

Rewarding Employees for Good Health: HealthMiles



HEALTHMILES
GET ACTIVE. GET REWARDS.



life care

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Official Health Benefits Provider
of the PGA TOUR and Champions Tour

HUMANA
Guidance when you need it most

Employer Challenges

- Rising healthcare costs
- Broad range of wellness programs; inhibits focus
- Difficult to evaluate impact of wellness investments

Why Focus on Physical Activity

- Physical activity programs can (1):
 - Reduce short-term sick leave by **6% to 32%**
 - Reduce health care costs by **20% to 55%**
 - Increase productivity by **2% to 52%**
- Physical activity levels correlate with increased costs (2):
 - In 2000, healthcare costs associated with inactivity **>\$76 billion**
 - Potential savings of **\$5.6 billion** in heart disease costs if 10% of adults begin a regular walking program

Why Focus on Physical Activity

- California Study - measured the direct and indirect costs of :
 - inactivity, obesity & overweight
 - (Medical, Rx, Absenteeism, and Presenteeism)*

Lifestyle Risk Factors	Incremental Costs; per Employee/Year*	U.S. Incidence	Cost per 1,000 lives
<i>Inactive</i>	\$2,400	65%	\$1,560,000
<i>Obese</i>	\$3,270	32%	\$1,046,400
<i>Overweight</i>	\$515	34%	\$175,100

* *Californian Study.*

- Activity is easier to change and track than nutrition or dieting
- A focus on activity will directly impact obesity costs
- The activity needed to derive health benefits is misunderstood

Virgin's Background

Fun

Value for Money

Brilliant Customer Service

Competitive Challenge

Quality

Innovation



life care



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Launching the Product

HEALTHMILES GET ACTIVE. GET REWARDS.

- A consumer-centric health rewards program
- Rooted in the principles of prevention, exercise, & nutrition
- Offered through employers

Member Experience



Enroll online at **virginlifecare.com**, start earning rewards by filling out a health and fitness questionnaire



Get a **GoZone pedometer** & join a healthclub at a discounted rate

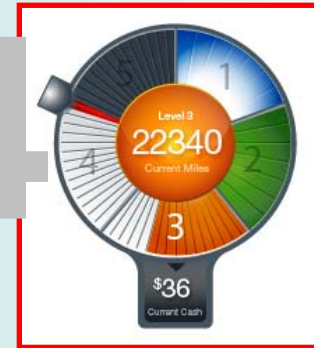


Get **active** & engage with the program



Spend **Cash** on gift cards at over 50 retail partners

amazon.com



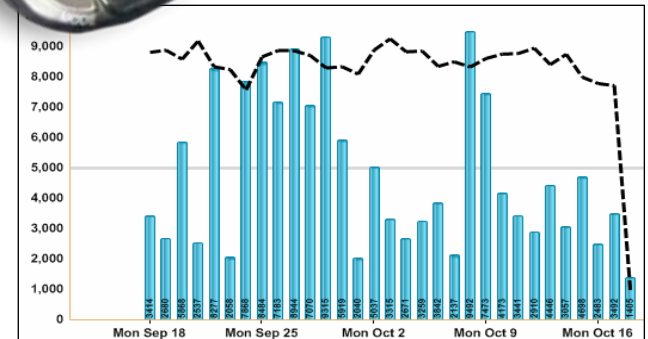
Earn Miles which convert to **Virgin Life Care Cash**

Tracking Devices – Key Biometrics

The HealthZone



The GoZone



Rewards – Earning Miles



- **Measurement**
- HealthZone Visits
- Health Snapshot
- Fitness Assessments



- **Effort**
- LifeZone Visits
- GoZone Uploads
- Exercise Logging



- **Achievement**
- Maintaining or reaching milestones
- Blood Pressure, Body Fat %, BMI, Fitness Levels



The pilot and results to date



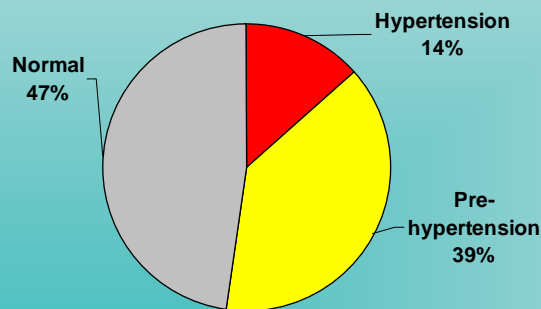
The Humana pilot

- Through their interaction with the HealthMiles program, the study was able to track the following measurements for associates:
 - Activity Levels
 - Blood Pressure
 - Body Fat
 - Body Mass Index (BMI)

