



ANNUAL REPORT 2015  
RE-ENGINEERING WITH A PURPOSE



**health action council**

Enhancing Business. Enlightening Lives. Enriching Communities.

# MEMBERS

Advanced Atomization Technologies, LLC  
Agilysys, Inc.  
AK Steel Holding Corporation  
American Electric Power  
American Greetings Corporation  
American Modern Insurance Group  
American Showa Inc.  
Apex Tool Group, LLC  
Ashtabula County Schools Council of Governments  
Beachwood City Schools  
Bendix Commercial Vehicle Systems, LLC  
Blanchard Valley Health System  
Bricker & Eckler LLP  
Builders FirstSource  
Case Western Reserve University  
Catholic Diocese of Cleveland  
Chart Industries, Inc.  
The Children's Home of Cincinnati  
Cincom Systems, Inc.  
City of Brook Park  
City of Cleveland  
City of Columbus  
City of Dayton  
City of Dublin  
City of Painesville  
Cleveland Metropolitan School District  
Cleveland State University  
Columbus State Community College  
Commercial Vehicle Group, Inc.  
Cuyahoga Community College  
Cuyahoga County  
Cuyahoga County Board of Developmental Disabilities  
Danaher Corporation  
Eaton Corporation  
Educational Service Center of Lorain County  
Elyria City Schools  
Emerald Performance Materials LLC  
Erie County Board of Commissioners  
Federal Reserve Bank of Cleveland  
Ferro Corporation  
Forest City Enterprises, Inc.  
Franklin County Benefits Cooperative  
Franklin County Board of Developmental Disabilities  
Franklin International Inc.  
Fraternal Order of Police – Miami Lodge #20  
GE Aviation, Peebles Test Operation  
Gould Electronics, Inc.  
GrafTech International  
Greater Cleveland RTA

Greater Dayton RTA  
Greif Inc.  
Heidelberg University  
Hyland Software  
Jo-Ann Fabric & Craft Stores  
Jones Day  
Lake County Commissioners  
Lake County Schools Council  
Lake Erie Regional Council  
Lakeland Community College  
La-Z-Boy, Incorporated  
Lexington Precision  
Libbey, Inc.  
Limited Stores  
Lincoln Electric Company  
Lorain County Community College  
Materion Corporation  
Mentor Public Schools  
MetroHealth System  
Mitsubishi Electric Automotive America, Inc.  
Montgomery County  
Morgan's Foods  
Nationwide Insurance  
Nordson Corporation  
Northeast Care Center  
Northeast Ohio Regional Sewer District  
Ohio AFSCME Care Plan  
Ohio Civil Service Employees Association (OCSEA)  
Ohio National Financial Services  
Ohio Police & Fire Pension Fund  
Ohio Public Employees Retirement System  
The Ohio State University  
OhioHealth  
Online Computer Library Center  
Parker Hannifin Corporation  
PNC Financial Services Group, Inc.  
Portage Area Schools Consortium  
Portage County Board of Developmental Disabilities  
Progressive Corporation  
RPM International Inc.  
The Scotts Company  
Sherwin-Williams Company  
The Sports Authority  
State of Ohio  
State Teachers Retirement System of Ohio  
STERIS Corporation  
Signet Jewelers  
Swagelok Company  
Teamsters Local 293 Pension/Welfare Fund

Thompson Hine LLP  
Tim Hortons USA Inc.  
Toledo-Lucas County Public Library  
Ulmer & Berne, LLP  
Union Benefits Trust  
University Hospitals  
University of Cincinnati  
Vermillion Local Schools  
Vita-Mix Corporation  
Wendy's International, Inc.  
Westfield Group  
World Shipping, Inc.  
Wilson Memorial Hospital

## ANNUAL SUPPORTERS

### Premium

The Alpha Group  
Optum  
Oswald Companies  
Quantum Health  
RedBrick Health  
Unum

### Classic

Aetna, Inc.  
Anthem Blue Cross and Blue Shield  
Aon Hewitt  
ARAG®  
Benefitfocus  
Buck Consultants  
Castlight Health  
Cigna  
CVS Caremark, Inc.  
Dawson Consulting Group  
Employee Benefits International, Inc.  
EyeMed Vision Care  
Fedeli Group  
Findley Davies  
Health Design Plus  
Hylant Group  
Maxim Health Systems  
Medical Mutual  
Mercer  
Pfizer, Inc.  
Provant  
Towers Watson  
UnitedHealthcare  
Universal Benefit Solutions  
Virgin Pulse  
Vision Service Plan (VSP)  
Wells Fargo Insurance Services USA, Inc.

