ACOEM Corporate Health Achievement Award 2005

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Medical Director, Occupational Medicine and Safety
Who Is Quad/Graphics?
• Founded in 1971

• Today the world’s largest privately held printer

• 16 printing and production facilities in 7 states

• More than 12,000 employees worldwide

• $1.9 billion in annual sales
A SAMPLE OF QUAD/GRAFICS CLIENTS

Advertising Age
Air & Space
Black Enterprise
Cabela's
Entertainment Weekly
Food & Wine
Travel + Leisure
In Style
Lands’ End
Lucky
Cottage Living
Men’s Health
Chadwick’s of Boston
National Geographic
Newsweek
People
Smithsonian Magazine
Time
Victoria’s Secret
QUAD/GRAPHICS PHILOSOPHY

• **Employee-focused** – Providing profit sharing, on-site child care, health care and fitness facilities, tuition reimbursement, flex time and other benefits

• **Forward thinking** – Integrating traditional disciplines with advanced technologies

• **Innovative** – Committed to R&D and quality performance

• **Environment for excellence** – Setting standards for benchmarking worldwide
Service
  • Customers, friends, neighbors and employees

Growth and leadership in printing
  • Costs at a level to be competitive
  • Sufficient profits to maintain employee ownership

Be good neighbors
  • Improve our environment and community

Innovative
  • Committed to R&D and quality performance

Our people
  • Creativity and opportunities for advancement
  • Our most important asset are our people
Quad/Graphics’ Corporate Structure
Healthy Workers

The Problem:
Health Care Inflation
“We’ll keep you well; and by the way, if you get sick, we’ll take care of that, too.”

– Harry V. Quadracci, Founder, Quad/Graphics
Quad/Med Philosophy

- **Control costs** by providing a full range of health care services
- **Enhance quality** through best practice guidelines and protocols
- **Improve access** by providing convenient, high-quality facilities
- **Gain easy access** to health care data
- **Achieve flexibility** in benefit design
- **Focus on wellness** and preventive medicine
Focus on prevention and wellness

Provide on-site primary care and selected specialty care

Restructure the delivery of primary care
- Salaried providers, not “production-based” reimbursement
- Incentives based on quality such as customer satisfaction, adherence to guidelines, preventive services, collegiality, committee participation
- Provide ample “face time” with patients

Provide specialty care and hospital care through direct contracting/“narrow networks”

Integrate workers’ compensation into primary care services
Quad/Med Strategy

- Preventive care and wellness
- Occupational health services
- Direct contracting with quality, cost-effective providers
- Workers Comp integrated into primary care services
- Robust information systems
- Measurable outcomes of services

Primary Care

Quad/Med

Current Health Care System
Primary care clinics with selected sub-specialties
• Family Practice
• Internal Medicine
• Pediatrics
• OB/GYN
• Surgery
• Occupational Medicine
• Optometry
• ENT, Ortho, Dermatology

Full-service on-site dental

On-site rehabilitation clinics
Wellness and preventive medicine programs
  - Fitness centers
  - Educational programs
  - Athletic leagues
  - Incentivized wellness program
  - Corporate wellness focus

Full-service lab, X-ray and pharmacy

Electronic medical records

Online access to hospital data
Occupational medicine program

- Acute and ongoing care of workers’ injuries
- Employment evaluation
- Worksite analysis/ergonomics
- Safety programs
- Workers’ compensation program
- Employee assistance programs
- Alcohol and other drug addiction programs
- Drug screening

Our Lighthouse Patch is a beacon of hope
Average health care cost per employee

$ Thousands


Midwest

Quad/Graphics

QuadMEd™
your wellness-lifestyle connection
Quad/Graphics’ health care costs are consistently below the benchmark, when adjusted for demographics and benefit design:

- 18% below in 1998
- 19% below in 2000
- 17% below in 2002
1999 – 2004
Estimated per employee per year

4%
DOES ON-SITE REHAB SAVE MONEY?

