

Best Practices

INNOVATIVE HEALTHCARE SOLUTIONS: ASHLEY FURNITURE INDUSTRIES, INC.



Location: Arcadia, Wisconsin
Industry: Furniture producer
Size: 3,500 employees in Arcadia, Wisconsin; 10,500 total nationwide
Contact: Ronald E. Pugh, Director, Risk Management & Employee Benefits

BACKGROUND

Ashley Furniture's Worldwide Headquarters in Arcadia, Wisconsin is the core manufacturing and distribution center for the Ashley Companies. Founded by Carlyle Weinberger in 1945, the company started as a sales organization with branches in Chicago, Illinois and Goshen, Indiana. In 1970, the Arcadia, Wisconsin factory opened, specializing in occasional tables and wall systems. The building encompassed 35,000 square feet of space and 35 employees. Under the vision, direction and leadership of Ashley's owners, Ashley has become a "World-Class Furniture Manufacturer."

With over 50 years of innovation and experience in the furniture industry, The Ashley Companies (Ashley Furniture Industries, Inc.) has become an industry leader as the largest manufacturer of quality furniture products.

Arcadia is the headquarters of manufacturing, assembly and administration for what is now known as The Ashley Companies. Today, Ashley has over 3 million square feet of facilities spread over six different locations. Ashley Furniture searches the world for the best values and designs in home furnishings and accessories. Ashley manufactures its own products in the United States, and also purchases components and products from other countries.

Ashley employs 3,500 people at their combined headquarters and plant in Arcadia, and a total of 10,500 in the U.S. Most of the healthcare programs and services outlined in this report are offered to employees at all Ashley U.S. locations. However, the only Wellness Center is located in Arcadia, Wisconsin.

PROGRAM OBJECTIVES

Like most employers who seek innovative solutions to rising healthcare costs, Ashley's success has been driven by senior management who enable innovative employees. Todd Wanek, President & CEO, indicates their primary goal is to "maintain good benefits and control costs." Ronald E. Pugh, Director, Risk Management & Employee Benefits, is responsible for planning and implementing Ashley's proactive health and wellness activities at Ashley's worldwide locations.

PLAN DESIGN

Ashley strives to maintain a very competitive plan design. They have not reduced benefits in any way to control costs. Their plan incorporates relatively low copays and 10 percent coinsurance. United Healthcare and Gundersen Lutheran options are provided for their facilities in Western Wisconsin. Ashley uses competitive providers in other states where they have facilities, such as Kaiser Permanente in California. Wisconsin tends to be the highest cost state where they have facilities, with California being almost 30 percent less expensive than Wisconsin.

Employees are also eligible to participate in an employer-sponsored fully insured vision plan. This is a 100 percent voluntary plan offered through VSP¹. The typical cost is \$16-18 per month. Employees who actively participate in various programs, like smoking cessation, receive an incentive in the way of an insurance premium discount.

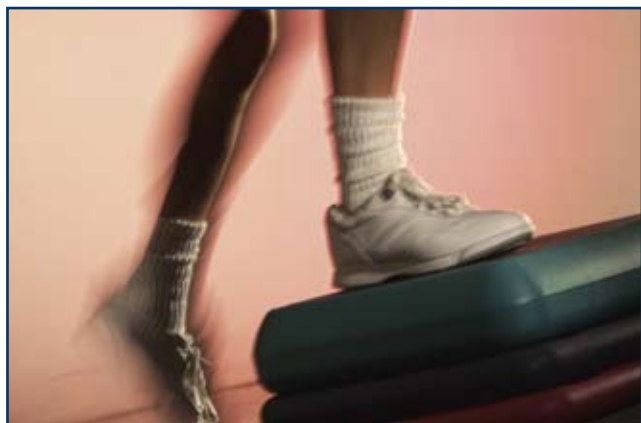
CORPORATE TOBACCO CESSATION PROGRAM

Ashley's first major initiative in wellness and employee engagement started in 2007 with a commitment to tobacco cessation. A six month notice was provided prior to nicotine testing for all employees. Those who tested positive were given the opportunity to enroll in smoking cessation programs and access to appropriate medications at no cost. The company screened options and then provided a list of acceptable smoking cessation programs in all states where they have operations. A \$5/week payroll deduction was made for those employees who tested positive and did not enroll in an acceptable course. Nicotine testing is now conducted annually. In the first year, over 700 employees tried smoking cessation activities. Ashley focuses frequent employee communications in company newsletters on smoking cessation.

