

2016 Annual Report

WORKING FOR EMPLOYERS

Mission Statement

The Business Health Care Group leverages member employer purchasing power and knowledge to lead change. We create value through innovative shared strategies to improve health care quality and cost efficiency for employers, employees and the community.



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LEADING CHANGE. CREATING VALUE.



A letter from the Executive Director

This was an exciting year for both the Business Health Care Group (BHCG) and for me personally. I had been involved in BHCG for more than a decade (since its inception) as a member employer representative. During that time I served on several leadership committees, including the Executive Steering Committee. On August 1, I took the helm as executive director – an opportunity that has allowed me to work full time on a long held passion.

Employer led success

The success of BHCG continues to be driven by many things. One critical factor, unique to our employer coalition, has been the active involvement of our employers' CEOs, including their initial vision and continued commitment. We also owe a debt of gratitude to our employer representatives who have committed countless hours serving on leadership committees and various subcommittees.

The power of partnership

2016 marked the beginning of BHCG's partnership with UnitedHealthcare®. Health care cost results from the first year of our partnership have been impressive. We are building on the success BHCG has long demonstrated – creating value for member employers by helping them positively impact their health care costs and improve health outcomes. By utilizing the UnitedHealth Premium® designation program combined with a broad network strategy, we are identifying high value providers and motivating consumers to utilize them through benefit design.

Employer solutions

While the partnership with UnitedHealthcare offers member employers numerous solutions to address health care cost and quality, BHCG continues to seek and offer other solutions outside the framework of the partnership. One prime example is the relationship we have forged with Best Doctors®, our informed decision maker since 2012. That relationship continues to evolve with additional services and enhanced pricing.



Growing our influence

Last year we expanded our footprint in the state – from our original 11-county service area in southeast Wisconsin to a 22-county service area that extends through the Fox Valley to Green Bay. Employers with facilities or headquarters in northeast Wisconsin have increasingly expressed an interest in the benefits of membership in our organization. Of particular interest is our partnership with UnitedHealthcare and its reach throughout the state, as well as the UnitedHealth Premium designation program. Additionally, we look to serve current members with employees in northeast Wisconsin, allowing them to provide consistent health care benefits across their employee population.



A new look for a new era

In 2016 we initiated a new identity for our organization to better reflect who we are and where we are going. A creative, collaborative and thorough process that included feedback from various stakeholders yielded a new BHCG brand identity which we rolled out in the first quarter of 2017.

With strong leadership, a new administrative partner, a focus on developing more solutions for employers, an expanded service area and a new brand identity, 2016 was an exciting and productive year. BHCG is well poised for growth in 2017 and beyond. We look forward to sharing with you how we are *Leading change. Creating value.*

Jeffrey Kluever
Executive Director

BY THE NUMBERS – THE YEAR IN REVIEW



2016 Financial Highlights

BHCG receives the vast majority of its funding from its member employers. Employers pay membership fees based on the number of eligible employees and retirees who are enrolled in their health plans, as well as a one-time joining fee (unless they join through a **BHCG sponsoring organization** or have less than 200 eligible participants). The 2016 annual membership fee was \$15.00 per eligible employee and retiree – *the third year in a row with no increase in the membership fee.*

Membership – Strength in numbers

Employers large and small – both self-funded and fully insured – participate in BHCG to positively impact the health care delivered in our community. In 2016 our membership exceeded 150,000 members in the 22-county region of eastern Wisconsin.

Cost Results – Leveraging our influence

Leveraging our purchasing power and the collective experience and knowledge of member employers and strategic partners, we have made remarkable progress in slowing health care cost trend – for our member employers and the community.

The annual trend increase for BHCG self-funded member employers over the past 11 years has averaged 1.5 percent annually, while increases in southeast Wisconsin have ranged between five and 10 percent annually for the same time period. BHCG self-funded employers have saved well in excess of \$1 billion in medical expenses over the past 11 years.

