

CHAA Best Practices



Corporate Health Achievement Award



2012 Recipient
Johnson & Johnson

Healthy Workers

Healthy Environments

Healthy Organizations



A Message from ACOEM's President

We all want a safer, healthier workplace. It matters to employees and it's better for the bottom line. But to get there, corporations must focus on a myriad of issues such as: "What is the safest manufacturing environment? How do you dispose of industrial waste in the way that has the least impact on workers and the environment? How do you provide a crisis hotline for workers with substance abuse problems? What are best practices for worksite wellness? And how do you achieve a culture of health?"

When we speak of "a culture of health" we mean "health" in the true sense of the word: a condition in which employees' physical well-being is optimized by the environment and philosophy of the company for which they work. Simply starting a blood pressure screening program for employees or installing a new emergency first aid station cannot achieve true corporate health. It must be an essential element of a company's human resources philosophy and it must incorporate practices at every level of the workplace.

That's why we say "a culture of health" involves three major elements:

- *Healthy People:* Is each individual safe, protected, and nurtured, both physically and emotionally?
- *Healthy Environment:* Are potential workplace health and safety hazards minimized and hazardous emissions and pollution controlled?
- *Healthy Company:* Are company-wide programs in place that facilitate healthy lifestyles and an overall health-and-safety consciousness?

We don't think it's an exaggeration to say that through the Corporate Health Achievement Award (CHAA), we are helping to improve the American workplace by recognizing and rewarding the nation's best corporate health and safety practices. The Award does more than recognize the accomplishments of organizations – it tells the North American business community that comprehensive occupational health programs make good business sense. CHAA reinforces the importance of measurable results and continuous improvement, and provides a forum in which participating organizations can exchange ideas and best practices on creating healthy and productive working environments.

No other health and safety award features the rigor, high standards and comprehensiveness of the CHAA. The companies that win one of our awards are required to show a demonstrated commitment to corporate health programs company-wide in order to be recognized. They must also show strength across many areas – not just one or two. The end result is a "gold standard" stamp of approval that is given only to the nation's most exemplary companies. It's an honor of which entrants can be proud.

ACOEM is proud to sponsor the CHAA to recognize organizations offering the best in employee health, safety and wellness programs. We are pleased to announce the recipients of the 2012 award:

Johnson & Johnson

Smithsonian Institution

Both companies are committed to providing occupational and environmental health programs of the highest quality and are leaders in developing innovative and effective practices to promote the well-being of both their employees and communities. Through systematic self evaluation, they are dedicated to constantly improving their activities. The enlightened companies who receive the Award have wonderful stories and great ideas from which we can learn.

For your benefit, the following document outlines key elements of the Johnson & Johnson program.

Sincerely,

T. Warner Hudson III, MD, FAAFP, FACOEM
President, ACOEM



2012 CHAA Award Recipient

Johnson & Johnson (JNJ) was a recipient of the 1998 Corporate Health Achievement Award (CHAA). The company re-applied this year in order to assess how their programs have matured and to assure that they continue to provide world-class health and safety programs to their employees. Johnson & Johnson's commitment to its employees is evidenced by the continuous quality improvement across all health and safety programs. The programs described below are reflective of this commitment.

THE COMPANY

Caring for the world, one person at a time has inspired and united the people of JNJ for 125 years. They have embraced research and science – bringing innovative ideas, products, and services to advance the health and well-being of people. Employees of the JNJ Family of Companies work with partners in health care to touch the lives of more than a billion people worldwide every day.

At Johnson & Johnson, environmental, health and safety, is central to our culture... Through our commitment to employee health and safety, Johnson & Johnson has been able to demonstrate that investing in our most valuable assets, our employees, has beneficial returns for both our people and our business.

*William C. Weldon
Chairman and CEO*

With \$61.6 billion in 2010 sales, JNJ is the world's most comprehensive and broadly based manufacturer of health care products, as well as a provider of related services for the consumer and pharmaceutical and medical devices and diagnostics markets. The more than 250 JNJ operating companies employ approximately 115,000 people in 60 countries.

The company has achieved 27 consecutive years of adjusted earnings increases and 49 consecutive years of dividend increases. Its enduring market leadership in health care is illustrated by the fact that 70% of its sales in 2010 came from products with #1 or #2 global market share positions and about 25% of 2010 sales came from new products introduced in the last five years.

Johnson & Johnson's Family of Companies comprise the world's:

- sixth largest consumer health care company;
- largest and most diverse medical devices and diagnostics company;
- fifth largest biologics company and eighth largest pharmaceuticals company.

LEADERSHIP AND MANAGEMENT

Organizational Values

At the core of JNJ is a fundamental commitment to *Our Credo*, written in 1943 and which established the business values and philosophy that guide all of their operating companies worldwide. *Our Credo* places the highest priority on patients and customers, followed closely by employees, communities, and shareholders. In 1978, then Chairman James E. Burke believed that if JNJ was to become the world's leading health care company, it would need to lead by example – by having the world's healthiest workforce. He believed that a healthy and productive workforce would mean a healthier and more productive organization. *Our Credo* is displayed prominently throughout all facilities and is integrated into all reviews/assessments company wide.