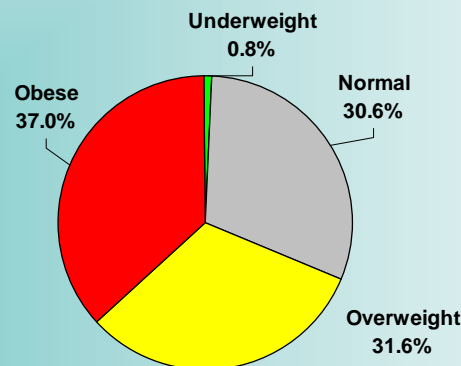
The pilot

- Pilot run from March 2006 – September 2006
- Beginning stats for 726 Humana pilot participants:
 - 13.6% hypertension, 38.6% pre-hypertension
 - 37% obese, 32% overweight
 - Good distribution among age brackets
 - 78.8% elected to have a GoZone

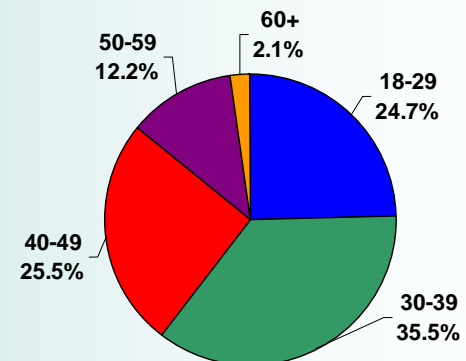
Blood Pressure



BMI



Age



The pilot

NOT just attracting the healthy & fit

Contrary to what would be expected, the profile of those who signed up for the program was not skewed to those who were already leading a healthy and active lifestyle...

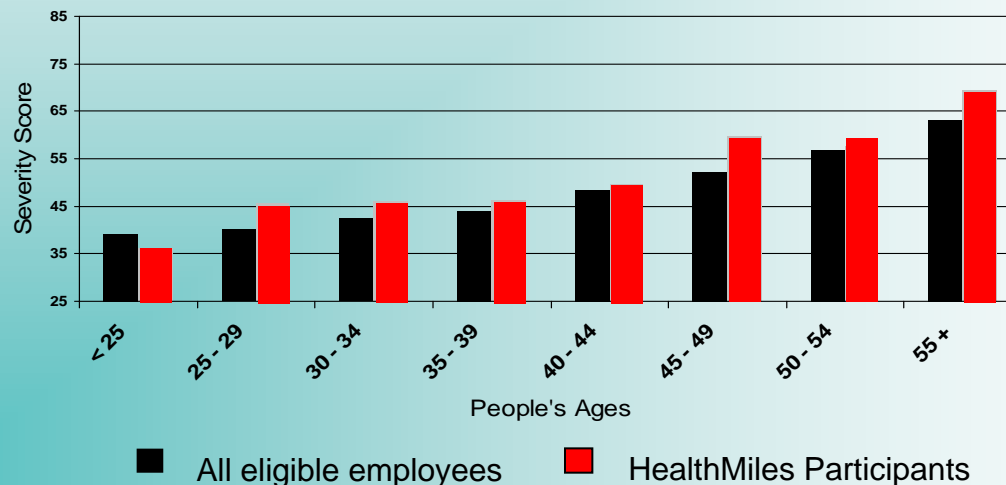
	US Incidence	Humana Incidence
Inactivity	65%	68%
Overweight	32%	32%
Obese	34%	37%

HealthMiles at Humana

NOT just attracting the healthy & fit

HealthMiles participants in the pilot tended to have slightly higher severity scores* than the broader population.