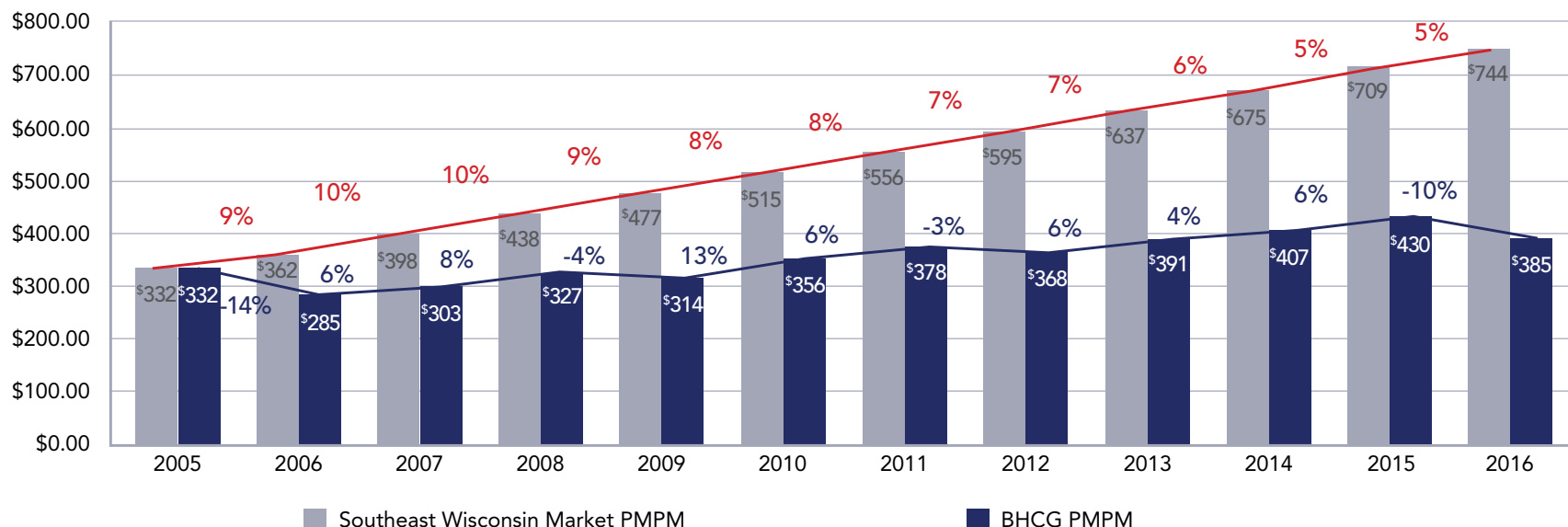
Virtual Health Plan – Looking for opportunities to improve

UnitedHealthcare's continuous health care cost action plan uses a reporting and analysis tool to monitor health plan performance across BHCG member employers, identify cost drivers and develop solutions. The Virtual Health Plan, directed by a senior health care executive team consisting of a chief medical officer, a chief operating officer and an analytics team, is an advanced analytic process that focuses on BHCG's collective benefit plan performance. The Virtual Health Plan process:

- Develops clinical strategies
- Assures clinical operating integrity
- Identifies emerging trends and cost drivers

PER MEMBER PER MONTH (PMPM) ALLOWED COSTS COMPARISON – SOUTHEAST WISCONSIN VS. BHCG SELF-FUNDED MEMBER EMPLOYERS

Additional BHCG cost results information is available on our website.



DID YOU KNOW?

In 2016 in southeast Wisconsin, adults that were highly engaged with Premium providers showed a 15% lower spend, when compared to adults with low utilization of Premium providers, after adjusting for high cost claimants and claim risk differences*

* Dates of Service 1/1/2016-12/31/2016 and paid through 12/31/2016, Limited to members in the Milwaukee, WI member market, Limited to subscribers and spouses only (Excludes dependents). Excludes Catastrophic Claimants >\$100,000 in medical spend, Highly Engaged members have 75% or more of their Premium spend at Premium Tier 1 providers (Quality & Efficient). Low engagement is <75% of the Premium eligible spend. Savings is based on Covered spend (before member cost share) on a per member basis after adjusting for claim risk score

Best Doctors Results – Empowering health care consumers

Since 2012 BHCG has partnered with **Best Doctors, Inc.**® of Boston as its informed decision making vendor. Best Doctors brings together the brightest minds in medicine, cutting edge technology, and analytics to help employers, health plans and members navigate an increasingly complex health care system. Best Doctors offers BHCG employers an innovative consumer health care decision-making program for employees and dependents at preferred rates.

Best Doctors' 2016 program utilization results for BHCG member employers included:

- Ninety-two percent of survey respondents gave the program the highest rating for its ability to meet their needs while affirming they would recommend Best Doctors services to their co-workers
- The program's expert medical consultation services indicated diagnosis changes were recommended in 40 percent of cases and treatment changes were recommended in 80 percent of cases
- BHCG employers realized a return-on-investment (ROI) of 1.56:1.