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At JNJ, accountability and a commitment to safety, health, and the environment start at the highest level – the Office of the Chairman. Also at the top corporate level is the Public Policy Advisory Committee (PPAC) of the Board of Directors. The committee oversees the Company’s policies, programs, and practices on public health issues regarding the environment and the health and safety of employees. This committee includes three Board members and the corporate compliance officer.

Health Information Systems

JNJ has a global Environmental, Health, and Safety (EHS) Management system that covers all of its operations worldwide. There are 27 global EHS Standards that support the *Credo* and the EHS and human resources (HR) policies. The purpose of these standards is to establish minimum management and operating requirements to ensure the protection of employees, the community, and the environment. These standards also serve as the basis for the JNJ Management Awareness and Action Review System (MAARS) self assessment and joint assessment program.

HR Policies & EHS Management System Framework

HR HEALTH POLICES			
<ul style="list-style-type: none"> Drug and alcohol free workplaces Health records & Confidentiality EAP Policy HIV Policy 		<ul style="list-style-type: none"> Tobacco-Free policy Travel Health Medical surveillance Wellness policy 	
EHS Policy			
EHS STANDARDS			
INTEGRATED EHS	ENVIRONMENT	HEALTH	SAFETY
1. EHS Management Systems 2. Chemical Substances Management 3. Emergency Preparedness and Response 4. Contractor Management 5. Responsible External Supply Chain 6. Acquisitions and Divestitures 7. EHS by Design 8. External EHS Engagement	9. Air 10. Water and Wastewater Management 11. Waste Management 12. Tank System 13. Energy Management	14. Noise and Hearing Conservation 15. Biosafety 16. Radiation Safety 17. Employee Wellbeing 18. Occupational Health	19. Fall Prevention 20. Fire and Explosion Prevention 21. Process Safety Management 22. Machinery and Equipment Safety 23. Ergonomics 24. Hazardous Processes 25. Fleet Safety 26. Warehouses & Storage areas 27. Office EHS

Evaluation and Quality Improvement

In 1947, CEO Robert Wood Johnson became concerned with the depletion of natural resources, on which not only business but also society depended. Coming from a business that made products that helped people, Johnson believed that business would be key in helping overcome the problems of the day. And he came to the conclusion, remarkable for the 1940s, that business itself would not be sustainable without conserving, protecting, and sustaining natural resources. Johnson & Johnson set its first environmental goal, reducing toxic emission, 24 years ago. In the intervening years, the company has systematically tackled underground storage tanks, CFCs, PCBs, energy, waste, water, and packaging. In 1993, Johnson & Johnson began formalizing and branding very deliberate long-term goals across a range of environmental impacts: Pollution Prevention Goals (1993-2000), Next Generation Goals (2000-2005) and Healthy Planet 2010 Goals (2005-2010). In 2007, Johnson & Johnson also added Safe People goals and Healthy People goals. With few exceptions, the Family of Companies has risen to the occasion, not only meeting the goals, but also often exceeding them.

Environmental Sustainability
Results vs. Healthy Planet Goals 2005-2010



Goal Areas	2010 Target	2010 Actual	Status
Reduce Energy	<i>Reduce CO2</i>	-7 %	Achieved ●
	<i>Fleet MPG</i>	+ 30 %	Missed ●
Reduce Water Use		-10 %	Missed ●
Reduce Waste	<i>(Hazardous & Non-Haz)</i>	-10%	Achieved ●●
Paper Sourcing	<i>Packaging</i>	75%	Achieved ●
	<i>Office</i>	90%	Achieved ●
PVC Packaging	<i>Plans by Sector</i>	100%	Missed ●
External Manufacturers		100%	Achieved ●
Outreach	<i>(Employee Education, Conservation, & Transparency)</i>	100%	Achieved ●●●

HEALTHY WORKERS

CHAA standards call for appropriate health evaluations including pre-employment and fitness-for-duty evaluations and medical surveillance, with workers being fully informed of the results of each health evaluation, whether normal or if variations are detected. Arrangements for care are made and when appropriate include the employee’s personal physician.

Health Evaluation of Workers

JNJ evaluates worker health at various points along a spectrum. First, the employee is seen pre-placement (post-job offer) as a means to ensure a safe “fit” for his or her required job demands. Then the employee is evaluated “proactively” through various risk-based medical surveillance programs, if applicable. Lastly, the employee is provided with the full complement of occupational health services and case management of work-related injuries and illnesses. At each point, these services are provided via well-defined, guidelines, standards, directives, and policies.

Global Health’s Onsite Occupational Health Operations in the US



30 Onsite Clinics staffed by RN level occupational Health Nurses with limited MD onsite clinical support for occupational health

Covered (onsite) lives per site range from 350 to 2200
Each employee (even if not located at a site with a nurse) is assigned an OHN