# shifting



## DEAR MEMBERS AND FRIENDS:

As the healthcare landscape continues to shift dramatically, Health Action Council has been re-engineering itself into an organization that provides our members with more than just high-quality group-purchasing products. In fiscal year 2015, we focused on improving the relationship between business and health through thought leadership, innovative services and collaboration. We steadily implemented our strategic planning framework to allow us to operate with purpose while maintaining sustainability.

More specifically, our members looked for us to help drive the healthcare discussion from just financing healthcare for employees and dependents to moving toward a culture of health within organizations and communities. We are in a unique position to build bridges and create connectivity between and among the numerous stakeholders involved in a “community of health.”

**This past year we accelerated our re-engineering efforts. Here are some examples:**

- » With the active involvement of our Member Services Committee, we expanded our educational programming to include new content on fostering innovation, communicating more effectively and strengthening organizational design, all in addition to established programming on benefits, wellness, compliance and industry hot topics.
- » We introduced a new prescription drug solution that guarantees our members’ specialty drug costs for the upcoming year, and reinvigorated the Rx steering group, which is tasked with representing the interests of Health Action Council prescription drug plan users.
- » We launched the Lake Health Primary Push Project, which is committed to improving care and spending less through the establishment of Patient Centered Medical Homes.
- » We led the Leapfrog rollout across Ohio to over 170 hospitals and expanded Health Action Council’s role by being designated as the Leapfrog rollout entity for Oregon and Minnesota.
- » We worked with CVS Health to secure a \$5,000 community grant to support the Student Run Free Clinic at the Free Clinic of Greater Cleveland.
- » We enhanced our community and endorsed-vendor collaborations to share best practices with members.
- » We updated our computer hardware and software and added two accomplished professionals to our staff, John Kackloudis and Tom Nobbe, who will help boost the implementation of our strategic plan and enhance our customer service.
- » We installed a CRM database into our day-to-day operations to better serve our members and increase connectivity across various stakeholders.

We hope you noticed our new logo. It is the visual cornerstone of our move to a new identity as we re-engineer with purpose. The shape conveys strength and clarity, and symbolizes longevity and tradition, while setting sites on the future. Its multitude of facets come together to create unique outcomes while maintaining individuality.

We believe the logo captures the essence of Health Action Council as we continue our journey together into a sustainable future. As always, we thank you for your support and welcome your participation in our growing and evolving coalition.

## PATTY STARR

Executive Director  
Health Action Council



Visit our website to learn more  
[www.healthactioncouncil.org](http://www.healthactioncouncil.org)

## Health Action Council Board of Directors

### LYNN AHLERS

Chair, Governance  
Signet Jewelers

### DON BELL

Greif, Inc.

### DIANE BOBER

Chair, Board of Directors  
Chair, Member Services

### CINDY KIP

Treasurer  
Nationwide Insurance

### KELLEY KORTE

American Greetings Corporation

### TIM KOWALSKI

Chair, Health Quality Forum  
Progressive Corporation

### MARTHA LANNING

Secretary/Treasurer,  
Health Quality Forum  
The Sherwin-Williams Company

### WENDY PRICE

Co-Chair, Group Purchasing  
Danaher Corporation

### THOMAS TERCEK

Co-Chair, Group Purchasing  
Lubrizol Corporation

# evolving

## OUR STORY CONTINUES TO EVOLVE...

Health Action Council has evolved into an organization that provides its members with more than just high-quality group purchasing products. It also sees the connection between business and health, recognizing that a company's employees are its greatest asset as well as its greatest liability. Healthy employees are more productive and therefore able to contribute more to the success of their company.

