

# Rx FOR A HEALTHY WORKFORCE

Helping employees stay fit is one of the most effective ways to control rising medical costs and boost productivity.

In partnership with:



The issue is as big and complex as anything a corporate executive is likely to face—and one that is uniquely personal: the health of their company’s employees. With medical insurance costs spiraling ever higher each year—and the opportunity dwindling to shift more of the financial burden to employees—corporations are coming to grips with the harsh reality that they must find a more cost-effective way to help keep their workforce healthy and productive.

The changes now sweeping corporate America are nothing short of a paradigm shift. While the presidential candidates endlessly debate the pros and cons of universal health care, our business leaders are getting out in front of the issue, putting in place programs and initiatives aimed at preventing their employees from getting sick in the first place. “All the cost-sharing in the world isn’t going to get to the root of the problem,” says Helen Darling, president of the National Business Group on Health (NBGH), a Washington, D.C. non-profit providing health benefit solutions to business and representing large employers’ views on national health policy issues. “Employers are recognizing that there is a direct link between healthy and engaged workers, high productivity, and controlling rising health costs.”

The numbers behind the health-care headlines paint a dismal picture. Premiums for employer-sponsored health insurance programs increased an average of about 6% in 2007, according to the Kaiser Family Foundation and the Health Research and Education Trust. While the actual rate of increases in premiums has slowed since 2005, it’s still nearly three times the overall inflation rate and almost double the percentage increase in workers’ wages. Expressed in dollars, the numbers are even more staggering: Last year the average cost of health-care insurance for a family of four came to a whopping \$12,106. The annual salary for a minimum-wage worker? Just \$12,168.

Clearly, say the experts, a new approach is needed. “The current health-care system is unsustainable. No one—not government and not the private sector—has enough money to keep things going the way they are,” says Christopher A. Viehbacher, president of U.S. pharmaceuticals at GlaxoSmithKline. “Business has the opportunity, financial means, and self-interest to tackle the issues that will result in healthier, more productive employees.”

## Sound Business Investments

This change in perspective means companies—and, more specifically, the men and women in the C-suites—must look at prevention and wellness in a new light. And they are: The programs being rolled out to help employees lose weight, stop smoking, and manage chronic illnesses like diabetes and asthma are increasingly being viewed as sound business investments rather than ancillary human resources or benefits issues.



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For the past three years, the NBGH has recognized U.S. companies that promote healthy work environments and encourage workers to live healthier lifestyles. Among the 2007 winners are Dell, IBM, Kellogg Co. and Pitney Bowes. Helen Darling says these companies are notable not only for what they're doing with the current workforce but also for the healthy culture they are establishing for future workers. "If companies can reach the overweight teenage children of current workers, they have a much better chance of improving the health of the next generation of employees," she says.

Dee Edington, director of the Health Management Research Center at the University of Michigan, puts it this way: "Companies are sick and tired of paying for sickness. Making investments in keeping people healthy to begin with, rather than treating them only when they are sick, is a much more sound business undertaking."

It's also a lot less expensive. According to data from the Washington, D.C.-based Partnership for Prevention, the indirect costs of poor health—such as absenteeism and "presenteeism" (which means being at work in spite of illness but not working up to capacity)—can be double and even triple the actual direct medical costs. And it doesn't stop with the employee: A similar study shows that productivity losses related to personal and family health problems cost U.S. employers \$1,685 per employee, per year, or \$225.8 billion annually. In fact, the University of Michigan's Edington says that family medical benefits account for 55% to 65% of an employee's total health-care costs.

Wellness programs have the opposite impact. In a review of 73 published studies of workplace health-promotion programs, the Partnership for Prevention found that each dollar a company invested in an effective, targeted wellness program produced a \$3.50 savings in health-care

costs. The review also found that companies with wellness programs experienced a 28% reduction in absenteeism, a 30% reduction in workers' compensation and disability claims, and a 26% drop in health-care costs.