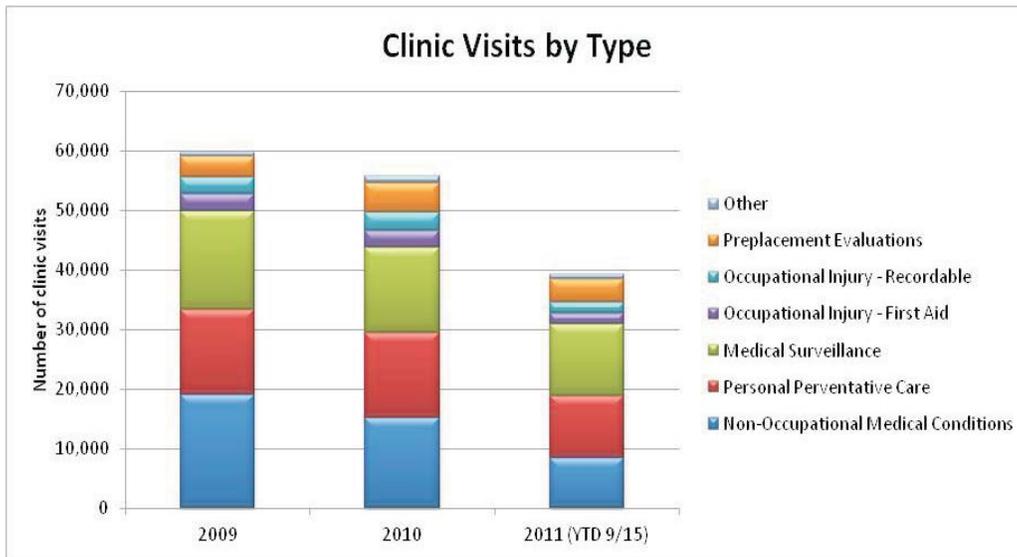
Traditional Occupational Health, services to support population health & limited RN level acute personal health support

There are 30 on-site occupational health clinics in the U.S. that are staffed by JNJ nurses and co-ordinators. Each clinic also contracts with occupational health physicians who oversee clinical care and provide occupational injury and illness case evaluation and treatment recommendations.

These physicians are knowledgeable of site work processes and aware of applicable regulations, modified/ alternate duty and return- to-work policies, etc.

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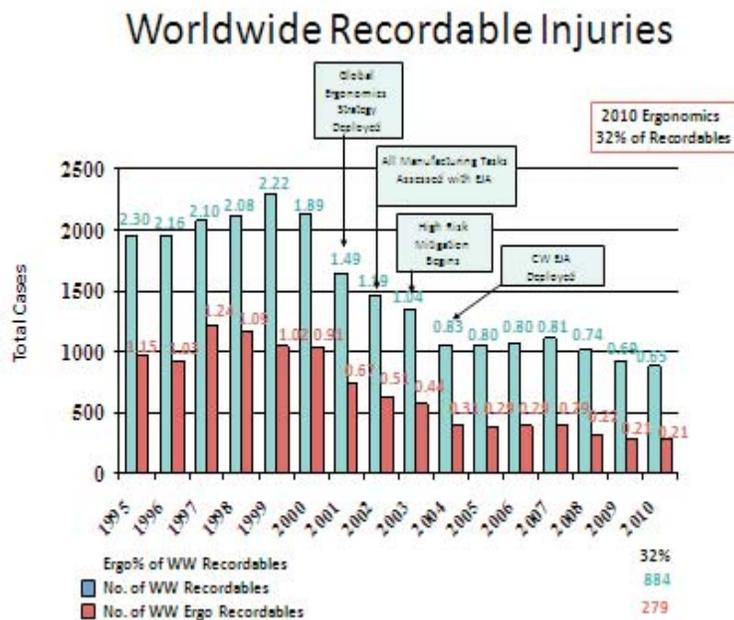
The chart below depicts clinic visits by type from 2009 through September 15, 2011.



On-site services use the medical electronic data system (MEDS) for all clinical documentation. This system maintains strict confidentiality of all patient records. It also has capability for scheduling, tracking/ trending of outcomes, and creation of surveillance requirements and “action required” items pertinent to the employee’s medical care and follow-up.

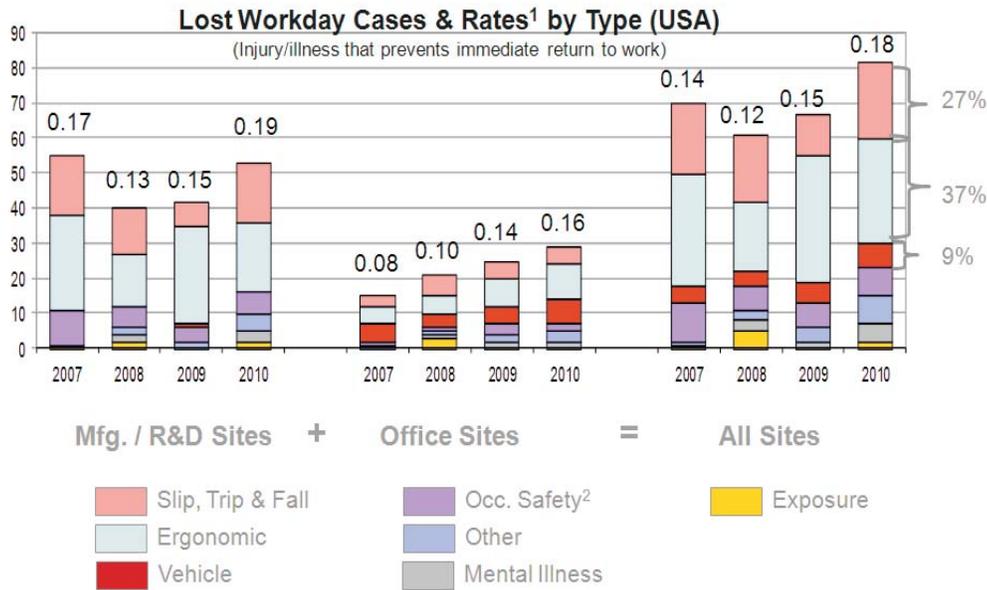
Occupational Injury and Illness Management

If an employee is injured or becomes ill on the job, he or she is triaged/treated on site where possible. All major sites have an emergency response team that is trained in providing first-aid treatment as appropriate. All first responders are trained in CPR/AED use. AEDs are available at all locations. If there is an occupational health clinic on site, a nurse provides first-aid care, evaluates and stabilizes the employee, and refers/transfers him or her as appropriate for further follow-up. The following chart depicts worldwide recordable injuries from 1998-2010.