In 2015, Health Action Council sharpened and expanded its strategic focus by reaching out to members and the community to mobilize initiatives that will strengthen the nexus of business and health. By redirecting the conversation toward health – and not just healthcare – we are creating opportunities to communicate differently with management, employees and service providers and to support those dialogues with the increased use of technology and data. Leadership is essential in guiding change that aligns employee benefits packages with corporate goals while reducing healthcare costs and improving outcomes.

Health Action Council and its employer members believe that quality healthcare at manageable costs will enhance employer businesses, enlighten employee lives and enrich our communities. Through our thought leadership, innovative services and collaborative opportunities for our members, supporters and the community at large, Health Action Council strives to be a responsive and proactive advocate in a constantly changing healthcare environment.



### DIANE M. BOBER

Chair, Board of Directors  
Health Action Council





# re-calibrating

## **SUSTAINING OUR FUTURE THROUGH RE-CALIBRATED PROGRAMMING...**

A newly expanded and invigorated Membership Services Committee met this past year to review its mission of keeping pace with the constant change in the healthcare space and providing strategic, relevant and innovative programming to Health Action Council members. As Health Action Council membership continues to grow and become ever more diverse, the Committee worked hard to identify programming that is attractive and relevant to a broad spectrum of members.

The ten-member committee expanded Health Action Council's educational programming to include new content on fostering innovation, communicating more effectively and strengthening organizational design, all in addition to established programming on benefits, wellness, compliance and industry hot topics. It also stayed on top of emerging issues such as the Supreme Court decisions around the Affordable Care Act and same sex marriage. Approximately 1,000 attendees from member organizations participated in Health Action Council events in FY2015.

The committee continues to look at the most effective channels, venues and timing for programming, balancing geography, on-site versus online and members' busy times during the year. In the end, the committee seeks to provide a strategic lifecycle of programming that meets Health Action Council member needs at every stage of their journey, and aligns with Health Action Council's strategic plan.

## **Member Services Committee**

### **PIERRE AZUCENAS**

Mitsubishi  
Electric Automotive America, Inc.

### **DIANE BOBER**

Board Chair

### **NICHOLE BOWMAN-GLOVER**

Columbus State  
Community College

### **KATHY CRAMER**

Parker Hannifin Corporation

### **CINDY DOROBA**

Nationwide Insurance

### **SHERYL FELBER**

Danaher Corporation

### **JANE FRANKEBURGER**

Jo-Ann Fabric & Craft Stores

### **CASSIE LEIBY**

Lubrizol Corporation

### **DAWN MUNDY**

Children's Home of Cincinnati

### **DAVID PASTOR**

Cleveland State University

### **LISA TURNER**

Wendy's International, Inc.

## PROVIDING INNOVATIVE SERVICES...

As costs for specialty drugs continue to escalate, employers have been seeking ways to get ahead of this trend and ensure they are able to provide sustainable, cost-effective pharmacy benefit programs to their employees. In FY 2015, Health Action Council reached out to re-insurance intermediaries that specialize in risk financing and asked them to develop a program that would give Health Action Council members the ability to more effectively manage the cost of specialty drugs.

The result is a new Specialty Drug Cost Management Solution that will be introduced in January 2016 and available to all Health Action Council members using its pharmacy benefit manager (PBM) program for prescription benefits. The solution establishes a monthly premium payment, and members are reimbursed if specialty drug spending exceeds the aggregated monthly drug spend budget for individual enrolled members.

The program is easily administered, preserves price guarantees in Health Action Council's contract with its PBM, and allows Health Action Council members to guarantee the cost of specialty drugs. Additionally, the program uses an independent specialty drug utilization management company and motivates Health Action Council members to work closely with their PBM regarding their specialty drug solutions. Bottom line, Health Action Council developed an avenue to manage what are seemingly unmanageable expenses for members.