BHCG's partnership with Best Doctors continues to evolve. New services are now available to employers, including access to an exciting collaboration between Best Doctors and IBM Watson Health for oncology care and several other new services.

" Best Doctors was absolutely helpful. I didn't expect such a detailed report. It is great that my employer provided this option. I feel it made my doctor more attentive to my condition than before."

" I'm very impressed. Everyone at Best Doctors was so accommodating and professional."

" It was good to confirm what my doctors were already telling me."

– *Feedback from BHCG member employees concerning their experience with Best Doctors*



BHCG-UNITEDHEALTHCARE PARTNERSHIP



Partnership Highlights & Offerings

In 2016 BHCG and UnitedHealthcare joined forces to help participating member employers impact their health care costs and improve health and outcomes by identifying high value providers. The partnership also offers opportunities for BHCG member employers to benefit from preferred pricing, performance guarantees and exclusive programs and capabilities.

" The BHCG/UnitedHealthcare partnership gives employers access to innovative programs and solutions to engage employees in becoming better health care consumers – positively impacting health care quality and cost efficiency."

– Paul Purcell, *Chairman*, Baird

" The Business Health Care Group and UnitedHealthcare work together to offer opportunities for employers to help improve health plan performance through innovative programs, services and capabilities."

– BHCG/UnitedHealthcare Partnership Statement

" UnitedHealthcare's partnership with BHCG offers us an important advantage in developing employer-driven solutions to impact cost trend and health care outcomes in our region."

– Dustin Hinton, *President & CEO*, UnitedHealthcare of Wisconsin & Michigan

Our collaboration with UnitedHealthcare includes:

- A broad network with competitive provider pricing in eastern Wisconsin and nationwide
- Access to the UnitedHealth Premium® designation program creating accountability for both providers and consumers and promoting quality and cost efficiency by identifying high value providers
- A Wisconsin-based dedicated customer service and designated clinical team utilizing UnitedHealthcare's enhanced and intuitive customer service model, Advocate4MeSM
- [Virtual Health Plan](#), a continuous health care cost action plan that uses a reporting and analysis tool to monitor health plan performance across BHCG member employers to identify cost drivers and develop solutions
- Vendor management and administrative oversight to ensure performance, competitiveness and value will be market-leading
- Preferred pricing, credits and performance guarantees structured to assure competitive pricing and performance
- Exclusive access to innovative programs and solutions designed to gain efficiencies and help solve problems through technology and new ideas

[Learn more](#) about the advantages of the BHCG/UnitedHealthcare partnership.

DID YOU KNOW?

BHCG served as the Awards Ceremony Sponsor for the Wellness Council of Wisconsin's 26th Annual Worksite Wellness Conference in Green Bay.

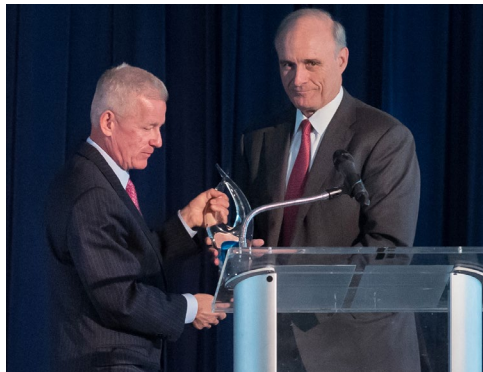




ANNUAL MEETING: EMPLOYERS WALKING IN UNISON – A CELEBRATION OF SUCCESS

Highlighting the meeting was a keynote address by Katrina Cravy, an Emmy-award winning reporter formerly with Fox6 in Milwaukee: *The Mission IS Possible*.

Katrina drew parallels with her experience as a consumer advocate reporter to the work of benefit professionals – namely, embracing the mission of changing the lives of employees and their families for the better.



BHCG member employers, providers, brokers/consultants, strategic partners and sponsoring organizations gathered at Discovery World in Milwaukee on October 26 at BHCG's annual meeting. The theme for the meeting – "Employers Walking In Unison – A Celebration of Success" – was chosen to celebrate the committed employers who have harnessed their purchasing power, experience and knowledge to make remarkable progress in improving quality and slowing health care cost trend in our market.





Other highlights of the morning included:

A panel made up of BHCG member employers and UnitedHealthcare representatives who discussed [successful benefit strategies](#) utilized by member employers and provided information about UnitedHealthcare programs.