### A Variety of Approaches

The companies striving for a healthier workforce share a similar passion, but the programs they offer and approaches they use to reach employees come in different

shapes and sizes. "Companies often want to know which health and wellness programs work best or have the biggest payoff," says Edington. "I tell them every program has value if it's directed at the person with the condition. You can't just offer a weight-management program and forget everything else. It might seem daunting to address all these issues, but there is plenty of help out there."

According to Ron Goetzel, director of the Institute for Health and Productivity Studies at Cornell University, a blended approach of internal and external resources is often the most effective strategy. "Working with an outside firm to design and track wellness programs is often a nice balance," he says. "The employer understands the culture of the company, and the outside firm is familiar

with all the various programs and methods that offer the best chance of success."

Whatever the approach, the experts agree: Changing employee behavior is neither easy nor quick. Some companies start with something as seemingly simple as the cafeteria fare. Eliminating sugared sodas, candy bars, and fried foods and replacing them with water and more fruits and vegetables is becoming increasingly common. Caterpillar, the machinery and engine maker, encourages workers to try healthier offerings—like a chicken breast sandwich or four-vegetable dish—by pricing them at less



COMPANIES WITH WELLNESS PROGRAMS ARE ABLE TO REDUCE ABSENTEEISM BY 28% AND HEALTH-CARE COSTS A WHOPPING 26%.

4TH LAW OF HEALTHONOMICS:

Investing to keep  
employees  
working and healthy  
beats paying for  
them when they're  
out and sick.

More employers are rethinking their responses to escalating health-care costs. Why? They recognize chronic diseases are the root problem. Example: An employee managing his diabetes might cost \$5,000 per year.<sup>1</sup> An employee not managing his diabetes could cost up to \$45,000.<sup>1</sup> The win-win here is that by providing employees incentives to lead healthier lives and helping them manage their chronic diseases, you reduce your healthcare costs. And you'll have healthier employees. Sure beats the alternative.

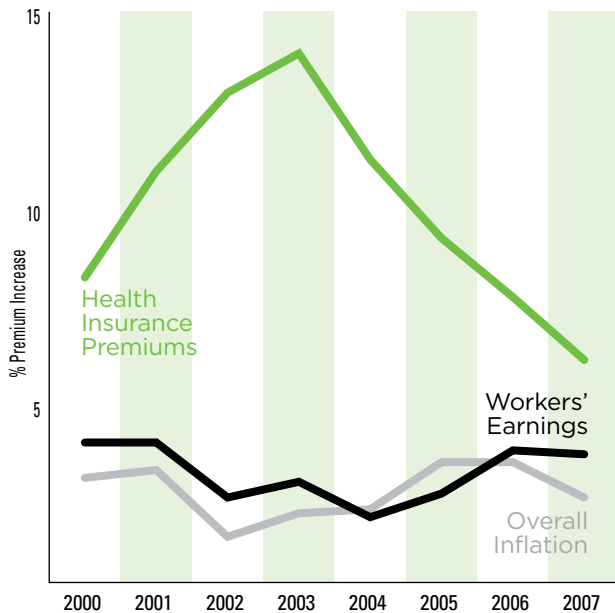
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Reference: 1. Health Partners. Beyond Benefits. January 2006. [http://www.healthpartners.com/747/media/beyondbenefits/BB0106\\_br.htm](http://www.healthpartners.com/747/media/beyondbenefits/BB0106_br.htm). Last accessed 8/3/07.

## Staying Covered

The rate of growth in the cost of employer-sponsored health insurance remains on a downward trajectory.



Note: Data on premium increases reflect the cost of health insurance premiums for a family of four. The average premium increase is weighted by covered workers.

Source: Kaiser Family Foundation and Health Research and Educational Trust

than \$2 each. The company still offers double cheeseburgers, but it charges more for them.