Severity scores of participants and entire eligible population



* A severity score is generated by our predictive model to forecast future costs

Economic Impact of BMI at Humana

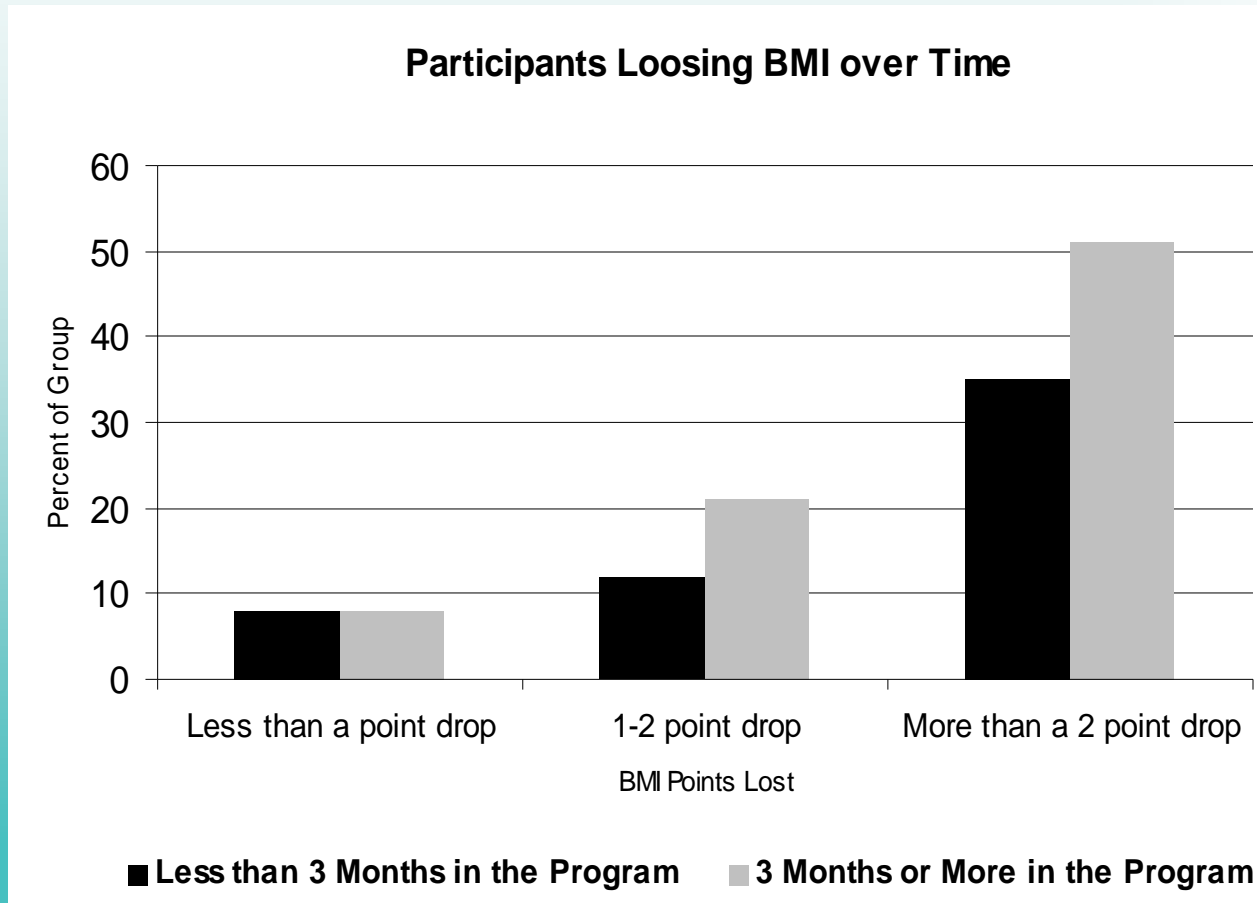
- Obese Associates had:
 - the highest incidence of chronic disease
 - 48% higher medical costs
 - 29% higher pharmacy costs
 - 44% higher total healthcare costs
 - 14% higher out-of-pocket costs for medical care
 - 29% higher out-of-pocket for medications
 - 21% higher total out-of-pocket costs

Economic Impact of BMI

- For every unit-increase in BMI above normal weight:
 - healthcare costs increased 4% - 7%
 - likelihood of diabetes claim increased 11.6%
 - likelihood of heart disease increased 5.2%
- Humana paid \$1,200 more per person with BMI over 30 (obese) than for persons with BMI under 30

HealthMiles and BMI

- Participants tend to reduce their Body Mass Index over time
- People in the program longer tend to improve their BMI more