ASHLEY WELLNESS CENTER

The cornerstone of employee health at the corporate headquarters in Arcadia is the Wellness Center, established in 2008. The objectives of the Wellness Center are to provide a high level of primary care for employees at a very competitive cost, and in a convenient and familiar setting.

Ashley solicited local providers Gundersen Lutheran, Franciscan Skemp, Marshfield Clinic and Walgreens for proposals to staff the wellness center. An agreement was reached with Gundersen Lutheran, and a facility was built with design assistance from Gundersen Lutheran,



adjacent to the Ashley plant in Arcadia. The center is open 63 hours per week, and has a 100 percent dedicated staff of one MD, two physicians' assistants, one RN, support nursing staff and lab and radiology technicians. Occupational and Physical Therapy professionals are on site half time. A professional clinic manager is assigned to the facility. Because of their fairly diverse workforce, Ashley has medically trained medical interpreters on site, which they have found to be a tremendous help in understanding and treating employee needs.

All new employees are given a tour of the center, and employees and their immediate family are encouraged to use the center for all their primary care needs. Open houses are held frequently to showcase the facility's capabilities.

The center is available to new employees from the first day of employment. The center filled over 1,100 appointments in October 2009. The center is set up for an average patient visit of 30 minutes. This is considerably longer than an average clinic visit. The center is equipped to conduct routine physicals, sports physicals, radiology services, routine lab tests and other services. A flat fee of \$10.00 is charged for all wellness center visits. The lab and radiology systems are tied directly to Gundersen Lutheran for diagnostic assistance, and the center is directly online with the Gundersen Lutheran electronic medical records system.

Ashley closely tracks the cost of services provided through the Wellness Center and compares them to the costs of similar services provided to their employees in clinics in the local area. They are now saving \$68,000 per month, and these savings are being passed on to the employees through reduced healthcare costs.

ON-SITE PHARMACY

In managing an onsite clinic, Ashley became aware of studies showing that patients, who were prescribed medications during a visit, often put off getting their prescriptions filled. In many cases, this has a detrimental effect on getting patients well quickly. The solution Ashley implemented was InstyMeds². InstyMeds is the healthcare industry's first fully automated, ATM-style, dispenser of acute prescription medications that dispenses directly to patients at the point-of-care. An InstyMeds Medications Dispenser is installed in the Ashley Wellness Center. The dispenser is electronically tied in to the Gundersen Lutheran records system. When a prescription is written at the center, the patient simply enters the codes in the machine in the lobby, and the medication is dispensed immediately. Most of the medications are generics and include pills and liquids. The cost of any medication dispensed from the machine is included in the flat rate \$10 copay for the clinic visit.

Refills are not processed at this facility. The InstyMeds Dispenser has the capability to process additional copays by credit card. The dispenser has a webcam inside allowing the 24/7 InstyMeds Call Center to know if a system connection has been lost, and real-time inventory tracking ensures all medications will be monitored.



Wellness staff looks at every work station in their facilities for conditions that might cause stress, strain and other related work issues, and make corrections as necessary.

RNs conduct on-site educational meetings on a variety of health and wellness subjects. The message to employees is we all have to be healthier to control costs. A new employee newsletter titled “Benefits Beat” focuses on all employee benefits and wellness issues.

Until recently, Ashley owned a fitness center in Arcadia for the use of employees and family members, which was equipped with state-of-the-art equipment. Unfortunately, the building was razed as part of a Wisconsin DOT project. Ashley is now subsidizing the cost of membership to local fitness centers.