In many cases, a health risk assessment (HRA) is the best first step a company can take to understand its employees' health status. The HRA comprises comprehensive screenings that measure blood pressure, weight, and cholesterol, and determine whether a person is at risk for Type 2 diabetes, asthma, heart disease, or other chronic conditions. While there is still considerable debate over whether employers should offer incentives such as cash or insurance premium discounts to workers who complete a HRA, most agree that the message of mutual responsibility inherent in the screenings is a move in the right direction. "I believe in incentives to get employees to take HRAs," says Cornell's Goetzel. "It might take \$100 to get someone's attention, but potentially the company could be saving a lot more than that if it's able to help this person live a healthier lifestyle."

FedEx is one company that discovered the benefits of employee incentives. When health data showed that only about half of FedEx workers with diabetes were actually

scheduling a key eye screening that could potentially prevent blindness, the company knew it had to get more employees to take the test. The solution: a cash payment of \$50. As a result, the percentage of diabetic employees taking the eye exam jumped from 55% in 2005 to nearly 100% in 2006.

Companies with a significant number of employees who work remotely either full- or part-time are particularly creative in their wellness efforts. For instance, Accenture, the global management and consulting firm, tries to meet the needs of its largely virtual workforce (most employees receive a laptop when they join) by offering many programs online. The company also schedules conference calls on seasonal topics, such as weight management in January, and enables workers to download wellness information to their MP3 players.

The definition of health continues to evolve, say the experts, and with it the various ways companies can help workers lead healthier lives. "The old definition of health was not being sick or in the hospital," says Edington. "Now it means having energy and vitality, and being engaged in life."

And it's not just U.S. companies that are changing their view. Companies around the world, in both developed and emerging markets, are coming to value employee health as a most effective competitive advantage. "I've been in this field for 30 years, and I've seen more progress in the past three years than I have in the first 27 years," says Edington. "Employers are the ones driving changes in our health system. It's not government, it's not insurers, and it's not doctors."

## Think Global, Act Local

Despite the temptation to create one big, comprehensive wellness initiative, experts say companies are better served by making health a more personal—and local—issue. "What is a company doing when it offers a smoking-cessation program or a weight-management program?" asks Ron Goetzel of Cornell. "It's trying to change people's behavior, and that's very personal."

CIGNA, the giant health-care and benefits company, recognized this in late 2006 when it launched its Healthy Life initiative. The program, explains Victoria Dickson, director of employee health for CIGNA, offers HRAs, biometric screenings, and health coaches to 24,000 workers. The main message of the program, Dickson says, is to give personalized, one-on-one attention to the specific issues employees are facing. "Health is a local issue," she says. "We're finding the best way to get people motivated and committed to a healthier lifestyle is to help them create a personal plan of action."

Case in point: CIGNA employees in Chattanooga, Tenn.,

# THE RIGHT PRESCRIPTION

To keep its workforce healthy, CVS Caremark makes wellness programs and disease management a top priority.

As the country's largest provider of prescriptions and related health-care services, CVS Caremark touches millions of lives each day. The company fills or manages more than one billion prescriptions annually and has an unmatched breadth of service offerings, including 6,200 CVS/pharmacy stores; a pharmacy benefit management, mail order, and specialty pharmacy division; a retail-based health clinic subsidiary, MinuteClinic; and an online pharmacy, CVS.com.

As a health-care company with nearly 190,000 employees, CVS Caremark understands the importance of keeping its own workforce healthy. The company provides extensive healthy worker programs, including wellness programs and disease management, and promotes a health-friendly work environment. Dr. Jan Berger, chief clinical officer, says the company's vision of a healthy employee is not simply a person free from disease. "It means everyone is working at his or her full health potential," she explains. A healthy employee is a man or woman who doesn't smoke, who eats healthy foods, exercises regularly, manages his or her stress well, and gets all the age- and gender-appropriate preventive screenings.

The company encourages employees to adopt a healthy lifestyle by promoting the benefits of exercise programs and smoking-cessation classes. During the past two years, more than 500 CVS Caremark

medical self-care programs. Employees who participate in a health-risk assessment receive a \$25 gift card.

In recognition of its efforts, CVS Caremark was honored with a 2007 Well

Caremark was named one of the Best Employers for Healthy Lifestyles by the National Business Group on Health.