The following graph depicts lost workdays by type of incident – i.e., slip, trips and falls, ergonomic, vehicle, occupational safety, mental illness, exposure, etc. – for 2007-2010.

Employee Safety (USA)

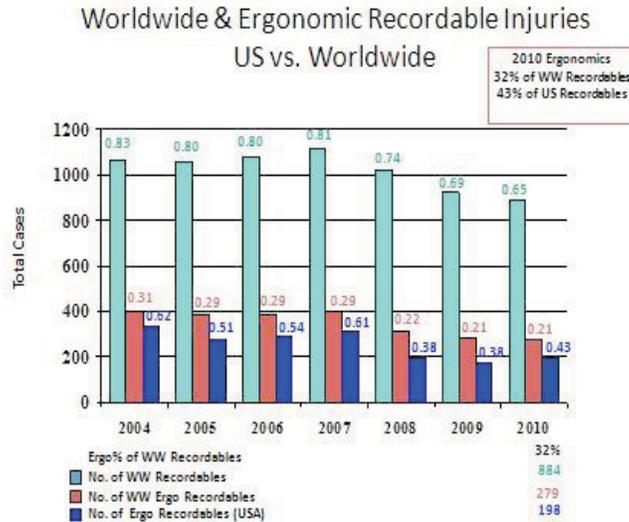


¹LWDC Rates are shown on top of each stacked bar and = # cases x 200,000 hrs / # hrs worked

As part of its process improvement process JNJ benchmarks against its peers, namely the Pharmaceutical Safety Group (PSG) which consists of 12 large pharmaceutical companies and the Mercier/ORC Networks formally known as Organization Resource Counselors, Inc., which compares data from 61 multinational companies. JNJ has consistently ranked first to third against its peers.

One area of concern to JNJ has been musculoskeletal injuries. Despite its focus on ergonomic engineering fixes, upper extremity musculoskeletal injuries continued to be a significant cause of both workers' compensation costs and serious injury/illness cases. In addition, most upper extremity ergonomic injuries had pain as the only symptom, with no objective findings.

To address this issue, Global Health Services (GHS) took a fresh look at the way these injuries were treated at the clinic level. First, a team researched the medical literature, which confirmed what was intuitively obvious: most cumulative trauma upper extremity musculoskeletal cases do better without extensive medical intervention including imaging studies, prescription strength medications, and traditional physical therapy. What the research did find was that an interdisciplinary approach treating the whole person worked best. In cases with no firm diagnosis, studies showed that employees did better with an integrated approach including first-aid medical treatment, generalized aerobic conditioning, stress reduction, and ergonomic risk reduction where possible. JNJ then developed a program to provide early intervention of musculoskeletal injuries and discomfort that was not only cost effective, but had better outcomes. Implementation included on-site training, videos and toolkits, review of all cases, and follow-up with employees and stake-holders. Eighty-five percent of cases to date resolved without modified duty, lost time, or extensive medical testing or treatment. Employee satisfaction with the program was 95%.



JNJ is recognized as a work/life leader in creating an inclusive and supportive workplace that engages its diverse multi-generational workforce. Their LIFE 360™ Work, Family & Personal Life services in the U.S., including the strategic Workplace Flexibility Initiative, contribute to maximizing employee effectiveness by meeting work, family, and personal needs at every life stage. A broad spectrum of services is offered to employees and their household members including on-line resources, podcasts, and webinars along with confidential work/life telephone consultations to address work/life challenges such as child care, lactation support services, adoption, parenting and grandparenting, on-line academic tutoring, college consultations, elder care services, personal financial resources, and more. Throughout the JNJ Family of Companies, the Workplace Flexibility Initiative serves as a platform for an engaged, productive, and accountable workforce. JNJ has offered flexible work arrangements in many countries including flextime, compressed workweek/summer hours, telecommuting and remote work, part-time work, and job sharing since 1989. Leadership has a longstanding commitment to continuing to increase opportunities for flexibility in recognition that the sustainability of business depends on the ability to attract, recruit, retain, and engage talented employees.

Mental Health and Behavioral Health

JNJ's EAP services are communicated and available to over 90% of its employees worldwide. In the U.S., 100% of employees are covered by EAP services. All services provided must be in compliance with local, country, and regional requirements and regulations, and any information obtained during the provision of such services must be in accordance with privacy and confidentiality legislation worldwide.