Following on the success of their smoking cessation program, staff are now developing a program for diabetes education. The health risk assessments have revealed that diabetes is a primary undiagnosed problem among their workforce.

ON-SITE HEALTH RISK ASSESSMENTS (HRA)

In 2007, Ashley conducted a voluntary health risk assessment for all employees in Wisconsin. They used the services of Butler and Company (@Butler)³ from Little Suamico, Wisconsin. They particularly liked Butler’s ability to provide immediate biometric testing results. Tests were processed onsite and employees with heightened risk factors were counseled by an RN and a health coach prior to leaving the test site. Five key metrics plus blood pressure, body mass, height, weight and nicotine, were tested. The tests identified a number of undiagnosed diabetics and other potential high risk situations. Ashley intends to conduct similar HRA testing in the future. As part of the HRA, every participant was given a personal health book published by Mayo Clinic.

OTHER WELLNESS PLAN COMPONENTS

Ashley’s health plan focuses on preventive care. Routine physicals are encouraged for all employees and family members covered under their health plan. A mobile mammogram service is provided on a periodic basis. Flu shots and other immunizations are offered on site. The health plan pays 100 percent of the cost of all preventive care.

Benefits and HR staff jointly conducted a study with cafeteria staff regarding promoting good nutrition. They have tried a combination of lowering prices for healthy choices and raising prices for unhealthy choices.

SUMMARY

The Ashley Companies have taken aggressive and innovative steps to achieve their goal of maintaining a strong health benefit, while controlling the rising cost of health insurance. Their Wellness Center is a model for employers with the resources to become actively involved in controlling the delivery of care to their employees. It is proving to be a very successful delivery and cost savings model.

REFERENCES

¹VSP

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*View other Wisconsin Business Best Practices Reports at
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Best Practices

WMC's healthcare agenda includes initiatives to encourage employers to take innovative steps to improve the health status of their employees and control their healthcare costs. WMC has identified employers whose healthcare initiatives can serve as best practices for others to use as models for their own initiatives.

Healthcare Best Practices–Common Lessons Learned

WMC has interviewed a number of companies who have taken bold steps to control their healthcare costs and improve the health status of their employees. From those best practices, we have seen a series of common elements or lessons learned. A summary follows:

- *Employees must be engaged in programs to improve their health. Incentives are essential to engaging employees.*
- *Innovative practices come from companies with executives who push the boundaries and drive their employees to seek change.*
- *While cash or tangible incentives sweeten the pot, reduction (or increase!) of the employee's share of health insurance premiums is the most effective strategy.*
- *A broad array of wellness options engages more employees. Flexibility of access during and off of normal working hours increases participation.*
- *Successful programs emphasize improved productivity and cost savings, and often focus on mental, as well as physical, well-being.*
- *Most employers recognize that "doing the right thing" for their employees' health is incentive enough to invest in wellness programs. For those with this philosophy, positive returns on investment follow.*
- *Health Risk Assessments provide the basis for most programs because they immediately engage employees. It is equally important to engage spouses, and to the degree possible, dependents enrolled in family plans, in health assessments and wellness activities.*
- *Consumer-driven plan designs experience slow employee acceptance unless significant incentives or disincentives are provided. Employers must educate and aggressively market the benefits of these plans to employees in order to get participation.*
- *As programs evolve, employers realize the need to dedicate an individual to develop, market, and monitor wellness programs. As programs mature, they need to be integrated, such as the coordination of exercise programs, medication regimens and nutritional guidelines for high-risk employees.*
- *Goals and objectives with appropriate metrics must be clearly stated and communicated to employees. They have to understand why it is important to them and to the company.*
- *Management of chronic/high risk diseases provides the best opportunity for cost savings. The 80/20 rule applies; 80 percent of healthcare costs are spent on 20 percent of the healthcare encounters.*
- *Almost any size company can implement programs to improve wellness and cut costs. The range of options is scalable to company size. Help is out there from companies who have already implemented best practices.*
- *And finally, leading companies are more than willing to share their health care best practices with other companies in their communities.*