

Ruth F. Quinto, Bill Swanson and Tom Bjornson: Innovative health care partnership benefits Fresno Unified

By Ruth F. Quinto, Bill Swanson and Tom Bjornson

It has been reported that more than one-sixth of the U.S. economy is devoted to health care spending and that share continues to rise every year.

Regrettably, our system does not deliver value equal to this level of spending. Soaring health care costs pressure Fresno Unified School District on multiple fronts: during budget development, contract negotiations and in the daily lives of our families. But our innovative labor-management partnership has addressed these challenges over the past decade. Let us explain.

In 2005, the Fresno Unified School District was nearly broke, with no relief in sight. A major factor driving costs was the district's employee health benefits program. To more actively scrutinize those costs, the Board of Education and the district's labor groups took bold action: They created a Joint Health Management Board (JHMB) to manage the District's health benefits programs. And manage it we have!

JHMB brought the five labor organizations representing the district's 10,000-plus employees, 3,000 retirees and their respective families together with management into one health and welfare management system. Management and labor each have one vote. We are jointly responsible for spending, and health benefits are a common issue that we have been addressing together. Our purpose is to continually:

- Share responsibility and build unity between the district and the participating employee labor units.
- Manage and maintain the highest quality health benefits possible on behalf of active and retired employees.
- Promote informed and proactive decisions regarding health benefits in the most cost-effective, innovative and efficient manner.
- Develop and promote wellness education.
- And enable participants to become informed and responsible health care consumers.

It has taken hard work; it has taken compromise. But since 2006, JHMB has outperformed the state's average growth in medical spending by a cumulative total of more than \$132 million. The district's health and welfare program is now solvent. How is this possible? Here are four keys:

- **Engagement:** We worked hard to have everyone understand that improving member health and reducing costs was in all of our best interest, and focused on reducing costs and spending the available funds optimally. And we recognized that the best way to control costs is to have healthier employees, shared decision-making, and vendors who provide better services.
- **Empowerment:** Labor and management now feel they have their hands on the controls in the design, management and measurement of their health benefits programs. Conversations shifted from how much to spend, to how to most effectively spend health and welfare resources.
- **Measurement:** JHMB stopped relying solely on reports from our vendors, which seemed more designed to impress than to inform. Instead, we asked vendors to supply raw data so that we could build our own integrated dashboard that measures health and spending and can be used to track priorities such as medication adherence, re-admittance

to hospitals and the use of our employee assistance program.

- **Accountability:** Using these analytical tools, JHMB is able to measure specific results from our vendors, and replace vendors who are not delivering. JHMB also implemented a project portfolio management system, and we continually measure progress against our goals.

And as JHMB works to develop a more effective system, we realize that benefits vendors work in silos; they have little interaction or cross-communication. Thus, we require links to be built so that our program is patient-centered, not vendor-centered. For example, formerly when a patient did not re-order their prescriptions on time, they would be reminded by the pharmacy (who wanted the revenue). But now the patient and their primary-care physician are both alerted.

No member of the JHMB would say this has been easy. But Fresno Unified School District has shown that it is possible. As one JHMB Director said early in the process, “If we don’t get control of our health benefits spending, no one is going to see another raise, and they’re never going to hire another teacher.” employers and health benefit trustees make health program decisions

Well, we have, and they are.

There’s a lot to be proud of at Fresno Unified. And while we have work yet to do, the rest of the country could learn a lot from our Joint Health Management Board.

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