We Face A Wellness Crisis

- More than half of all Americans live with one or more chronic conditions\(^1\)
- According to the U.S. Centers for Disease Control and Prevention, the majority of chronic diseases could be prevented through lifestyle changes\(^2\)
- Most adults will be overweight or obese by 2030, costing $950+ billion\(^3\)
- Productivity losses related to personal and family health problems cost U.S. employers $1,685 per-employee-per-year or $225.8 billion annually\(^4\)
- This loss in productivity represents about 20% of the payroll\(^4\)

\(^1\) Trust for America’s Health, A Healthier America: 10 Top Priorities for Prevention, March 2008
\(^2\) National Center for Chronic Disease Prevention and Health Promotion, U.S. Centers for Disease Control and Prevention, March 17, 2009
\(^3\) Johns Hopkins Bloomberg School for Public Health
\(^4\) Watson Wyatt
30% of the population consumes 90% of health care resources.

50% of total medical spend is attributed to behavioral health costs.

A national study of health & wellness programs that included 370,000 employees found a 27.8% reduction in sick leave.

1 Source: 2005 Internal Data
2 Source: Milliman Medical Index 2007
Healthy behaviors = healthy employees and businesses

- Chronic conditions such as diabetes and heart disease account for 75% of our nation’s health care costs.¹
- 10-year savings through reduction in tobacco use = $190.5 billion.²
- Obesity costs employers $45 billion annually in medical costs and lost productivity.³

¹ Center for Science in the Public Interest, The Key to Affordable Health Care Reform: Better Health through Prevention, April 2008
² The Commonwealth Fund, Bending the Curve, December 2007
³ The Economic and Health Impacts of Obesity, Institute on the Costs and Health Effects of Obesity, National Business Group on Health, February 2006
INCREASED PRODUCTIVITY
50% reduction in missed days of work due to their condition

HEALTHIER EMPLOYEES

LOWER COSTS
32% decrease ER visits
20% decrease in inpatient admissions
7% drop in number of inpatient days

RETURN On INVESTMENT
$5 saved for each $1 spent
27.8% decrease in sick leave
33.5% drop in Workers Comp claims

INCREASED PRODUCTIVITY
50% reduction in missed days of work due to their condition

1 Results are from a recent, three-year internal analysis of diabetes, CAD and HF programs for CO and NV. For clients included in the study, service delivery began in September 2002. Asthma and COPD were added in 2007. (275,000 total members; 12,000 participating in Condition Management). Study Code: 140750.

2 Based on a study of over 50 health and wellness programs that included 370,000 employees. Source: Proof Positive: An analysis of the Cost Effectiveness of Wellness, 5th Edition, L. Chapman, July 1, 2005
HELLO, TOTAL WELLNESS.
YOU’RE LOOKING GOOD.
It’s like an INTERVENTION to LOWER COSTS.

Client

• Over 4,000 employees, primary manufacturing -- specializing in marketing and publishing services
• Multiple locations, employees include off site sales teams and seasonal workers

Worksite Wellness Strategy

• Held 27 on-site events. Added physician fax back options to reach off site employees
• Employees received financial incentive for participation in addition to monthly premium contribution based on scoring results. (Additional incentives were available for participation in other wellness programs)
• Email, communications from on-site coordinators, letters to the home
It’s like an INTERVENTION to LOWER COSTS.

Screening Participation

- Estimated Number of Participants: 3,276
- Actual Number of Participants: 2,610
- Participation Rate: 79.6%
- Type of Screening: Total Cholesterol, HDL, LDL, Triglycerides, Blood Glucose, Blood Pressure, BMI

Screening Satisfaction*

- 98% of the attendees found the health screening useful
- 85% of the attendees learned something new about their health
- 90% said they would share the information they learned with their physician
- 89% said health screening motivated them to make at least one healthy behavior change

*2,181 satisfaction surveys were returned (return rate of 88.2%). Percentages include the number of members who “agreed” or “strongly agreed” with the statements. Case study results from 2011.
It’s like an INTERVENTION to LOWER COSTS.

Aggregate Health Results*

• 39% of participants had an obese BMI (compared to 34.7% of American adults 2005 - 2008)
• 7.7% of participants had high total cholesterol (compared to 14.9% of American adults 2005 - 2008)
• 8% of participants had high blood pressure (compared to the 2003 - 2006 U.S. average of 17.9%)

*Compare to the most recent U.S. estimates by the Centers for Disease Control and Prevention (CDC)
REWARDS.
Give good health an extra nudge

- Gift Cards
- Prizes
- Discounts
- Deposits Into Health Accounts
It’s like an **INTERVENTION** to **LOWER COSTS**.