HEALTHY ENVIRONMENT

Health Hazard Evaluations, Inspection and Abatement

JNJ has a number of processes for assessing workplace risks. Specific examples for identification and control of workplace hazards include ergonomics, process safety management, chemical usage, and machinery safety. JNJ's Process Safety Management (PSM) program is led by a team of engineers, industrial hygienists, and safety engineers who meet on a monthly basis to set PSM policy for the corporation, schedule audits, develop training, and discuss areas of focus for reducing process safety risks. To assist in identifying those JNJ operating companies that may be impacted by process safety management risks, a mandatory "process hazard screening tool" is used. The tool goes beyond the inclusion criteria set by governing bodies such as the U.S. Occupational Safety and Health Administration and Europe's Seveso regarding control of hazardous chemical operations.

Process safety management metrics are collected from each operating company impacted. The metrics include both leading and lagging indicators that help to identify program gaps and subsequent program improvements. As an example, one leading indicator looks at the preventive maintenance program schedule to determine the number of action items completed on time, items over due, as well as those items where the target date was extended. The PSM team also reviews related incidents and near-misses to help determine corrective action as well as communicate lessons learned.

Assessing and managing risks is a core element of the annual site Management Awareness and Action Review System (MAARS) self assessment completed by each site and the periodic MAARS joint assessment. Risk assessments are also reviewed after any significant or potentially significant adverse event, injury, or occupational illness.

Education Regarding Workplace Hazards

All employees working with or near workplace hazards receive training on exposure risks and control measures, the nature and safe handling of the hazard, and potential medical effects including signs and symptoms of exposure. Training frequency is based on JNJ and/or regulatory requirements whichever are stricter. Successful completion of required training must be documented and the records maintained per affiliate requirements. Records must list the name of the course, the date, and name of the instructor, name of participant, job title, and testing results. Training records are kept on file for five years. The site self-assessment includes a review of the training plan and training activities. This ensures training requirements are met and employees are periodically re-qualified.

Toxicological Assessment & Planning

Employees at JNJ handle a wide range of chemical agents from active pharmaceutical ingredients and isolated intermediates to solvents and other reagents. Many of these substances have no, or very limited, toxicological data and the majority do not have exposure limits. Therefore, to ensure the protection of its employees, JNJ has a sophisticated toxicological assessment and occupational exposure limit (OEL) setting process.

Emergency Preparedness, Continuity Planning and Disruption Prevention

JNJ's EHS Standard 3.0 requires each organization "to establish, implement, and maintain a program to identify and mitigate potential emergency situations that could affect personnel, the site, public infrastructure, and/or the surrounding community beyond the boundary of the facility, to prepare the organization to effectively respond to these incidents and to ensure a process for appropriate medical surveillance of the site emergency response team." This process begins with hazard identification and risk assessment whereby the organization identifies potential emergency situations such as chemical or hazardous material related incidents, biological threats, flooding, severe weather, earthquakes, bomb threats, or civil disturbance/riots that can have an impact on employee health and safety, the environment, and/or the business. A risk assessment is conducted for each potential emergency situation, considering at a minimum the potential impact on employee/community health, the environment, and business recovery. The hazard identification and risk assessment are documented and reviewed whenever there is a significant change in regulations, operations, processes, or raw materials after the occurrence of accidents/emergency situations and after an incident simulation as necessary.

Each site establishes and maintains an emergency organization that consists of an incident commander and appropriate assistants, depending upon the size and complexity of the facility. The assistants typically include maintenance personnel to control sprinklers, fire pump, electrical systems, etc., wardens to assure evacuation of all personnel, someone to contact the fire department, and others as required. In addition, the organization establishes and maintains an up-to-date list of all emergency responders at the site, including their roles and responsibilities.

Planning is essential to assure an adequate state of readiness. The organization develops, implements, and maintains an up-to-date emergency response plan based on the outcomes of the risk assessments

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in order to minimize the potential effects of an accident or emergency situation on human health, the environment, and the business, both on and off site.

Effective communication with the public is one of the most critical needs during an emergency. To assure excellence in this area, the Emergency Response Plan establishes a communication process to determine if external disclosure is necessary, and if so, how to proceed. Specific requirements include: 1) communications with employees' families and the public; 2) communications with JNJ Corporate Communications and EHS; 3) notifications to regulatory authorities; and 4) communications with the press and the media.

The occupational health staff plays a pivotal role in planning and responding to emergencies. There are many different situations that could result in the need for medical intervention, including work-related injuries and illnesses, unplanned exposures to potentially harmful materials, chemicals, or other harmful agents, sudden cases of ill health that may not be work related (e.g., heart attacks, asthma attacks), fires and explosions, structural collapses, natural disasters (e.g., floods, hurricanes, earthquakes), contamination of site provided food and drinking water, and security issues (e.g., workplace violence, and terrorist threats).

Occupational health professionals are knowledgeable of the hazardous materials and processes onsite, site medical treatment capabilities, and the capabilities of local community response. Each of these elements is addressed by assuring that occupational health provides input into the development and implementation of the site's emergency response plan.

HEALTHY ORGANIZATIONS

Health Promotion and Wellness

The health and wellness goal is to deliver a competitive business advantage to the JNJ Family of Companies by providing leadership through resources that enable employees worldwide to be healthy, fully engaged, and productive. JNJ plans to achieve this by creating, promoting, and sustaining a global culture of health supported by consistent, competitive health programs and in so doing lead in business by leading in health. For more than 30 years, JNJ has helped employees recognize and change behaviors that threaten their health.

