

ANNUAL REPORT 2016

Transformation in Action



health action council

Enhancing Business. Enlightening Lives. Enriching Communities.

MEMBERS

A

ACRT Inc.
Advanced Atomization Technologies, LLC
Agilysys, Inc.
AK Steel Holding Corporation
Aleris International
American Electric Power
American Greetings Corporation
American Modern Insurance Group
American Showa Inc.
Amherst Exempted Village Schools
Apex Tool Group, LLC
Ascena Holding Company
Ashtabula County Educational Service Center
Ashtabula County Joint Vocational School
Ashtabula County Schools Council of Governments
Ashtabula County Technical & Career Center
Auburn Career Center
Austin Powder Company

B

Beachwood City Schools
Belmont-Harrison JVS
Belpre City Schools
Bendix Commercial Vehicle Systems, LLC
Blanchard Valley Health System
Brennan, Manna & Diamond, LLC
Bricker & Eckler LLP
Buckeye Local School District
Builders FirstSource

C

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
Clearview Local Schools
Cleveland Clinic
Cleveland Metroparks
Cleveland Metropolitan School District
Cleveland State University
Columbia Local Schools
Columbiana Exempted Village Schools
Columbus City Schools
Columbus State Community College
Commercial Vehicle Group, Inc.
Conneaut Area City Schools
Crestwood Local School District
Cuyahoga Community College
Cuyahoga County
Cuyahoga County Board of Developmental Disabilities

D

Danaher Corporation

E

East Palestine City School District
Eaton Corporation
Educational Service Center of Lorain County
Elyria City School District
Emerald Performance Materials LLC
Erie County Board of Commissioners

F

Fairport Harbor Village Schools
Federal Reserve Bank of Cleveland
Ferro Corporation
Firelands Local Schools
Forest City Realty Trust, Inc.
Franklin County Benefits Cooperative Health Benefits Program
Franklin County Board of Developmental Disabilities
Franklin International Inc.
Fraternal Order of Police - Miami Lodge #20
Frontier Local School District

G

Geneva Area City Schools
Gould Electronics, Inc.
GrafTech International Holdings Inc.
Grand Valley Local Schools
Greater Cleveland RTA

Greater Dayton RTA
Green Local School District
Greif, Inc.
Griffin Hospital
H
Heidelberg University
Hyland Software, Inc.

I

Indian Valley Local School District
Inter-University Council of Ohio Purchasing Group

J

James A. Garfield Local School District
Jefferson Area Local School District
Jo-Ann Fabric & Craft Stores
Jones Day

K

Keystone Local School District
Kirtland Local School District

L

Lake County Commissioners
Lake County Educational Services Center
Lake County Schools Council
Lake Erie Regional Council
Lakeland Community College
Lawrence and Memorial Hospital
La-Z-Boy, Incorporated
Leetonia Exempted Village School District
Libbey, Inc.
Limited Stores
Lincoln Electric Company
Lisbon Exempted Village Schools
Lorain County Community College
Lorain County Joint Vocational School
The Lubrizol Corporation

M

Madison Local School District
Maplewood Career Center
Materion Corporation
Mentor Public Schools
MetroHealth System
Middlesex Hospital
Midview Local School District
Mitsubishi Electric Automotive America, Inc.
Montgomery County

N

Nationwide Insurance
Nestle USA
New Philadelphia City Schools
Nordson Corporation
Northeast Care Center
Northeast Ohio Regional Sewer District

O

Ohio AFSCME Care Plan
Ohio Civil Service Employees Association
Ohio Police & Fire Pension Fund
Ohio Public Employees Retirement System
The Ohio State University
OhioHealth
Online Computer Library Center, Inc.
Optimal Health Initiatives

P

Painesville City Local Schools
Parker Hannifin Corporation
Perry Local Schools
PNC Financial Services Group, Inc.
Portage Area Schools Consortium
Portage County Board of Developmental Disabilities
Portage County Educational Service Center
Progressive Corporation

Q

Q Holding Company

R

Richmond Heights Local School District
Riverside Local School District
Rootstown Local School District
RPM International Inc.

S

SafeAuto Insurance Company
The Scotts Company
Sebring Local School District
Sheffield-Sheffield Lake City Schools
Sherwin-Williams Company

Signet Jewelers
Southeastern Ohio Regional Medical Center
State of Ohio
State Teachers Retirement System of Ohio
STERIS Corporation
Streetsboro City School District
Summa Health System
Swagelok Company

T

Teamsters Local 293 Pension/Welfare Fund
Thompson Hine LLP
Toledo-Lucas County Public Library
Tucker Ellis & West LLP

U

Ulmer & Berne, LLP
Union Benefits Trust
United Local Schools District
University Hospitals
University of Cincinnati

V

Vermilion Local School District
Vita-Mix Corporation

W

Waterloo Local School District
WellCorp, Inc.
Wellington Exempted Village Schools
Wendy's International, Inc.
Western Connecticut Health Network
Westfield Group
Wickliffe City Schools
Wilson Memorial Hospital
Windham Exempted Village Schools
World Shipping, Inc.