In its role as the pharmacy benefits manager for large companies, CVS Caremark offers its clients a broad-based NCOA-accredited Health and Disease Management program. These cover chronic—and costly—diseases such as asthma and diabetes, as well as conditions such as multiple sclerosis and hemophilia. CVS Caremark also helps clients address debilitating conditions like migraines, an ailment that, while not life-threatening, affects the quality of life and, by extension, productivity. "We can look at diet, exercise, and hormonal issues to address migraines in a more holistic way, rather than just something that is treated with medication," Dr. Berger says.

Although she realizes that there are no shortcuts to improving worker health habits, Dr. Berger is heartened by the results CVS Caremark is seeing with its clients. Plan participants who engage in these programs are experiencing reductions in hospitalization, emergency room visits, medical expenditures, and lost work days—all of which add up to serious savings in medical and pharmacy costs. ■



CVS CAREMARK IS THE COUNTRY'S LARGEST PROVIDER OF PRESCRIPTIONS AND HEALTH-RELATED SERVICES.

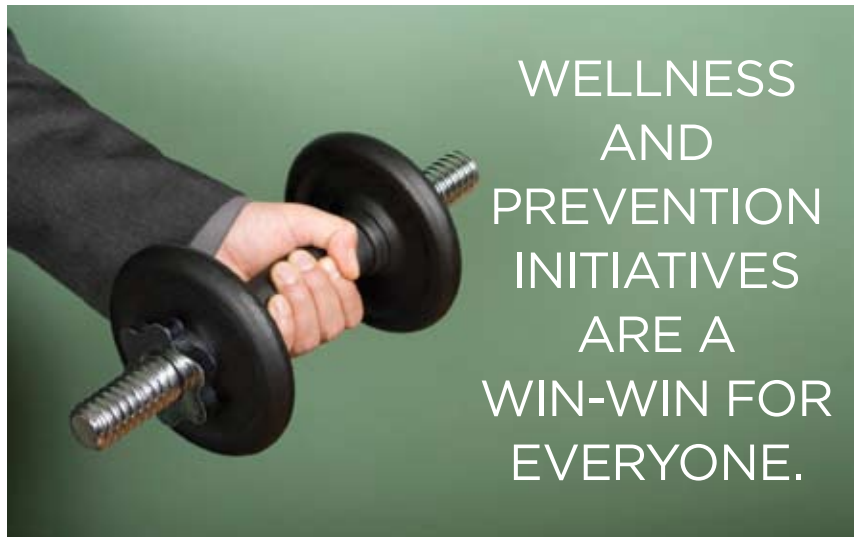
employees successfully quit smoking using the programs and initiatives offered by the company. And that is just the beginning, says Dr. Berger. Employees can take advantage of a whole host of on-site nutrition and healthy-eating classes, plus stress-management and

Workplace Gold Award by the Wellness Councils of America. The award recognizes companies that not only create programs and initiatives that foster a healthy work environment, but can also demonstrate support from senior management. In 2006, CVS

where the company ran the first of its ten Health Expos. By examining data on its workforce there, says Dickson, it realized it had a large population of employees battling obesity and diabetes. In addition to offering weight-management programs and personal coaches, the company took a hard look at the food it was serving in its cafeteria. CIGNA is in the process of eliminating the high-fat and fried offerings, says Dickson. The company now encourages workers to try grilled chicken and other lower-calorie items. It even goes so far as to tag the healthier offerings in its vending machines as a way to motivate employees to choose a bag of almonds over a candy bar.

In Scranton, Pa., CIGNA faced a different set of health issues. With an abundance of old coal mines in the area, many of CIGNA's workers were suffering from asthma, and not all were taking the medications needed to keep symptoms under control. Armed with that information, Dickson says the company offered smoking-cessation programs using personal health coaches, and other targeted programs that address disease management for asthma sufferers.