Global Health Services goals are to:

- Create, promote and sustain a Global Culture of Health.
- Develop and promote worldwide programs and services addressing employee well-being and the concept of total health.
- Promote a consistent approach to the deployment of occupational health services and standards in compliance with regulatory requirements.

Key initiatives include:

Sustaining a Global Culture of Health

 Vision	Have the healthiest, most engaged workforce for J&J - allowing for full and productive lives	
 Mission	Deliver a competitive business advantage to the J&J Family of Companies, by providing the leadership and resources that enable the well being, full engagement, and productivity of J&J employees worldwide.	Strategic Imperatives <ol style="list-style-type: none"> 1. Create, promote and sustain an Organizational Culture of Health 2. Promote consistent, effective and compliant health programs & service delivery 3. Lead in Business by Leading in Health

Culture of Health - Key Ingredients

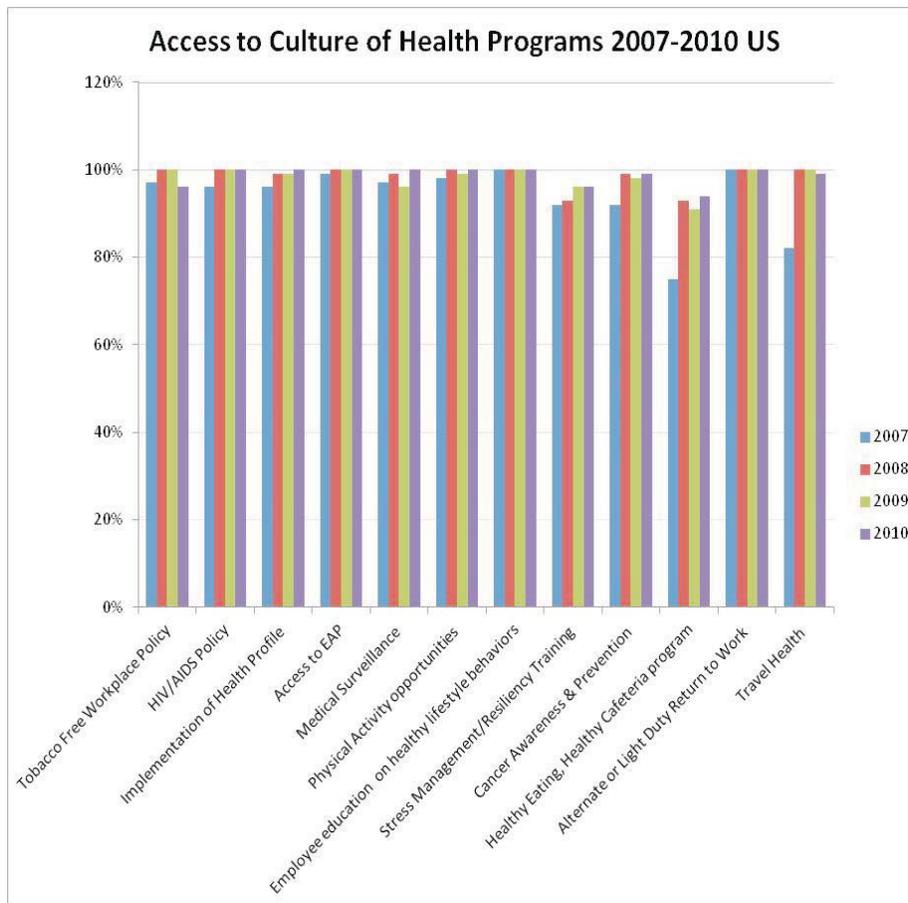
				
Leadership & Commitment	Enterprise Programs	Policy & Procedures	Marketing & Communications	Measurements & Outcomes

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- Health Profile (HRA) – translated into 35 languages/cultures)
- Telephonic Health Advising
- Disease Management
- On-line Health Risk Interventions
- Global Health Professionals based at JNJ operating company locations (EAP, occupational health nurses, wellness professionals)
- Health Education and Communication
- Environment/Culture of Health initiatives and policies
- Physical Activity offerings
- Healthy Eating (Cafeteria/Vending/Catering Services)
- Benefit Plan Design Integration/Incentives

The following table depicts access to various health and wellness programs by activity by year.

JNJ provides many offerings to employees to improve their lifestyle habits or manage a chronic condi-



tion. One hundred percent (100%) of U.S.-based employees (approximately 38,000) have on-site, remote, or telephone access to Global Health Services including EAP and occupational health and wellness. There are 44 fitness centers/rooms available at sites nationally. Free membership to on-site fitness centers/exercise classes is offered at most operating company locations. Exercise reimbursement (up to \$200/year) is offered to field employees and those without access to a fitness center. All employees have access to a free pedometer and the health promotion program that accompanies the pedometer, the Million Step Challenge (MSC). The primary long-term goal of the MSC is to make

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manageable lifestyle changes within the participant’s comfort zone and to long 1 millions steps (500 miles) in a year.