ANNUAL SUPPORTERS

PREMIUM

The Alpha Group
Optum
Oswald Companies
Quantum Health
Sanofi US
WEX Health

CLASSIC

Aetna
Airrosti
Alyfe Wellbeing Strategies
Anthem Blue Cross and Blue Shield
Aon Hewitt
Buck Consultants
Businessolver
CareATC
Castlight Health
Cigna
CVS Health
Dawson Consulting Group
Employee Benefits International, Inc.
EyeMed Vision Care
Fedeli Group
Findley Davies
Health Advocate
Health Design Plus
Hylant Group
Maxim Health Systems
Medical Mutual of Ohio
Novo Nordisk
Pfizer, Inc.
Provant
RedBrick Health
RxReins
UnitedHealthcare
Universal Benefit Solutions
Vision Service Plan
Wells Fargo Insurance
Willis Towers Watson



Letter from Executive Director

As a catalyst for positive transformation, Health Action Council continued to work with employers, providers, suppliers and others in the health and benefits space throughout 2016 to build bridges to better health. We are proud of these activities.

Here are a few examples.

- In May, we launched the second phase of our transformed identity - a completely redesigned, user-friendly and supportive website.
- We conducted a publicly procured request for proposal on behalf of our pharmacy benefit program (PBM) users that resulted in providing our members with a choice of Health Action Council endorsed PBM vendors - CVS/caremark and OptumRx.
- We convened our first employer, provider and community discussion that focused on community health

and how we can begin to bridge gaps to co-create something new.

- With our healthcare partner UnitedHealthcare we introduced several creative and compelling data points specific to our medical program users that they can incorporate into their benefits strategies.
- We continued to ramp up our educational calendar with Thought Leadership and Compliance programming, along with producing two highly successful Annual Conferences.

Through the process of building bridges to better health, we also identified challenges. One of these challenges is a language barrier between key players - both inside and outside of the healthcare spectrum. Employers, employees, brokers, consultants, providers, community leaders and government

institutions all present a unique set of core competencies and means of communication. However, only through collaboration as partners can we effectively align our strengths toward defining a common language and reaching a universal goal. Or, more fundamentally, understand that we actually do have a common goal.

As we continue transforming the connection between business and health, we are moving toward a promising new alignment with the potential to improve the overall health of individuals, the businesses who employ them and the communities in which they live.

PATTY STARR
Executive Director
Health Action Council





Letter from Board Chair

Transforming .. through growth

Health Action Council can look back on 2016 as a year of continued transformation and growth. We increased our employer membership by 20, boosting our estimated covered lives by over 300,000. In addition, we added nine new annual supporters. This growth injects continued energy into our organization, more sharing of best practices and more collective voices that together can be a powerful voice for transformation.

I also want to recognize the work of our RX Steering Group, which is made up of Health Action Council members that participate in our Pharmacy Benefit Program. Their efforts this past year, along with the efforts of our Board of Directors and Health Action Council staff, led to our being able to offer our members a choice of Health Action Council endorsed PBM vendors.

Our very active Member Services Committee also deserves recognition. As our membership grows and becomes more diverse, this

committee continues its mission of identifying programming that is attractive and relevant to a broad spectrum of members.

Finally, I want to thank Lynn Ahlers, who stepped down from the Board of Directors on May 1, for her commitment and contributions to the organization. Lynn came onto the Board in March of 2010 and was chair of the Governance Committee. I also want to welcome two new members to our Board of Directors - Frank Mulvaney, Benefits Director at Signet Jewelers, and Keith Race, Director of Global Benefits at Parker Hannifin. Frank, Keith and I, along with the rest of the Health Action Council Board, are committed to helping Health Action Council be a responsive and proactive advocate in a constantly changing healthcare environment.

DON BELL
Board Chair

Health Action Council Board of Directors

DON BELL
Greif Inc.