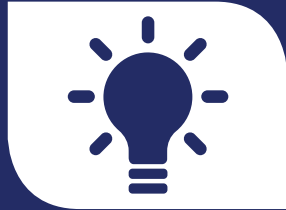
The executive leadership of BHCG received BHCG's fifth annual Driving Meaningful Change Award for their vision, commitment and guidance in our market-changing success. [Accepting the award](#) on behalf of all executive leaders, both past and present, were Paul Purcell, chairman of Baird and Keith Nosbusch, chairman of Rockwell Automation.

Several key contributors to BHCG's success were recognized including:

- The C-Suite Steering Committee
- The Executive Steering Committee
- New member employers who recently joined BHCG
- Six UnitedHealthcare employees for the outstanding service they have provided to BHCG member employers, their employees and dependents

An [executive summary](#) and [photo gallery](#) of the event is available for review.

SHARING KNOWLEDGE



BHCG offers a wealth of opportunities for our various stakeholders to learn from industry experts and allow member employers to share best practices, strategies and lessons learned.

Trends in Benefit Design Evolution & National Employer Initiative on Specialty Pharmacy

Representatives of employers, providers, brokers, consultants and our strategic partners gathered on April 27 at Briggs & Stratton to gain valuable insights and strategies concerning emerging trends in benefit design and specialty drug management. An [executive summary](#) of this learning event is available for review at our website.

BHCG/UnitedHealthcare Broker Update Meeting

On April 20 BHCG and UnitedHealthcare hosted brokers at the Boerner Botanical Gardens at Whitnall Park to share updates about our partnership. Presentations included information about:

- BHCG [Virtual Health Plan](#) results
- [UnitedHealth® Premium designation program](#) and high performance network strategies
- Benefits and features available to fully insured employers
- UnitedHealthcare programs – [United MotionSM](#) and [FlockTM](#)
- Charter Manufacturing's Live Well Rewards Program
- BHCG-dedicated [Advocate4MeSM](#) customer service

Benefits Forum Meetings – *Timely topics and roundtable discussions*

Representatives of BHCG employers gather to learn from industry experts and each other about topics related to health care and benefit offerings. The Benefits Forum meets at various member employers' locations throughout the year. In 2016 industry experts shared insights concerning the following topics:

- Creating value in health promotion programs
- How to engage employees in wellbeing
- Specialty pharmacy landscape, trends and employer actions
- Understanding and promoting HSAs
- Core and optional services available to BHCG members from UnitedHealthcare
- Preferred vendors and services available to BHCG members at preferred rates

A BIG thank you to Briggs & Stratton, ManpowerGroup, MillerCoors and Rockwell Automation for graciously hosting various educational events in 2016.

COMMUNICATING WITH OUR STAKEHOLDERS



Keeping All Informed

Our goal is to communicate timely information about our activities and initiatives and those of our stakeholders. We also provide information on an array of topics in the health care and benefits arena across a variety of media.



E-newsletters, [The Catalyst](#) – focused on BHCG news and the [Monitor](#) – in-depth health care and benefits industry features



BHCG Brief – an exclusive email update on BHCG news and “need to know” information as reported by our executive director, Jeffrey Kluever



[BHCG blog](#) – designed to provide topical, brief perspectives on what is trending in health care and benefits



[YouTube channel](#) – a place to access videos that go over our membership value proposition and benefits available to employers through the BHCG/UnitedHealthcare partnership



Need more ways to learn about, and communicate with BHCG? Follow us on [Facebook](#), [LinkedIn](#) and [Twitter](#).

MEMBERSHIP RESOURCES



Membership in BHCG provides a host of valuable resources, programs, initiatives and educational opportunities designed to keep members abreast of the continuously changing health care, benefits and legislative landscape. Some of those resources are now located in the Members Only section of our website.

Online Communications Library – *Multi-channel media*

The Online Communications Library consists of consumer communications campaigns using a variety media components including videos, print materials, emails, social media, a microsite and intranet content.

A Buyer's Guide to Health Care – *Online education modules*

BHCG's series of online education modules – A Buyer's Guide to Health Care – are designed to help employees and dependents learn how to more effectively navigate the health care system. The eight modules, featuring "Joe," an average health care consumer, focus on topics such as getting the most from a health care visit, how insurance works, prescription drugs, prevention and lifestyle issues, the various causes behind rising health care costs and understanding the BHCG strategy.