Average physical therapy versus Quad/Med average cost per visit

$ Dollars

Quad/Med Low Back Cervical Shoulder Elbow Wrist Knee

Wausau Insurance Company
### QUALITY OF CARE ANALYSIS: SEPTEMBER 2004

**Patient Satisfaction Survey (Hedis) – 1,527 Respondents**

<table>
<thead>
<tr>
<th>Service</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Convenient location</td>
<td>1.6</td>
</tr>
<tr>
<td>Ease of access by phone</td>
<td>1.5</td>
</tr>
<tr>
<td>Wait in lobby</td>
<td>1.7</td>
</tr>
<tr>
<td>Wait in exam room</td>
<td>1.6</td>
</tr>
<tr>
<td>Time spent with provider</td>
<td>1.5</td>
</tr>
<tr>
<td>Adequacy of explanation</td>
<td>1.4</td>
</tr>
<tr>
<td>Technical skills of provider</td>
<td>1.6</td>
</tr>
<tr>
<td>Personal manner of provider</td>
<td>1.3</td>
</tr>
<tr>
<td>Overall visit</td>
<td>1.5</td>
</tr>
</tbody>
</table>

1 = Excellent, 2 = Very Good, 3 = Good, 4 = Fair, 5 = Poor
Acute Myocardial Infarction

- Lipid panel in the last year
  - Quad/Med - 98%
  - NCQA - 79.4%

- LDL less than 130
  - Quad/Med - 81%
  - NCQA - 61.4%

- On beta blocker therapy
  - Quad/Med - 100%
  - NCQA - 93.5%
Immunizations

Up-to-date on all immunizations at age 2

- Quad/Med - 98%
- NCQA - 68%

Up-to-date at age 13

- Quad/Med - 88%
- NCQA - 50%
OTHER QUALITY MEASURES

Caesarean section deliveries
- National average: 26%
- Quad/Graphics average: 12%

Hypertension medication
- National average: 40%
- Quad/Graphics average: 92%
• Quad/Med is wonderful. I am grateful for the excellent insurance and personal care of the staff.

• Everyone here is always been terrific. I am extremely lucky to be a patient here. I am always greeted with a smile and a caring doctor.

• Dr. [NAME] always takes the time to listen to you and doesn’t make you feel rushed.

• I feel that Dr. [NAME] is very informative and takes her time. I appreciate the proactive recommendations that I receive.

• The dietician is excellent. She’s been wonderful about helping me with the dietary changes I make.
Healthy Organization - One Employer’s Solution
During the past 20 years there has been a dramatic increase in obesity in the United States.

In 2003:
- 15 states had prevalence rates of 15-19%
- 31 states had rates of 20-24%
- 4 states had rates more than 25%
Obesity Trends* Among U.S. Adults

(*BMI ≥30, or about 30 lbs overweight for 5’4” person)

1991

1996

2003

No Data  <10%  10%–14%  15%–19%  20%–24%  ≥25%

QuadMED™
your wellness-lifestyle connection
Health plan costs of obesity – BMI study

METHODOLOGY

• Heights, weights and dates extracted from EMR.
• Individuals with two similar readings at least 9 months apart, BMI calculated and assigned to: normal, overweight, obese and morbidly obese - NIH specifications.
• Two years of Quad/Graphics medical claims data compared total benefits paid among the four groups.
• BMIs were calculated using the formula:
  \[ \text{BMI} = \frac{\text{weight}[\text{lbs}]}{\text{height}[\text{in}^2]} \times 704.5 \]
  (from “Healthy People 2010”)
BMI study - Results

- Trend toward higher benefits paid for those with higher body mass index (BMI).
- Savings to be realized by helping move some of the individuals in the higher weight categories toward the normal category.
- Example:
  - Difference in benefits paid between overweight males and obese males in the 40 to 59 age category is $3,263 per person.
  - Theoretically, a success rate of only one third could save $917,425 over a two-year period (that is, if 281 obese males were able to reduce to the overweight category)
Total two-year benefits paid per person over the two-year period were lowest for those people whose BMI placed them in the normal category, and highest for the morbidly obese.