Access to information is critically important to help employees lead healthier lives. CVS Caremark, the large retail pharmacy and pharmacy benefits management company, is on the front line of this particular battle. "People see their doctor maybe once or twice a year,"



says Dr. Jan Berger, chief clinical officer for the company. "They see their pharmacist probably weekly or monthly, so we have a tremendous opportunity to reach a lot of people with useful information."

With nearly 190,000 employees across the U.S., CVS Caremark also understands the importance of keeping its own substantial workforce healthy and productive. The company offers a wide array of wellness programs, including smoking-cessation programs and weight-management solutions, including those offered by Weight Watchers, NutriSystem, and Jenny Craig, and provides individual health coaches. Last year, over 300 employees at the company's headquarters in Woonsocket, R.I. joined the Shape Up Rhode Island health improvement program. Collec-

tively, these 300 employees exercised 18,800 hours, walked 123,920 miles, and lost a total of 2,169 pounds.

When it comes to wellness initiatives such as fighting obesity, these numbers are impressive. Berger is equally elated by the results of CVS Caremark health-management programs for dozens of medical conditions, including asthma, diabetes, and heart disease, that it offers to the employees of its pharmacy benefit management clients. Over the past two years, plan participants who enrolled in CVS Caremark's health-management programs decreased their emergency room visits by 4% and their need to be hospitalized by 12%; the proportion of participants in exercise

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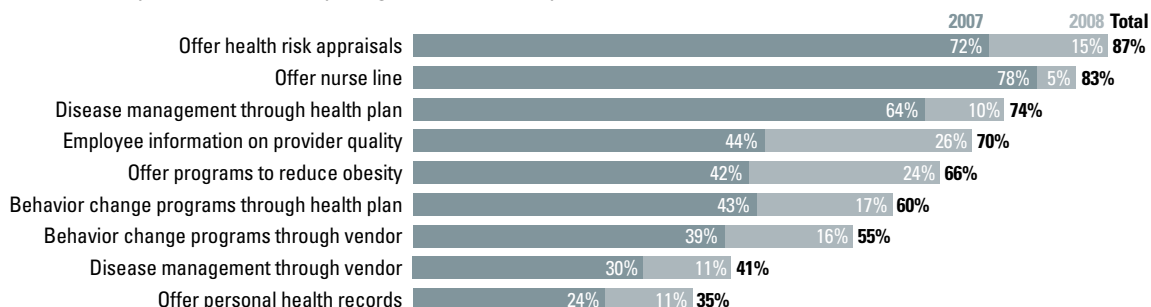
Business Group on Health, our current focus on preventive care helps keep our employees healthier and more productive, and makes good financial sense. Along with a wide range of benefit programs, we offer a variety of personalized health-care decision tools and information services that help our employees to be well-informed, involved health-care consumers.

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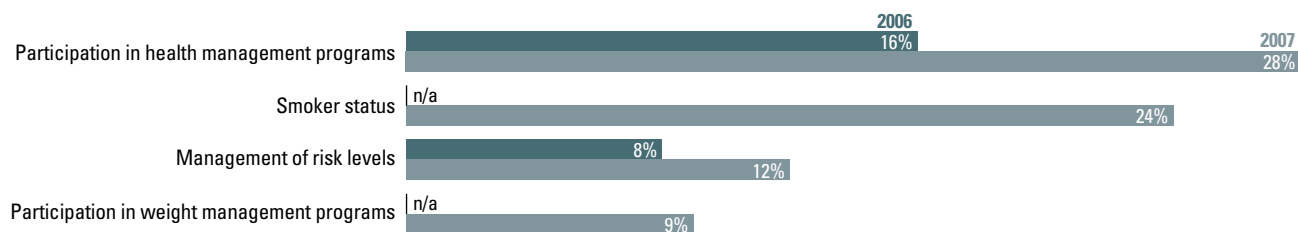
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## A Snapshot of Health Management Programs

More companies are adopting a menu of options...



...And more employers are offering lower premiums for wellness program participants.