- 6,373 unique employees participated in MSC in 2010
- 1,265 employees walked at least 1 million steps by year-end
- 876 employees walked 2,000,000 or more steps during 2010
- Since the summer of 2005, over 30,000 employees have enrolled in the MSC initiative;
- Since 2004, over 45,000 pedometers have been distributed to JNJ employees;
- Fifty-six percent (56%) of survey participants reported having more energy as a result of the program and 49% lost weight

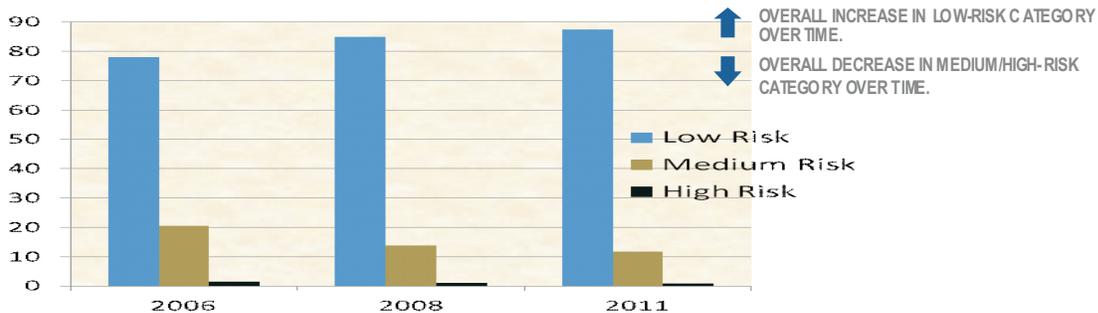
Select program offerings are available to spouses and partners such as the Health Profile, My eHealth Website, Tobacco Cessation, Family Activity Challenge, Weight Watchers®, Lose to Win Weight Loss Challenge, online HealthMedia® programs and CareConnect Disease Management. More than 400 families registered for the Family Activity Challenge (FAC) in 2010. Retirees are eligible for Tobacco Cessation, on-line HealthMedia programs, and CareConnect Disease Management.

All U.S. Global Health Services available to employees are listed and/or accessed from the web portal, My eHealth, with reciprocal links to and from the YBR (Your Benefits Resources™) web site, which provides all employee medical benefits information. On average, 16,445 employees received the My eHealth e-mail “Tip of the Day” in 2010, an increase of 6.9% from 2009. The marketing effort for Global Health is visually branded to establish a “brand” identity and integration between emotional/mental health, occupational health, wellness and fitness.

JNJ strives to promote awareness, encourage participation and build value worldwide. These components make the health and wellness initiatives at JNJ a model program.

Impact on Population Health and Key Health Indicators

% POPULATION HEALTH RISK REDUCTION (2006 TO 2011)



High Risk Factor (in descending order by High Risk Prevalence)	Company 2011	OCUS Data	Book of Business Data (2011)
Unhealthy Eating (<5 Servings/ Day)	56.6%	76.6% (2009)	62.1%
Obesity (BMI 30.0+)	20.6%	34.7% (2005-2008)	34.3%
Inactivity (<150 Moderate Minute Equivalents)	20.9%	52.7% (2009)	46.5%
Hypertension (Blood Pressure 140+/90+ mmhg)	6.4%	30.9% (2005-2008)	7.4%
Cholesterol (Total Cholesterol 240+ mg/dl)	6.2%	14.9% (2005-2008)	6.2%
Tobacco Use (Current User of Any Tobacco)	3.6%	24.8% (2008)	10.6%
Glucose (126+ Fasting)	2.5%	10.9% (2005-2008)	1.7%
Stress (Heavily or Excessively Stressed)	1.3%	3.2% (2008-2009)	1.8%

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Health Risk Change over Time (US)

Health Risk	J&J 1995 - 1999	J&J 2005	J&J 2010
Smoking	12%	5%	4%
High Blood Pressure	14%	10%	6%
High Cholesterol	19%	8%	6%
Inactivity (30 minutes of activity, less than 4 days/wk)	39%	38%	21%

Absence & Disability Management

JNJ has a comprehensive set of policies and guidelines relating to the management of medical absence and disability. Leave policies provide for sick leave, family and personal medical leaves, and short- and long-term disability. Since 2004, all U.S. employees on short- or long-term disability are provided with centralized active case management. The program has an overriding objective of delivering optimal benefits at the lowest cost while maintaining a positive employee experience. A comprehensive modified and alternate duty guideline ensures that all operations actively seek alternative work for employees who can return with medical restrictions. Employees who are actively working on modified duty will have support and case management services from the nurse located at their facility.