Chair, Board of Directors

CINDY KIP
Nationwide Insurance
Treasurer

KELLEY KORTE
American Greetings Corporation
Chair, Governance

TIM KOWALSKI
Progressive Corporation
Chair, Health Quality Forum

MARTHA LANNING
The Sherwin-Williams Company
Secretary/Treasurer
Health Quality Forum

FRANK MULVANEY
Signet Jewelers

WENDY PRICE
Danaher Corporation
Co-Chair, Group Purchasing

KEITH RACE
Parker Hannifin

THOMAS TERCEK
Lubrizol Corporation
Co-Chair, Group Purchasing



Health Action Council

Transforming ... our identity

Last fall we introduced our new logo and tagline as the first phase of our transformation to a new identity. The logo's prism conveys strength and clarity, and symbolizes longevity and tradition. It is made up of facets that come together to create unique outcomes and captures the essence of Health Action Council as we continue to grow and evolve.

In May, we launched the second phase of our transformed identity – a completely redesigned website. The website reflects much of the work we are doing on our members' behalf, while focusing on creating a positive user experience. We listened to our members' ideas and incorporated industry best practices to create a user-friendly and supportive website.

A soon-to-be-completed member portal will focus on ensuring member ease-of-use. It will

feature decision-support tools related to transparency of care, healthcare navigation, end-of-life care and new healthcare delivery platforms such as telemedicine/telehealth. Members will have access to past event presentations and will be able to participate in discussion forums with member peers. A dashboard will keep each member apprised of Health Action Council conferences, events and webinars and allow members to update their company and contact information.

Health Action Council

Transforming ... user group choice

In order to ensure that member participants in our Pharmacy Benefit Program were getting the best possible pricing and contract terms, Health Action Council, our Board of directors and the Rx Steering Group issued a request for proposal (RFP) in the fall of 2015 for management of our program. We conducted a full, publicly procured RFP on behalf of our entire PBM User Group, saving them time and expense.

Based on the RFP's selection criteria, the evaluation and scoring of proposals, the RFP resulted in a statistical tie between CVS/caremark and OptumRX. Follow-up discussions with the PBMs led to their agreement to be offered non-exclusively, thus giving our members a choice in Health Action Council endorsed PBM vendors. This very positive outcome was the result of member participation, with our pharmacy benefit users leveraging their collective purchasing power to negotiate better unit costs and more favorable terms and conditions.

We are proud to have created an environment in which these PBM discussions could occur. We know that employers want to stay in the benefits game, but want to conduct business differently. The PBM proposal process is an example of how we are transforming conversations that result in best-in-class outcomes. As our fiscal year concluded, we began a similar process on behalf of our Vision Program users group.





Health Action Council

Transforming ... health

The ability of employees to make healthy choices depends in large part on conditions in the communities where they live, learn, work and play. Health is inextricably linked to economic vitality, and healthy communities are places where businesses can thrive. For their part, businesses are essential to the multi-stakeholder collaboration that must engage in building community resiliency.

Employers thus are transforming their role in the healthcare space, driving new conversations within their communities and – along with health plan administrators and providers – are asking how we can change the quality, cost and delivery model of healthcare.

Health Action Council convened our first-ever employer, provider and community discussion that focused on community health and how we can begin to bridge gaps to co-create something new. For example, employers have been asking: Who is the most

influential and trusted advisor to an employee on healthcare matters? Is it the employer, the health plan, the provider or an outsourced company?

Employers are also beginning to discuss value-based and total-cost-of-care pricing models, while, at the same time, providers are looking for new and innovative ways to develop relationships with consumers. These kinds of conversations are important, and we are committed to initiating more of them in 2017.

Transforming ... communities

Our work in the community continued to grow this past year. Health Action Council became a member of the Health Policy Institute of Ohio (HPIO) Health Measurement Work Group – providing feedback on the development of the Ohio Health Value Dashboard.

We became a member of the Ohio Office of Health Transformation Patient Centered Medical Home Design Team, the Value-based Payment Reform Committee, and the Population Health Planning Committee. We were also appointed to the Ohio Patient Centered Primary Care Collaborative Coordinating Council.

We are working with Nestle, Health Partners and the CEO Innovation Collaborative of the National Academy of Sciences Roundtable on Obesity Solutions on a Cleveland pilot program to engage business in addressing healthy weight as a community health improvement initiative. We also worked with UnitedHealthcare to implement the Healthier Generation defined benefit for childhood obesity.

Finally, we began work as an intermediary of the Alliance for a Healthier Generation to promote the Healthy Schools Program within our school consortium members as well as with employers who adopt schools in their community.



Health Action Council

Transforming ... our use of data and analytics

This past year, our healthcare partner UnitedHealthcare brought forward several creative and compelling data points specific to Health Action Council medical program users that they can incorporate into their benefits strategies. The Utilizer Scorecard resulted from matching claims data from Health Action Council members that are part of the UnitedHealthcare User Group with the Leapfrog Group's Hospital Safety Scores.