Benefits paid increased by at least 14% with each weight category, with the largest increase (35%) between the normal and overweight categories. The morbidly obese category was nearly twice as expensive as the normal category.
Employees, spouses and dependents were equally represented among the normal weight study participants. But employees predominated among the overweight, obese and morbidly obese.
Ingenix BMI study - Results

- Although more than 50% of male study participants were in the 40 – 59 age group, that age group made up only 23.5% of normal weight males.
- Most of the normal weight males were in the 0 – 19 age group. For females, most of the normal weight individuals were in the 20-39 age group.
- Females in the 40 – 59 group comprised 39.9% of the total female study participants – but that age group had about half of the obese and morbidly obese women.
- The largest proportion of overweight, obese and morbidly obese males was in the 40 – 59 age group.
Two-Year Benefits Paid Per Person by Weight Category, Age and Gender

Benefits Paid per Person

Males

Age Groups

0-19 20-39 40-59 60-64

N = 231 N = 533 N = 852 N = 56

Normal Overweight Obese Morbidly Obese
Two-Year Benefits Paid Per Person by Weight Category, Age and Gender

**Females**

<table>
<thead>
<tr>
<th>Age Groups</th>
<th>N</th>
<th>Normal</th>
<th>Overweight</th>
<th>Obese</th>
<th>Morbidly Obese</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-19</td>
<td>253</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>20-39</td>
<td>841</td>
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<tr>
<td>40-59</td>
<td>756</td>
<td></td>
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<tr>
<td>60-64</td>
<td>37</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* High outlier removed
2005 Wellness Incentive Program

- $250 dollar cash/flex plan dollars
- Open to all employees
- Encourage people to stay healthy
- Reward physically fit and well employees
- Incentive at risk employees to adopt healthier lifestyle
- Reward employees with medical conditions for managing their chronic health problems
2005 Wellness Incentive Program

- Qualifying Criteria
  - No tobacco use
  - BMI less than 27 (or loss of 10% body weight)
  - Blood pressure < 135/85
  - Glucose normal
  - LDL < 130
  - Exercise at least 30 minutes – 3x week (must be logged on home page within one month)
  - Annual preventive wellness exam
  - Prevention and health maintenance up to date per primary care provider
  - Complete health risk appraisal
2005 Wellness Incentive Program

- Quad/Graphics tools to successfully complete
  - Fitness centers and/or subsidized health clubs
  - Weight Watchers
  - Dieticians and group classes
  - Cholesterol and weight loss seminars
  - Smoking cessation prescription and OTC products subsidized
  - Smoking cessation classes
  - Open access primary care
  - Prevention covered by health plan
  - Medical director supervision/consult as medically necessary
Quad/Graphics Employee Benefits

- On-site fitness centers
- *All employees and family*
  - Cardio and resistance weight equipment
  - Personal trainers
  - Interactive tracking of workouts
- Classes:
  - Yoga, pilates, kick boxing, aerobics
- Group outings and leagues
  - Golf, weekend biking, Camp Erin
2005 Wellness Incentive Program

• Progress to date
  • Enrolled: 2,429
    – Normal Weight: 1,111
    – Overweight: 544
    – Obese: 774

• Smoking status
  – Nonsmokers: 2,132
  – “Ready to Quit” Smokers: 223 (79.6%)
• 2005 Wellness Incentive Program
  • Progress to date January to March 2005
    • All 8 fitness centers with increases in utilization
      – 167 more individuals working out extra each day
      – Workouts OK at other centers or home as well
      – Biggest increases in utilization in fitness centers where
        employees are production based - not admin
Wellness Incentive Program 2005
Data Analysis to be completed
• 2005 enrollees health care costs in 2005 vs. 2004
• 2005 enrollees health care costs compared to non enrolled in 2005
• Pilot study enrollees costs and health behaviors 2004 compared to 2005: Was a change sustained?
• Regional differences in completion and health risks
1. **Wellness Incentive:**
   Personalized coaching for health behavior changes
   - Team approach through Quad/Med
     - Additional members trained in health behavior coaching:
       » Quad/Med primary care providers – adult and pediatric
       » Nursing staff
       » Fitness center staff
   - Plant-specific interventions based on highest prevalent Lean You criteria

2. **Safety Incentive Program**
   - Employees earn “credit” for safe work practices

3. **QFIT**
   - Quad families investing together
   - Pediatric obesity treatment program
     - Primary care / dietary / fitness / psychological counseling
Conclusion

Tips for success…

• Employers need to play a role in health behavior change
• Reward for maintaining health – don’t wait for disease and health costs to happen
• Guide employees with the tools to succeed
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Quad/Graphics