

Texas Grocery Giant H-E-B Executes Direct Contracting Arrangement with KelseyCare

Employer:

H-E-B, a 100-year-old retail, manufacturer, warehouse and distribution company with 300+ grocery stores, 200 in-house pharmacies and 60,000 partners in Texas and Mexico.

Objective:

Offer H-E-B partners in the greater Houston area an affordable health benefits program with convenient access to comprehensive care.

Results:

- H-E-B’s overall satisfaction with the implementation of KelseyCare in 2006 received the highest rating possible, a “5” for “completely satisfied,” according to an employer survey conducted in January 2006.

MEASURABLE NEED RATING		H-E-B’s Overall Satisfaction with Implementation of KelseyCare in 2006 5 = Completely Satisfied 4 = Very Satisfied 3 = Satisfied 2 = Somewhat Satisfied 1 = Not Satisfied
1) Provides effective support in preparing for, and conducting open enrollment events/sessions.	5	
2) Provides client with specific toll-free number for employees to call so that they may get questions answered. Responds to member’s inquiry in a timely manner.	5	
3) Provides client with enrollment packets that includes provider directories and benefits summary (hard copy and intranet copy).	5	
4) Responds to client’s issues & questions in a timely, comprehensive manner (generally within 2 business days unless “urgent” by client which requires same-day response).	5	
5) Effectively and routinely participates in benefit discussions related to the development of the plan document.	5	

History:

Texas grocery giant H-E-B began offering the KelseyCare health benefits program as an option for their partners employed in the greater Houston area at the beginning of 2006. “We decided to execute a direct contracting arrangement with KelseyCare for several reasons,” says Kathy Durbin, Director, Benefits Design for H-E-B Grocery. “First, Kelsey-Seybold Clinic has a solid reputation for quality care and improved outcomes at affordable prices for patients and employers. We also believe that Kelsey-Seybold can offer convenient access for our partners, because of their convenient locations and their forward-thinking technology such as electronic medical records, telemedicine and electronic pharmacy capabilities, which can link to our H-E-B (Pharmacy) Plus Plan. In past years, we had not seriously considered direct contracting due to the size of our covered population and the large number of different locations in which our workforce is concentrated.”

Although direct contracting is new to H-E-B, they have designed their KelseyCare program so that the benefits of the contracting will be clear and trackable. “We purposely structured the KelseyCare

program design to mirror our PPO and HMO plans as closely as possible so that partners were selecting on network rather than program design,” says Durbin. “This will allow us to measure and compare the effectiveness and efficiency of the KelseyCare program with our other plans.”

More than 2,000 H-E-B employees/dependents selected the KelseyCare health benefits program for the 2006 benefit year, exceeding expectations for the first year. Select open enrollment materials were produced in Spanish, helping to educate H-E-B’s Partners, many of whom are Hispanic, about the benefits of the KelseyCare program. While financial benchmarking and analyses will not be available until the end of the benefit year, H-E-B is looking forward to a very successful, long-term relationship. The KelseyCare implementation team received the highest rating possible – a “5” for “completely satisfied” – in the 2006 Implementation Service Survey.

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