- Percentage of large employers offering financial incentives with wellness programs

<table>
<thead>
<tr>
<th>Activity</th>
<th>Percentage</th>
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</thead>
<tbody>
<tr>
<td>Completion of a health risk appraisal</td>
<td>61%</td>
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<tr>
<td>Participation in smoking cessation program</td>
<td>40%</td>
</tr>
<tr>
<td>Participation in weight management program</td>
<td>34%</td>
</tr>
<tr>
<td>Compliance with preventative care services</td>
<td>30%</td>
</tr>
<tr>
<td>Completion of biometric screenings</td>
<td>28%</td>
</tr>
<tr>
<td>Participation in disease management program</td>
<td>26%</td>
</tr>
<tr>
<td>Completion of consumer-engagement modules</td>
<td>14%</td>
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<tr>
<td>Maintenance of a personal health record</td>
<td>7%</td>
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</tbody>
</table>

(Survey included 489 employers with 1,000 or more employees.)

Members offered incentives engaged in Anthem's clinical programs 6.5% more and graduated 6.1% more often than those not offered incentives.
**IMPACT? CASE STUDIES PERFORMED.**

<table>
<thead>
<tr>
<th><strong>CRET</strong></th>
<th><strong>LANDS END</strong></th>
<th><strong>US DEPARTMENT OF HEALTH AND HUMAN SERVICES</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>High risk individuals for heart disease:</strong></td>
<td><strong>Multi faceted program designed to attack cost drivers from several angles:</strong></td>
<td><strong>Report revealed that at worksites with physical activity programs, employers have:</strong></td>
</tr>
<tr>
<td>• worksite health education</td>
<td>• onsite fitness facility</td>
<td>• reduced healthcare costs by 20 to 55 percent</td>
</tr>
<tr>
<td>• nutritional counseling</td>
<td>• physical therapists</td>
<td>• reduced short-term sick leave by 6 to 32 percent</td>
</tr>
<tr>
<td>• smoking cessation counseling</td>
<td>• health promotion staff</td>
<td>• increased productivity by 2 to 52 percent</td>
</tr>
<tr>
<td>• physical activity promotion</td>
<td>• medical clinic onsite focusing on health screenings and preventive care</td>
<td><strong>Benefits of wellness:</strong></td>
</tr>
<tr>
<td>• selected physician referral</td>
<td>• dining centers focusing on nutrition</td>
<td>• increased employee productivity</td>
</tr>
</tbody>
</table>

**Significant Improvements:**

- quality-of-life scores
- depression, anxiety
- body fat
- cholesterol
- blood pressure
- health habits
- total health

**Outcomes: (12 months after study):**

- those considered high risk at baseline, **57% — converted to low-risk status**
- annual claim costs **decreased 48%**

**Benefits of wellness:**

- increased employee productivity
- Increased morale
- improved employee recruitment and retention
- cost control is the prime benefit.

**Outcomes:**

- wellness has become ingrained in Lands’ End corporate culture
- the health care cost curve has been flat-lined

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PERSONALIZED INTERVENTION GETS BIG RESULTS.

- **64%** IMPROVED OR ELIMINATED one health risk
- **46%** REDUCED OR ELIMINATED physical-activity health risk
- **35%** REDUCED OR ELIMINATED weight-management health risk
- **18%** REDUCED OR ELIMINATED healthy-eating health risk
- **48%** IMPROVED OR ELIMINATED tobacco health risk
- **29%** REDUCED OR ELIMINATED stress health risk

Source: Healthy Lifestyles Latest Book of Business (based on results from 2007-2010).
It’s like an INTERVENTION to LOWER COSTS.

ANTHEM MEMBER HEALTH INDEX – measurement of success

Emergency Room Visits, Admissions and Readmissions:

- Hospital admissions (AMI, Stroke and TIA) -0.6%
- Diabetic ER visits -7%
- 30-day readmissions (CHF, Asthma, Diabetes) -8%

6- Internal data, year-end 2009 Member Health Index results
HEALTHIER EMPLOYEES

LESS ABSENTEEISM
GREATER PRODUCTIVITY
PERSONALIZED, INTEGRATED APPROACH
Let’s all find our healthy place.

A holistic approach to universal well-being.