Membership Resource Guides – *Making the most of BHCG participation*

BHCG's Membership Resource Guides – one for self-funded and another for fully insured employers – are continually updated and serve as a "go-to" resource for a wealth of information about our organization, including our history, strategies, initiatives, results and preferred vendors.

Strategic Programs, Initiatives and Resources – *More membership benefits*

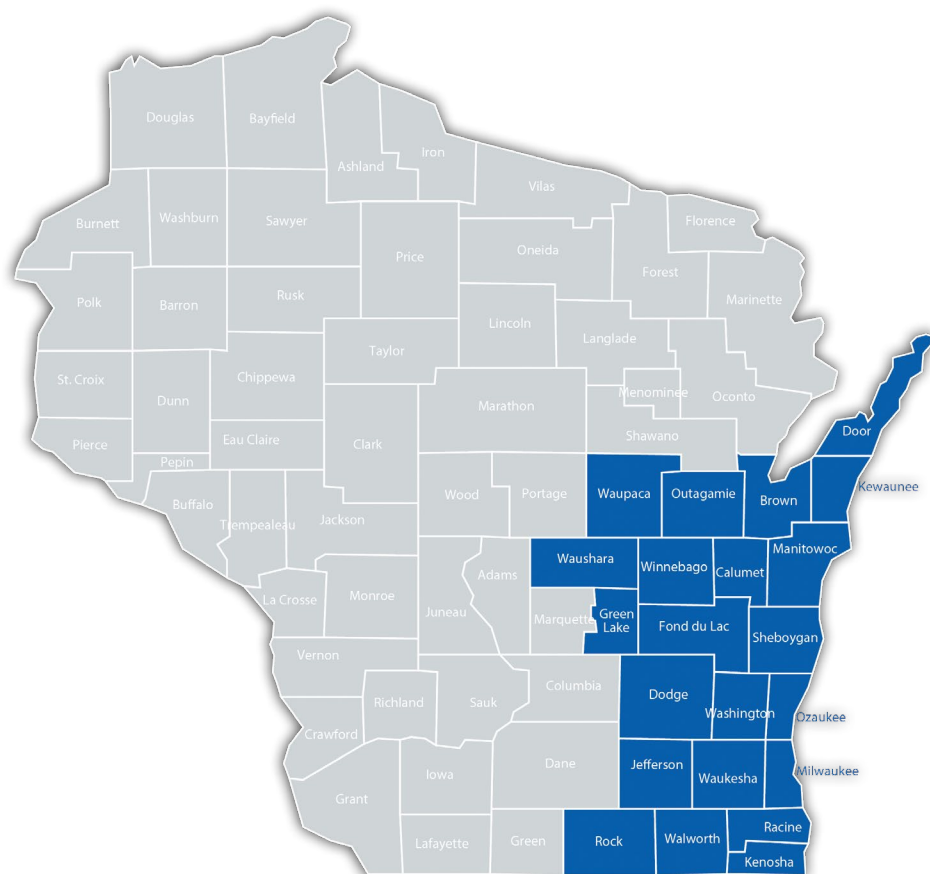
BHCG member employers are offered access to strategic programs and services that drive improved health care value and consumer engagement. Our partnerships with local and national organizations offer a variety of tools and resources to help employers manage their health care benefit offerings and effectively engage and communicate with employees to assist them in becoming more educated health care purchasers. These resources, available with preferential pricing include vendors offering:

- Informed decision making services for employees and their dependents
- Benefits communications services for employers
- An HR management system for employers

APPENDIX

Service Area

The BHCG service area consists of 22 counties in eastern Wisconsin.



BHCG Leadership

BHCG member employer representatives provide our organization with leadership and guidance by serving on several committees:

COMMITTEE NAME	RESPONSIBILITIES
C-Suite Steering Committee	Reviews and provides input on the strategic direction of the organization; supports the organization's mission in the community
Executive Steering Committee	Provides leadership, sets strategic direction; manages and controls BHCG business affairs
Finance Committee	Reviews the organization's revenue and expenses vis-à-vis budget
Benefits Forum	Shares best practices, strategies and lessons learned; reviews vendors as needed; receives administrative partner updates and information regarding BHCG initiatives
Operational Oversight Subcommittee	Collaborates with UnitedHealthcare to drive continuous quality improvement of its operations and processes on behalf of employers
Premium-Tier 1 Subcommittee	Collaborates with UnitedHealthcare to enhance the Premium designation program and offers employers additional resources and education to take full advantage of BHCG's exclusive access to the Tier 1 program



Pictured Left to Right:

Dennis Salentine, Lisa Mrozinski, Frank Pacetti, Candace Arentz, James Sheeran, Ellen Vebber, Teri Carpenter, Jeffrey Kluever

Executive Steering Committee Members

Candace Arentz

*Assistant Director –
Employee Benefits
Northwestern Mutual*

Linda Bloomer*

*Corporate Benefits Manager
Bemis Manufacturing Company*

Teri Carpenter

*Director, Global Benefits
Rockwell Automation, Inc.*

Lisa Mrozinski

*Director of Total Rewards
Baird*

Frank Pacetti

*City Administrator
City of Kenosha*

Dennis Salentine

*US Benefits, Vice President,
Human Resources
BMO Financial Group*

James Sheeran

*Director, Corporate Benefits
MillerCoors, LLC*

Ellen Vebber

*Senior Manager, Employee Benefits
Briggs & Stratton Corporation*

** Joined in 2017 when Bemis
Manufacturing Company joined BHCG*

Committees

C -Suite Steering Committee

Steve Booth, *Baird*

Blake Moret, *Rockwell Automation*

Paul Purcell, *Baird*

Susan Schmitt, *Rockwell Automation*

Todd Teske, *Briggs & Stratton*

Finance Committee

Frank Pacetti, *City of Kenosha*

Jim Sheeran, *MillerCoors*

Operational Oversight Subcommittee

Linda Bloomer, *Bemis Manufacturing Company*

Melissa Dal Vecchio, *BMO Financial Group*

Carla Nelson, *Baird*

Kelly Neubauer, *Kohl's Department Store*

Bonny Ryan, *MillerCoors*

Derek Stroobants, *Direct Supply*

Paula Swafford, *Rockwell Automation*

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BHCG Membership

BHCG membership exceeds 150,000 covered lives in the 22-county region of eastern Wisconsin. A listing of major BHCG member employers includes:

- A.O. Smith Corporation
- Acuity, A Mutual Insurance Company
- Almon, Inc.
- American Metal Technologies, LLC
- American Roller Company, LLC
- American Transmission Company
- Badger Meter, Inc.
- Bemis Manufacturing Company
- Bielinski Homes, Inc.
- BMO Financial Group
- Bradley Corporation
- Briggs & Stratton Corporation
- Charter Manufacturing Company, Inc.
- Children's Hospital of Wisconsin
- City of Franklin
- City of Kenosha
- Connecture, Inc.
- Direct Supply, Inc.
- Hatco Corporation
- Home Care Medical, Inc.
- Inlanta Mortgage, Inc.
- Kenosha Area Business Alliance
- Kohl's Department Store, Inc.
- Krones, Inc.
- ManpowerGroup
- Meridian Industries, Inc.
- MillerCoors LLC
- Nordco, Inc.
- Northwestern Mutual Life Insurance Company
- Oldenburg Group Incorporated
- Paragon Development Systems, Inc.
- Park Bank
- Robert W. Baird & Co., Inc.
- Rockwell Automation, Inc.
- Smart Choice MRI
- The E.W. Scripps Company
- UnitedHealthcare
- Village of Pleasant Prairie
- Wellness Council of Wisconsin
- Western States Envelope & Label Company
- Wisconsin Aluminum Foundry Co., Inc.

A list of all **BHCG employers** is available on our website.

BHCG Sponsoring Organizations

The following commerce groups are BHCG sponsoring organizations. Employers joining BHCG through one of these organizations have their one-time joining fee paid by the sponsoring organizations.

- Burlington Chamber of Commerce
- Hispanic Chamber of Commerce
- Kenosha Area Business Alliance (KABA)
- Lake Geneva Chamber of Commerce
- Metropolitan Milwaukee Association of Commerce (MMAC)
- Plymouth Chamber of Commerce
- Racine Area Manufacturers and Commerce (RAMAC)
- Regional Chamber Coalition*
- Sheboygan County Chamber of Commerce
- Sheboygan Falls Chamber of Commerce
- South Suburban Chamber of Commerce
- Waukesha County Business Alliance

A list of [BHCG Sponsoring Organizations](#) is available on our website.

* Regional Chamber Coalition includes: American Indian, Brookfield, Butler, Cudahy, Delafield, Germantown, Grafton, Hartford, Hartland, Menomonee Falls, Mequon-Thiensville, Muskego, Oconomowoc, Pewaukee, Port Washington, Saukville, Sussex, West Allis-West Milwaukee, West Bend, and Wauwatosa.





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