Coordination of Care with All MPS Partners & Vendors
 - Provider Experience
 - Provider's Alignment to MPS Wellness Philosophy
 - Migration Utilization, Member Engagement & Marketing/Branding
 - Partner Knowledge & Support of our Core Business and Primary Goal:

Excellence in Student Education



RFP Responses

- **Submission of Intent to Bid**
- **Received Ten (10) Proposals**
 - Two (2) Traditional Healthcare Providers
 - Proposals Encouraged Utilization of Their Providers
 - Less On-site Clinic Experience
 - Eight (8) On-site Healthcare Providers
- **Shortlisted to Four (4) On-site Healthcare Providers**
 - In-Person Finalist Interviews
- **Further Narrowed to Two (2) On-site Healthcare Providers**
 - In-Person Finalist Interviews



RFP Responses

- **On-site Visits to Finalist Clinics**
- **Reference Checks**
- **Return on Investment Review**
- **Partner Recommendation**
- **Decision Support:**
 - Willis Towers Watson
 - Milliman
 - UnitedHealthcare

Questions?

On-site Clinic Report

MPS Board of School Directors

Mark Sain, President, District 1

Larry Miller, Vice President, District 5

Wendell J. Harris, Sr., District 2

Michael Bonds, Ph.D., District 3

Annie Woodward, District 4

Tatiana Joseph, Ph.D., District 6

Claire Zautke, District 7

Carol Voss, District 8

Terrence Falk, At-Large

MPS Senior Team

Darienne B. Driver, Ed.D., Superintendent of Schools

Gina Spang, P.E., Chief of Staff

Tonya Adair, Chief Innovation & Information Officer

Himanshu Parikh, Interim Chief Human Resources Officer

Ruth Maegli, Chief Academic Officer

Gerald Pace, J.D., Chief Financial Officer

Keith Posley, Ed.D., Chief School Administration Officer

Wendell Willis, Chief Operations Officer

Sue Saller, Manager, Superintendent's Initiatives

Ashley Lee, Special Assistant to the Superintendent