Source: 12th Annual National Business Group on Health/Watson Wyatt Survey Report 2007



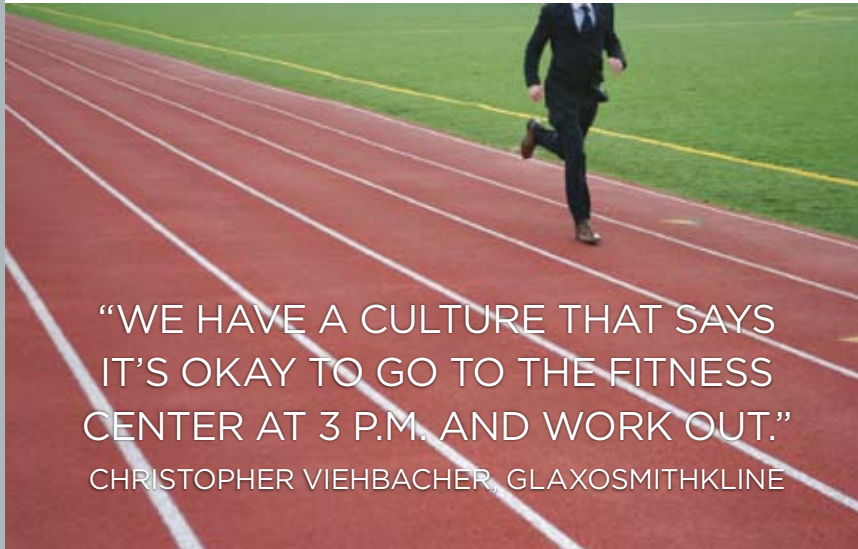
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“WE HAVE A CULTURE THAT SAYS IT’S OKAY TO GO TO THE FITNESS CENTER AT 3 P.M. AND WORK OUT.”

CHRISTOPHER VIEHBACHER, GLAXOSMITHKLINE

programs jumped from 62% to nearly 80%; and 92% had their cholesterol checked, up from 73%.

### Leading the Way

As a global, research-based pharmaceutical and health-care company, GlaxoSmithKline (GSK) has long valued the health of its workforce. The company has set up fitness centers for employees for the past 15 years, and has stayed on top of employee wellness through health assessment questionnaires for the past ten years. “We have a culture that says it’s okay to go to the fitness center at 3 p.m. and work out,” says GSK’s Christopher Viehbacher.

At the same time, the company recently had what Viehbacher calls an “a-ha” moment when it comes to employee health. “We can’t just tell people they’re responsible for their health care and leave it at that,” he says. “Employers can’t lose their role in influencing and guiding the information, the tools, and the help workers need to get and stay healthy. It’s so much easier when there are shared interests.”

Viehbacher believes strongly in the role of business in employee wellness for several reasons. First, the workplace is where the majority of people spend most of their waking hours at least five days a week. Secondly, GSK has found that workers who eat right, maintain a healthy weight, don’t smoke, and exercise not only have more energy for work, but for their families, as well. “The rigors of daily life are significant enough,” he says. “It’s simply easier to handle things physically and emotionally when someone is in good health.”

GSK makes it easier for employees to stay that way. It covers the entire cost of preventive care, including physicals and well-child visits for its 25,000 U.S. employees, and will pay 100% of the cost of medications and

counseling that help employees quit smoking. The company also pays a \$100 cash incentive to any worker who participates in a health assessment questionnaire, and offers health fairs at the most populated GSK sites to make it easier for employees to receive important health screenings.

If this sounds somewhat altruistic, it’s not. It’s just good business, says Viehbacher. “The programs and initiatives that GSK offers around wellness and prevention are a win-win,” he says. “Employees stay healthy and feel better. And we lower our health-care expenses.”

### Connecting the Dots

The long-term goal of any company serious about employee health is to create a culture that fortifies and rewards personal responsibility. Aetna, one of the country’s leading health insurers, emphasizes that message both internally with its own employees, and externally with customers.

Chiaw Eei NgGibson, head of Aetna’s benefits programs, says giving employees the right information at the right points in their lives is critical for success. “When we hire someone with a family, we essentially hire their family,” she says. “We focus on the health and well-being of family members because we know how distracted an employee can be if a spouse or child is ill.”