Through its Hospital Safety Scores, the Leapfrog Group has created and deployed a grading scale that rates hospitals on their overall patient safety efforts and outcomes. The scores provide a level of quality transparency that allows employers and employees to take an active role in controlling treatment outcomes and unnecessary costs by avoiding facilities that have higher rates of hospital-acquired infections, errors, accidents and injuries.

The savings for employers and employees is compelling. When a patient goes to a

Leapfrog-rated "A" hospital, compared to a "B" hospital, it costs the employer-sponsored medical plan an average of \$544. When patients use a "C, D or F" hospital, it costs the plan sponsor over \$775 per inpatient stay.

We continue to work with our partners to access and analyze data to provide our members with information they can share with senior leadership and layer into their benefits strategies.





Health Action Council

Transforming ... **our thought leadership**

Health Action Council is proud of our reputation for producing valuable forums for our employer members, other employers and key stakeholders in the health benefits industry. Over 675 individuals from mid-size to large employer organizations attended our 2016 Annual Conference at our Columbus and Cleveland venues, absorbing compelling presentations and easily accessible networking opportunities over three days. Conference topics included leveraging technologies to increase employer engagement in well-being, personalized health technologies, the changing platforms of healthcare delivery, and

unintended consequences of high-deductible health plans.

A first-ever half-day workshop preceded our Columbus Annual Conference. The session provided an overview of the Pharmacy Benefit Management landscape, including trends and key findings from the Pharmacy Benefit Management Institute's annual Benefit Design Report. The workshop also included a presentation on specialty pharmacy strategies and the drug development process.

We also ramped up our Thought Leadership and our Compliance programming. In addition, we

participated in a Health Means Business Forum that was hosted by the U.S. Chamber of Commerce Foundation, the Greater Cleveland Partnership, University Hospitals, Health Action Council and the Robert Wood Johnson Foundation. In June we hosted a Share & Compare program that featured two renowned experts who shared new strategies for using spoken and written communication with executives and beyond. We extended the conversations that resulted from these programs through a series of blog articles found on our website.

Thought Leaders Weigh in on Single-Payer Concept

Thought leaders from the ranks of Health Action Council membership, along with invited nonmembers, met in Cleveland and Columbus in June to participate in lively discussions regarding single-payer vs multi-payer healthcare models. Participants heard Richard Master, CEO of MCS Industries, make his case for the benefit of single-payer healthcare to employers in reaction to what he sees as the "relentless annual cost increases" of employee coverage. A spirited discussion ensued in both the Cleveland and Columbus sessions, with participants providing their own viewpoints on the merits of various payer solutions in making healthcare more affordable to both employers and their employees.

Health Action Council

Transforming ... by adding talented staffers

Over the last several years, Health Action Council has transformed our “human” infrastructure by filling key positions that support our strategic planning framework. This past year was no exception as we added six new staffers, reflecting our efforts to align Health Action Council internally with our external strategic goals.

Diane Bober, Director, Member Experience



Diane Bober joined Health Action Council in October 2015 as Director, Member Experience. She is responsible for identifying exciting, innovative and timely opportunities for educational programming and ensuring a positive member experience. Prior to joining Health Action Council, Diane managed the design, financing, administration and communication of health and welfare and retirement benefits at Swagelok Company. Before joining Swagelok, Diane worked as a senior healthcare consultant at Watson Wyatt, advising clients on the strategy design, financing, delivery, communication and ongoing planning and management of all health and wellness programs. Diane is a graduate of Hiram College.

Jodi Mitchell, Manager, Health Initiatives



Jodi Mitchell joined Health Action Council in September 2015 as Manager, Health Initiatives and Community Experience. She oversees Health Action Council’s health improvement, quality and community-based initiatives. Prior to joining Health Action Council, Jodi was a health policy program officer for a health foundation in Cleveland, where she devoted attention to Medicaid expansion, ACA implementation and community health improvement initiatives, including obesity prevention. She has served as executive director of a statewide consumer health advocacy organization and was a health lobbyist at both the state and federal level. Jodi is a graduate of Bowling Green State University.

Cameron Wilk, Product Portfolio Analyst



Cameron Wilk came onboard Health Action Council in August 2015 as Product Portfolio Analyst, supporting our research and development efforts, particularly in the area of innovative products and services for our employer members. Cam recently graduated from the Ohio State University with a BS in Agribusiness and Applied Economics and a BA in Economics.