### Other value added member services

- » **A post-migration audit** – During 2014 and 2015 CVS Health moved most Health Action Council groups to a new prescription claims processing platform. When some groups began to report processing errors, Health Action Council engaged the Burchfield Group to conduct a post-migration audit to ensure correct set-ups. Health Action Council also worked with CVS Health to design migration checklists and bring added attention to detail for remaining groups that had yet to be moved to the new platform.
- » **A 2013 prescription pricing audit** – Health Action Council conducted an audit of contractual pricing guarantees, resulting in recovery of more than \$3.7 million that was distributed to employers participating in the prescription benefit program.
- » **A 2014 prescription market check** – In fall of 2014, Health Action Council initiated a market check provision in its agreement with CVS Health, and negotiated more than \$11 million in additional aggregated savings for 2016 for participating member employers.

innovating

# collaborating



## **BUILDING BRIDGES TO A COMMUNITY OF HEALTH...**

In November 2014, Health Action Council members Lubrizol Corporation, Lake County Schools Council and Progressive Corporation launched a pilot collaboration with Lake Health to provide coordinated, patient-centered care for their employees who receive care from a physician in the Lake Health Integrated Physician Hospital Enterprise (IPHE). Facilitated by Health Action Council, the employer-sponsored primary care initiative supports a delivery model known as a Patient-Centered Medical Home (PCMH) to provide patients with coordinated care and support, especially with regard to chronic conditions.

Health Action Council staff also remained actively involved on the Governing Council of ISCEBS (International Society of Certified Employee Benefit Specialists) and as members, speakers and facilitators with professional organizations including the Society for Human Resource Management (SHRM), Healthy Ohio Business Council, Cincinnati HR Collaborative and National Business Coalition on Health (NBCH). Health Action Council also continued its support of community partners such as the Healthcare Collaborative of Greater Columbus, Better Health Partnership and the Health Policy Institute of Ohio (HPIO), including participating in the HPIO Health Value Dashboard, the first-of-its-kind combined state ranking of health outcomes and healthcare costs.

## **Collaboration in the Community**

This past year, Health Action Council worked with CVS Health to provide support to existing community programming on smoking cessation or prevention. In June, CVS Health announced a \$5,000 CVS Health Community Grant to the Free Medical Clinic of Greater Cleveland. The grant will support the Student Run Free Clinic, which is housed within the facilities of the Free Medical Clinic of Northeast Ohio. Staffed entirely by Case Western Reserve University graduate students and volunteer practitioners, the clinic provides free healthcare and counseling to underserved populations within the Greater Cleveland community.



**CVSquitsforgood**



# supporting

## HELPING TO BRING ABOUT QUALITY OUTCOMES...

In FY2015, Health Action Council continued to facilitate and participate in meetings and forums with regional coalitions and community partners to encourage the use of data-driven and value-based approaches when purchasing healthcare benefits. It also promoted the employer perspective by helping insurers, vendors, healthcare professionals and policy makers to better align payment models and health outcomes.

Health Action Council continued its role as the Ohio Coordinator for the Leapfrog Group, reaching out to Ohio hospitals and health systems to encourage them to participate in the annual Leapfrog Survey and enlist their support of Leapfrog's broader quality-related goals. The Leapfrog Group was launched in 2000 by a group of large employers working together to influence the quality and affordability of the healthcare they purchased for employees. Fifteen years later, the Leapfrog Group is widely recognized for its laser focus on preventable medical errors, patient safety and the health information structure.

In another effort to promote quality healthcare for employees, Health Action Council provided its members with a brief PowerPoint presentation that offered employees clear guidelines for partnering with physicians to improve their outcomes and quality of care. Presentation topics included preparing for a doctor visit, how to work with your doctor, questions to ask, avoiding unnecessary care, where to get care (clinic vs. urgent care vs. ER), and checking hospital scores before scheduling surgery.



## Expanding our role

This past year Leapfrog asked Health Action Council to be the coordinator for two additional states – Minnesota and Oregon. In its capacity as state coordinator, Health Action Council works with hospitals across Ohio, Minnesota and Oregon to encourage their voluntary participation in the survey and enlist their support of Leapfrog's broader quality-related goals.



## RE-TOOLING OUR INFRASTRUCTURE AND STAFF...

As part of its implementation of a strategic planning framework that allows it to operate with purpose while maintaining sustainability, Health Action Council enhanced its infrastructure by investing in new computer hardware and software and installing a CRM database into its day-to-day operations to better serve its members and increase connectivity across stakeholders.

Health Action Council also added two seasoned professionals in 2015, reflecting its efforts to align itself internally with its external strategic goals.