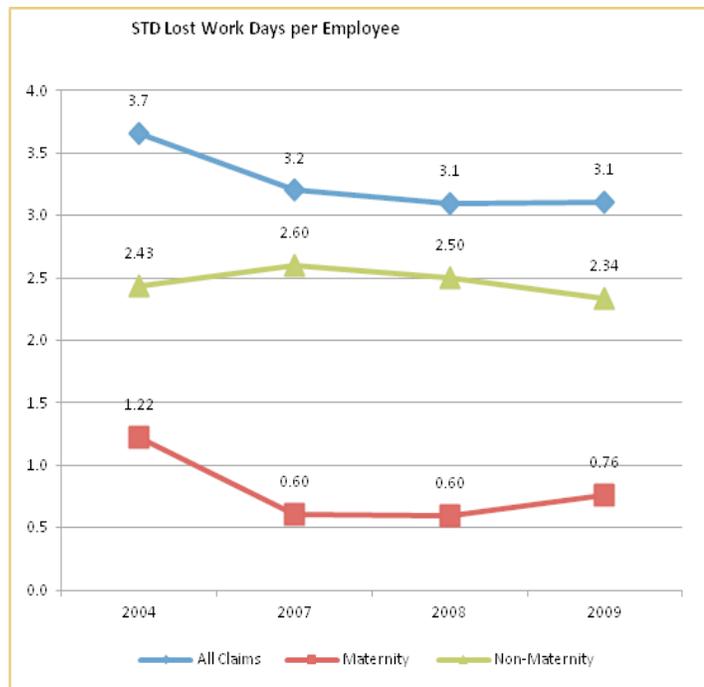
Annually, trends related to diagnosis, lost time, and accommodations as well as operational metrics are addressed. These trends typically lead to program and process improvements. For instance, in 2010 a focus on mental health case management was initiated and a mental health clinician was added to the team to support the disability management program. In the six years since the process began, JNJ and its employees have realized the following benefits:

Long-Term Disability

- 2010 employee contributions reduced by more than 37.7% or \$265 per year vs. projected;
- \$11.2 million in total savings to the plan through reduction in incurred claims from 2006 through 2009;
- \$7.2 million in costs avoided based on 2009 average projected benefit periods;
- Reduction in number of uninsured as the result of the open enrollment and automatic enrollment process – percent of enrolled increased from 55% to 85% in 2004. Current enrollment is at 80%.

Short-Term Disability

- Reduction in claim incidence by 11.5% and 16.3% reduction in average lost work days per employee;
- Reduction in total lost work days – 33,000 fewer days lost in 2009 vs. 2004;
- At 2004 baseline, 2009 lost work days would have been 25,010 higher;
- Value of work days saved in 2009 estimated at \$9.28 million.



Integrated Health and Productivity Management

JNJ believes in an integrated approach to health and well being. This approach encompasses occupational health, emotional health, wellness, and personal energy. Such integration is key to impacting employees’ health in a positive way while maximizing the business benefit. The diagram below demonstrates the “holistic” approach, and represents the range of services in their integrated service delivery model.

Fundamental principles of a successful solution

Integrated Holistic Program Delivery



Such an approach has been in the making for the past 30 years. In 1978, James E. Burke, then Chairman and CEO, set two major program goals: 1) to provide the tools to encourage employees to accept responsibility for their health and well being thereby making JNJ the “healthiest company in the world”; and 2) to reduce health care costs through on-site programs and services. Burke launched LIVE FOR LIFE™ – a partnership program between benefits, safety, medical, wellness, and EAP. This was the start of JNJ’s enterprise-wide culture of health initiative which has continued to this day. In 1995, through ongoing assessment of performance, JNJ integrated the current service offerings (listed above) to be

Johnson & Johnson has been making substantial, systematic, and effective investments in prevention for more than 30 years.

*Bill Weldon, CEO
Johnson & Johnson*

centrally managed under the umbrella of “Total Health,” and linked the wellness/health promotion to benefits designs and life-style intervention. In 2010, and as part of a *Harvard Business Review* article, JNJ’s present CEO Bill Weldon was quoted as saying, “I’m talking about prevention, specifically in the workplace. We dedicate resources to prevention because, like any successful investment we’ve made, it yields steady returns.” It is with this senior management support that JNJ has been able to integrate health and productivity into its business strategy.

CONCLUSION

Final thoughts.....

- Success springs from a **culture of health & safety**, which is built into the fabric of the business
- **Integrated** and **holistic** services deliver business results and customer satisfaction
- Use **data** to **focus** on key issues
- Set short and long term **goals; measure** and **track outcomes**
- **Phased** approaches and **pilots** are critical
- Increased **productivity** and **engagement** can generate significant **cost savings** and improved **performance**

keep pushing the envelope!



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URS – Tooele Chemical Agent Disposal Facility

2010 Recipients

Baptist Health South Florida
Exemplary Practice Citation – URS Corporation

2009 Recipients

Southeastern Pennsylvania Transportation Authority
Exemplary Practice Citation – Federal Occupational Health Services

2008 Recipient

Award withheld

2007 Recipients

Caterpillar, Inc.
Model Program Award – ALCOA

2006 Recipient

Model Program Award – Olin Corporation's Olin Brass & Winchester Ammunition Divisions

2005 Recipients

DaimlerChrysler Corporation
Quad/Graphics

2004 Recipient

Cianbro

2003 Recipients

BAE SYSTEMS
Marathon Oil Corporation

2003 Recipients, cont.

Union Pacific Railroad

2002 Recipients

Bristol-Myers Squibb Company
Eli Lilly and Company
International Business Machines (IBM)
Kerr-McGee Corporation
Vanderbilt University

2001 Recipient

The National Security Agency/Central Security Service (NSA/CSS)

2000 Recipients

Dow Chemical Company
GE Power Systems
Sherman Health Systems

1999 Recipients

AlliedSignal Inc.
City of Indianapolis and Marion County Sheriff's Department
Baltimore Gas and Electric Company
GlaxoWellcome, Inc.

1998 Recipients

International Business Machines (IBM)
The Boeing Company
Johnson & Johnson
First Chicago NBD

1997 Recipients

Hughes Electronics Corporation
Lockheed Martin Energy Systems

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