Terese Brown, Manager, Special Events



Terese Brown, who joined Health Action Council in August 2015, focuses on our Annual Conference and other events Health Action Council hosts throughout the year. Terese comes to us with events experience from the 2014 Gay Games, Parker Hannifin and the Cleveland Cavaliers. She is a graduate of Ohio University.

Heather Laughlin, Project Coordinator



Heather Laughlin came to Health Action Council as Project Coordinator in June 2016. She supports our customer relationship management, sales and membership experience. She comes to Health Action Council from Bravo Wellness, where she was responsible for client assignment, database management and communications. Heather is a graduate of Cuyahoga Community College.

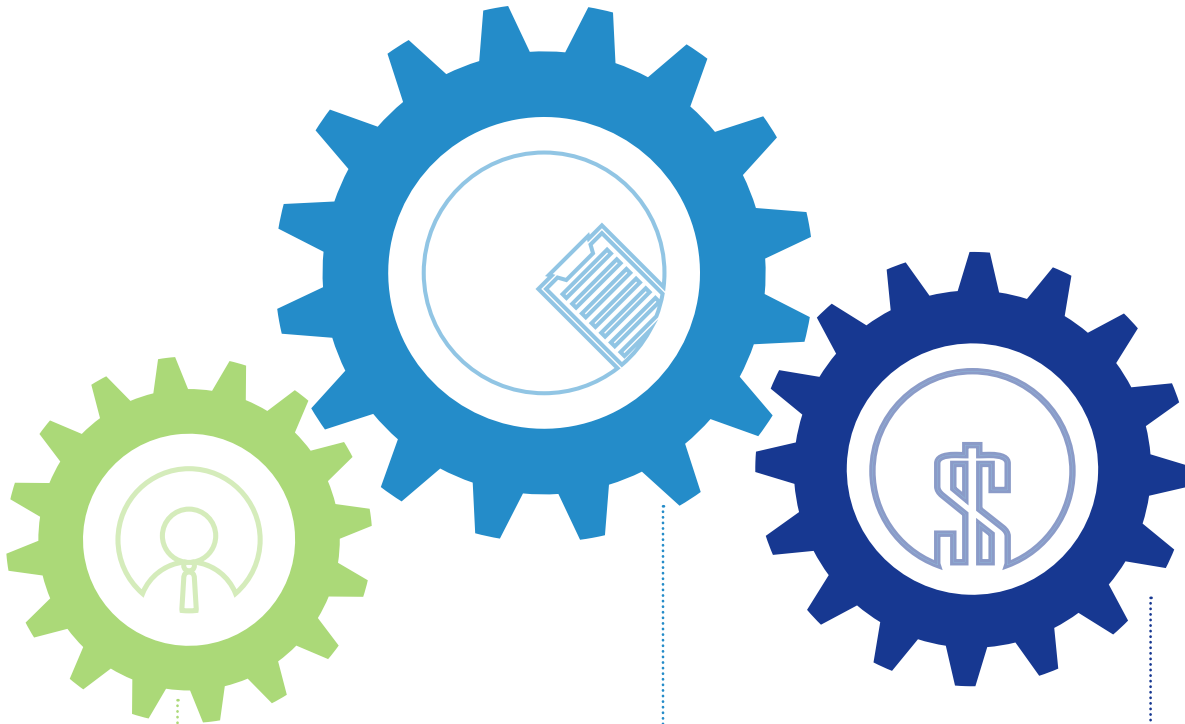
Camille Mihalic, Project Coordinator



Camille Mihalic joined Health Action Council in June 2016 as Project Coordinator. She supports our education, group purchasing and member and supporter experience, along with community expansion and program management duties. Camille is a recent graduate of Dominican University’s Brennan School of Business with an MBA in marketing.

STEWARDSHIP IN ACTION...

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, we manage our resources by investing wisely in solutions and initiatives that benefit members and enhance the health and wellness of their employees.



6%

Annual Supporters/Event Sponsorships

The generosity of our annual supporters and event sponsors represented 6% of Health Action Council revenue in FY2016. Through this financial commitment, Health Action Council developed and delivered successful annual conferences, live workshops and webinars to increase knowledge, recognize accomplishments and fulfill our mission to our members.

84%

Group Purchasing Programs

Funds generated through group purchasing accounted for 84% 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.

10%

Employer Membership Dues

Employer membership dues contributed to the vitality and evolution of Health Action Council by generating 10% of FY2016 revenue. Member dues support our operating expenses and allow us 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 (HQF), 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 welcomed new members to the HQF Board of Directors in FY 2016 - Vyshali Mokadam from Swagelok and Cheryl Agranovich from WellCorp.