Aetna’s Healthy Lifestyles program contains multiple components that address a variety of wellness issues. The program incorporates a health-risk assessment (for which the company will pay an incentive of up to \$600) as well as a variety of weight- and health-management programs. Last May, the company launched a 16-week Get Active Aetna exercise program. As part of that program, every team member was given a pedometer in order to encourage them to walk. The four employee teams could measure how much they walked in a given day. The teams could get their walking done at home, after work—even during the middle of the workday if they chose. All told, 53% of Aetna’s 26,000 employees across the U.S. participated, walking three million miles and logging 852,000 hours of exercise.

The commitment of corporate America to worker health is producing a profound cultural shift, says Dr. Charles Cutler, chief medical director of national accounts for Aetna. “There is an absolute move among large employers to be more active and involved in the health of their employees,” he says. Part of that, he explains, is being driven by increased scrutiny of medical

expenses at the CFO and CEO level. But beyond that, Cutler says senior managers understand the connection between good health and productivity. "We live in a global world with competition coming from both inside and outside the U.S.," he says. "Employee health can be a competitive advantage."

Employee wellness is also a major concern at sanofi-aventis U.S., which offers a series of ongoing programs to the approximately 16,000 employees in its 14 U.S. locations. Says Christer Odqvist, vice president for business innovation and support: "Our concern for our employees' health takes many forms, but it begins with the premise that it's the right thing to do. When you care about your employees and maintain a commitment to programs that promote health and well-being for them and their families, it has a positive impact on their engagement, motivation, and productivity."

Amidst all the talk of fixing our broken health-care system, businesses are hearing a more compelling and ultimately more enduring message. "We don't have to fix

## Web Directory

**National Business Group on Health:**  
businessgrouphealth.org

**Aetna:** aetna.com

**CIGNA:** CIGNA.com

**CVS Caremark:** cvscaresmark.com

**GlaxoSmithKline:** gsk-us.com

**Raytheon:** raytheon.com

**Sanofi-aventis:** en.sanofi-aventis.com

the health system in this country," says the University of Michigan's Dee Edington. "We have to fix the lifestyle system. Keeping people well and free of disease is the only long-lasting and sustainable solution to the health-care situation in this country."

Businesses are in the unique position of being able to effect that shift, and have the patience,

fortitude, and wherewithal to put programs in place to accomplish this health revolution. The really progressive companies, says Cornell's Goetzl, will increase their chances of success by continually reinforcing not only the benefit to the corporation, but also the "personal ROI" of a healthier lifestyle for the employee. In the process, say health-care experts, companies will wind up with healthier, more productive employees and lower overall medical costs. What could be a better business case than that?

—Susan Caminiti

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To promote employee health, sanofi-aventis partners both internally and externally.

At sanofi-aventis U.S., we believe in a simple but powerful truth: Passion and productivity are founded on good health. It follows that the quality of a company is related to the wellness of its employees. That's why, in addition to touching millions of patients worldwide, we work continuously and creatively to help our own employees realize their health goals.

With a robust health-care benefits package as a foundation, we make multiple health resources available to employees, including clinics at each



of our major sites; periodic on-site awareness and screening programs, including prostate and skin cancer, peripheral artery disease, and blood pressure screenings; healthful food selections in cafeterias; and wellness initiatives, including a nutrition and exercise program, and annual flu shots.

Our pursuit of employee health doesn't end with our own staff. We partner with groups throughout the health-care system to promote the fundamental value of employee health. Our sponsorship of the National Transitions of Care Coalition (NTOCC) is a key example: Through the NTOCC, sanofi-aventis is playing

a pivotal role in improving coordination and communication during the risky periods when patients move between care settings. And we strongly support "evidence-based medicine" initiatives that seek to align health-care benefits with the most current and best medical data.

Employees everywhere have one thing in common: At one time or another, we're all patients. And patients—whether outside or within our own walls—are our passion and our reason to be.

*Sanofi-aventis... Because Health Matters.* ■