**JOHN KACKLOUDIS** came onboard in January 2015 as Manager of Member Experience. He is responsible for reaching out to members to ensure Health Action Council's products and services are meeting member needs, and that members are taking advantage of all the benefits of Health Action Council membership.

John's career includes 24 years at Vision Service Plan (VSP), where he was Regional Vice President for Sales in the Great Lakes Region. He also served as Vice President of Business Development at PTS Physicians, LLC, helping physician practices improve their profitability. John has been active on nonprofit boards in Central Ohio and has just completed a six-year term on the Prevent Blindness board. He has a BBA from Ohio University and an MBA from Baldwin Wallace University.



**TOM NOBBE**, who joined Health Action Council in April 2015 as Director of Communications, oversees all aspects of communications. Prior to joining Health Action Council, Tom was Executive Director of the Cleveland Special Events Corp., which oversaw the planning and production of the 2014 Gay Games in Cleveland and Akron, and before that was Vice President of Corporate Communications at University Hospitals. He spent ten years at Dix & Eaton, a communications consulting firm, overseeing a number of healthcare-related client engagements.

Tom is a graduate of the 2014 class of Leadership Cleveland. He is also the recipient of the 2014 John W. Hill Memorial Award, which honors Cleveland-area chief executives who demonstrate a keen appreciation of the importance of public relations over the course of their careers. He has a BA from John Carroll University and an MA from Michigan State University.

re-tooling





# leading

## TELLING OUR STORY...

Health Action Council was founded in 1983 by five companies who wanted more value from the millions of dollars they were spending on healthcare coverage for their employees. They banded together to work with hospitals to ensure their employees were receiving quality care, efficiently and at a cost that could be afforded.

The organization soon evolved into a much larger coalition of employers that leveraged its combined purchasing power to obtain prescription, medical, dental and vision coverage for their employees at rates they would be unable to secure if they negotiated with insurance companies on their own.

Health Action Council has evolved further into an organization that provides its members more than just high-quality group purchasing products and services. It strives to be a thought leader that convenes key stakeholder

groups to look at the nexus of business and health. Health Action Council recognizes that a company's employees are its greatest asset as well as its greatest liability in terms of the company's success in the marketplace and its role in its community. Healthy employees are more productive and therefore able to contribute more to the success of their company and the health of their communities.

In addition to telling its story, Health Action Council listened to the stories of other individuals and organizations by attending conferences on behalf of its members, searching for emerging trends and expertise in the health space. In FY2015, Health Action Council staff attended conferences that focused on topics that included medical and pharmacy benefits, wellness, change management, data analysis, transparency and conscious capitalism.

## STEWARDSHIP WITH A PURPOSE...

Health Action Council revenue is derived entirely from the support of employer members, annual supporters, conference and event sponsors, and revenue from group purchasing. In partnership with its Board of Directors, it manages its resources by investing wisely in solutions and initiatives that benefit members and enhance the health and wellness of their employees.



9%

### Annual Supporters/Event Sponsorships

The generosity of our annual supporters and event sponsors represented 9% of Health Action Council revenue in FY2015. Through their financial commitment, Health Action Council developed and delivered successful annual conferences, live workshops and webinars to increase knowledge, recognize accomplishments and fulfill its mission to its members.

76%

### Group Purchasing Programs

Funds generated through group purchasing accounted for 76% of Health Action Council revenues. These funds are reinvested to manage our medical, prescription drug, dental and vision programs, and fund new purchasing programs and purchasing initiatives including contract negotiations, issue advocacy, legal reviews and audits.

15%

### Employer Membership Dues

Employer membership dues contributed to the vitality and evolution of Health Action Council by generating 15% of FY2015 revenue. Member dues support Health Action Council operating expenses and allow it to leverage the strength and impact of national advocacy organizations such as the National Quality Forum (NQF) and American Benefits Council.

## Health Quality Forum

Monetary funding from charitable contributions is spent entirely on quality initiatives that benefit employers and employees. Through the Health Quality Forum, Health Action Council is able to support critical projects initiated by the Leapfrog Group, Better Health Partnership, Healthcare Collaborative of Greater Columbus and Health Policy Institute of Ohio. Health Action Council also provides in-kind contributions of staff and support resources.



# health action council

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