One Year Later – The Pilot Population

Clear shift in the right direction in the ROI and biometric measures

Biometric Measures	Shift
Physically IN-Active to Physically Active	29%
BMI Category Drop	9%
Body Fat Category Drop	14%
Blood Pressure Category Drop	25%

One Year Later – The Humana Pilot

Obese participants saw a more drastic shift

MEMBERS Self-Reported Obese	Initial	12 mo
Physically Active Health Snapshot	32%	35%
BMI (HZ) - Obese	89%	87%
BMI (HZ) - Overweight	10%	11%
BF (HZ) - Above Recommended	91%	81%
BP (HZ) - Hypertensive	32%	23%
BP (HZ) - Pre-hypertensive	47%	47%
Illness & injury last 30 days (mean)	4	3.2
Days health impacting work last year (mean)	11.7	9.7

One Year Later – The Humana Pilot

Engagement increased over the 12 months of the program

Changes in Engagement Measures	6mo	12mo
Average Member Steps per day (all days)	3,268	3,923
Average Member Steps per day (days used)	6,536	7,727
Average Bonus GZ Sessions per week	1.8	2.0
Average Log Book Sessions per week	1.6	1.3
Number of Weeks with Bonus Sessions ≥ 3	26%	35%
Average Number of Days/Wk with Steps	3.5	3.8
Physically IN-Active to Active Shift	29%	29%

The rest of the population – Initial Results

- After the initial pilot, the program was launched nationwide to large employer groups.
- Customers ranging from 300 employees to 9,500 employees
- Average activation rate of 36%

Initial Results

Biometric Measures	Shift
Physically IN-Active to Physically Active	29%
BMI Category Drop	8%
Body Fat Category Drop	11%
Blood Pressure Category Drop	19%

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- 400 Employees
 - Locations in Illinois, Indiana, Wisconsin, Arizona
- White and Pink Collar Staff
- HR Staff
 - One HR Director
 - One HR Support

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2006 Wellness Program

- Annual On-Site Employee Screenings
 - 50% Participation, down from 60% in 2005
- Summer Walking Contest
 - 4 Prizes
 - 4 Participants
- Flu Shots in November
 - Employees line up for free shots

The Horton Group Transition Period

- 4th Quarter 2006
 - Move Wellness program from solely HR to a committee (12 members, all offices)
- Develop Wellness Business Plan
 - Combine with corporate events budget
 - Determine Appropriate Interventions
 - Communication Campaign

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2007 Wellness Program

- January
 - Launch Virgin Activity Based Program
 - 90% Participation
- February
 - Wellness Bulletin Boards for all locations
 - Cholesterol Education
 - Instant Oatmeal to start the day
 - Launch Virgin Corporate Challenge
- March
 - Hand Washing Education
 - Antibacterial Hand Gels in all rest rooms
- April
 - Nutrition and Juicing
 - Lunch and Learn Programs (Juicing Demonstration, Dinning Out Choices)
- May
 - Breast Cancer Awareness
 - Sponsor Walking Team
 - Launch Executive Virgin Challenge
- June
 - Skin Cancer Education
 - Free Sunscreen lotion
 - Employee Survey

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2007 Wellness Program

- July
 - Vision and Hearing Education
 - Lunch and Learn by local providers
 - Dinner by Design Demonstrations
 - Wellness Program Branding Contest (REACH, Raising employee awareness changing habits)
- August
 - Fitness
 - Horton Office Olympics
 - Second session launched for Weight Watchers
- September
 - Cardiovascular Health
 - Walking Clubs
 - Launch 2nd Virgin Corporate Challenge
- October
 - Health Screening / Benefit Fair
 - 20% Cost Saving in 2008 for employees that screen
- November
 - Immunization
 - Free Flue Shots
- December
 - Mental Health / Stress Management
 - Lunch and Learn program by EAP provider

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Results as of August 15th

- **Virgin Activity Program**
 - Participation holding at 85% of the employees active in the program:
 - Level One 68%
 - Level Two 18% (6,000 Miles)
 - Level Three (12,000 Miles) 14%
- Wellness Culture has taken over all company events
- The results of the screenings performed in October should show us proof that participants that are active will score higher
- We are having fun helping to bring about change in behaviors

Questions

