

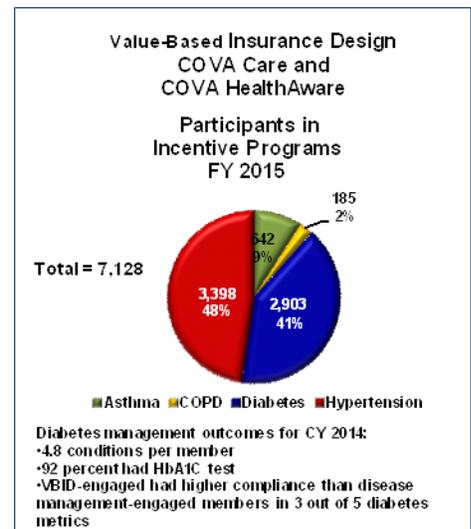
**Office of Health Benefits
Major Accomplishments
FY 2014 and FY 2015**

Health Initiative Launched

In July 2013, the Department of Human Resource Management’s Office of Health Benefits launched an integrated strategic total population health strategy with a goal of greater individual employee engagement in health care to improve health outcomes. In turn, better health among employees, retirees and family members would help the program reduce overall costs. To meet this objective, the state health benefits program aligned its plan design and vendor capabilities to reward healthy behaviors.

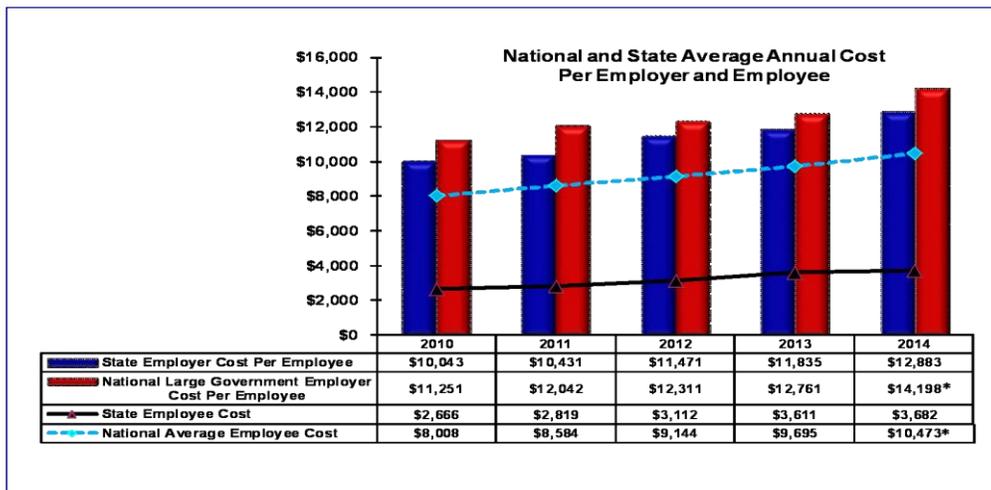
The initiative has included:

- **MyActiveHealth:** This portal provided by a single total population health management vendor for state plans has offered tools for health improvement and engagement, including a health assessment and health tracking opportunities, along with disease management, health and wellness programs.
- **COVA HealthAware:** The state program introduced this consumer directed health plan (CDHP), with Health Reimbursement Arrangement (HRA) incentives for wellness activities. More than 8,000 employees, early retirees and family members are currently enrolled in this plan and had access to a total of \$7.1 million in HRA funds during FY 2014 and 2015. Almost \$800,000 of that total was from funds that members earned by completing certain healthy activities, or “do rights.”
- **Value Based Insurance Design (VBID):** Incentives have been introduced for diabetes management, hypertension, asthma and chronic obstructive pulmonary disease (COPD). Plan members in COVA Care and COVA HealthAware with these conditions are given free outpatient prescription drugs and supplies in return for meeting certain requirements. Outcomes for diabetes management, the first VBID incentive program launched, show that VBID-engaged members had higher compliance than standard disease management-engaged members in three out of five diabetes metrics.
- **Premium Rewards:** Almost 79,000 eligible Care and COVA HealthAware members earned \$20.3 million in premium rewards over the two fiscal year periods for engaging in a health assessment and biometric screening.



Health Care Costs Remained Lower Than National Average

Despite increased claims expense and the cost of the Affordable Care Act (ACA) provisions, the state health benefits self-insured plans' cost per employee has continued to be lower than the projected national average for the calendar year. The cost per employee was 12.5 percent lower in FY 2014 and 9.3 percent lower in FY 2015 than national projections. The Commonwealth's benefits historically have cost less than the national trend, including employees' overall out-of-pocket expenses, which have remained about one-third of the national average. State operating costs totaled more than \$1.1 billion in 2015, up 7.3 percent from the prior year. ACA-related expenses were an estimated \$10.5 million in 2015.



Eligibility for Program Expanded

With the ruling in October of 2014 to recognize same sex marriage in the Commonwealth of Virginia, employees and early retirees eligible for state health benefits who became legally married were allowed to submit their request to enroll or add their spouse and other eligible dependents within sixty days of their marriage. The Department of Human Resource Management notified all state employees of this change and the requirements for health plan coverage. The Office of Health Benefits provided letters to all health care eligible employees and participants with information on the required documentation and election request deadlines to assist with the enrollment process. Same-sex spouses now account for approximately 0.5 percent of spouses covered under state health benefits.