

EMPLOYEES, PATIENTS, FAMILIES AND COMMUNITIES DESERVE MEANINGFUL PREVENTION & TREATMENT STRATEGIES THAT WORK. THE OVERARCHING GOAL IS TO FOSTER THE VISION THAT KEEPING PEOPLE HEALTHY IS A GOOD BUSINESS STRATEGY FOR MINNESOTA GOVERNMENT AND TAXPAYERS ALIKE.

HEALTHY LIVING

HEALTHY WORKING SERIES

EMPLOYER LEADERSHIP SUMMIT

Effective Plan Design: Move Agenda into Action

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Lincoln Industries

- Largest U.S. independent finishing company
- Founded in 1952
- 500+ people in a 24/7 operation
- 14 nationalities
- Revenue in excess of \$100 million
- A decade of 20% annual growth
- 40+ finishing processes

Lincoln Industries

Blue Chip Customer List

- Harley-Davidson
- PACCAR
- Pella Corporation
- Whirlpool
- Tenneco Automotive

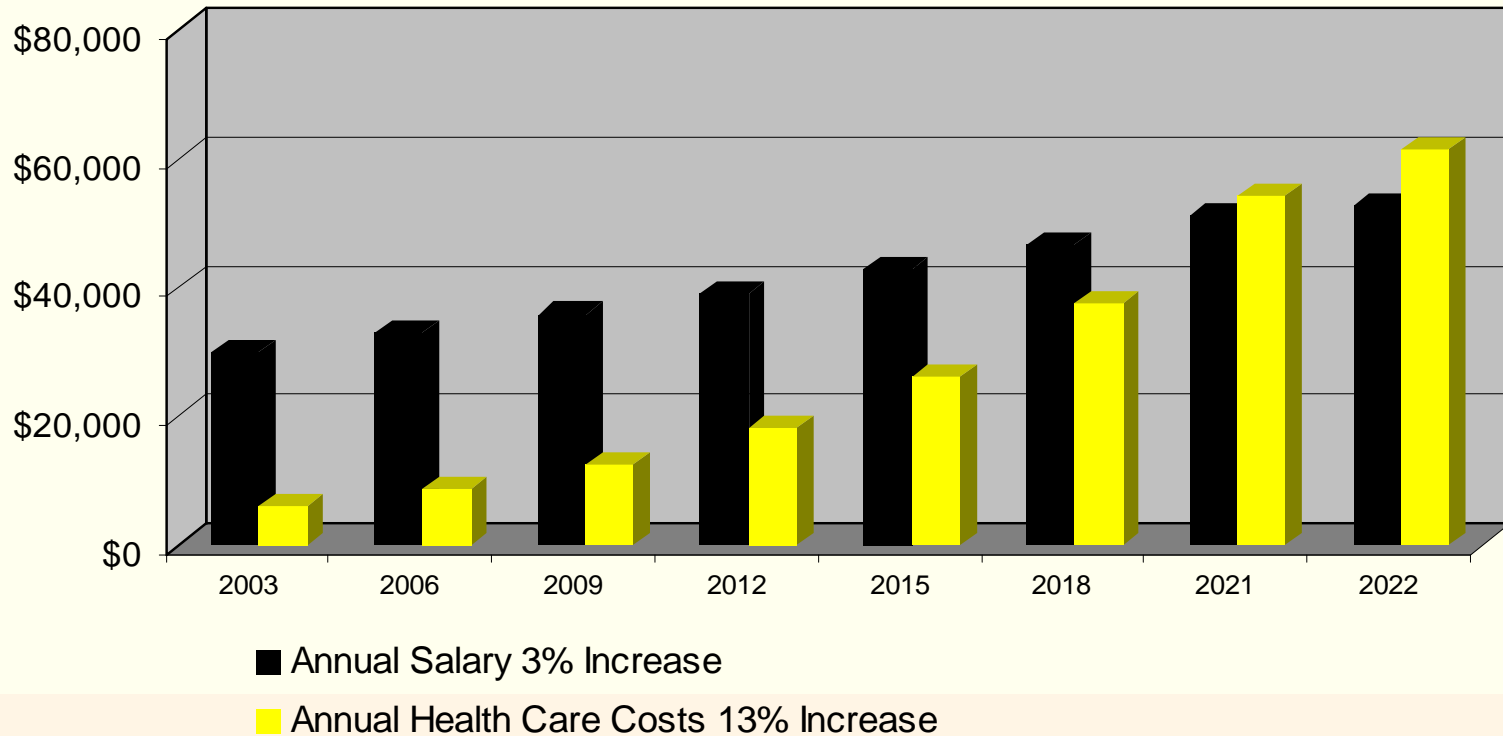
Trends

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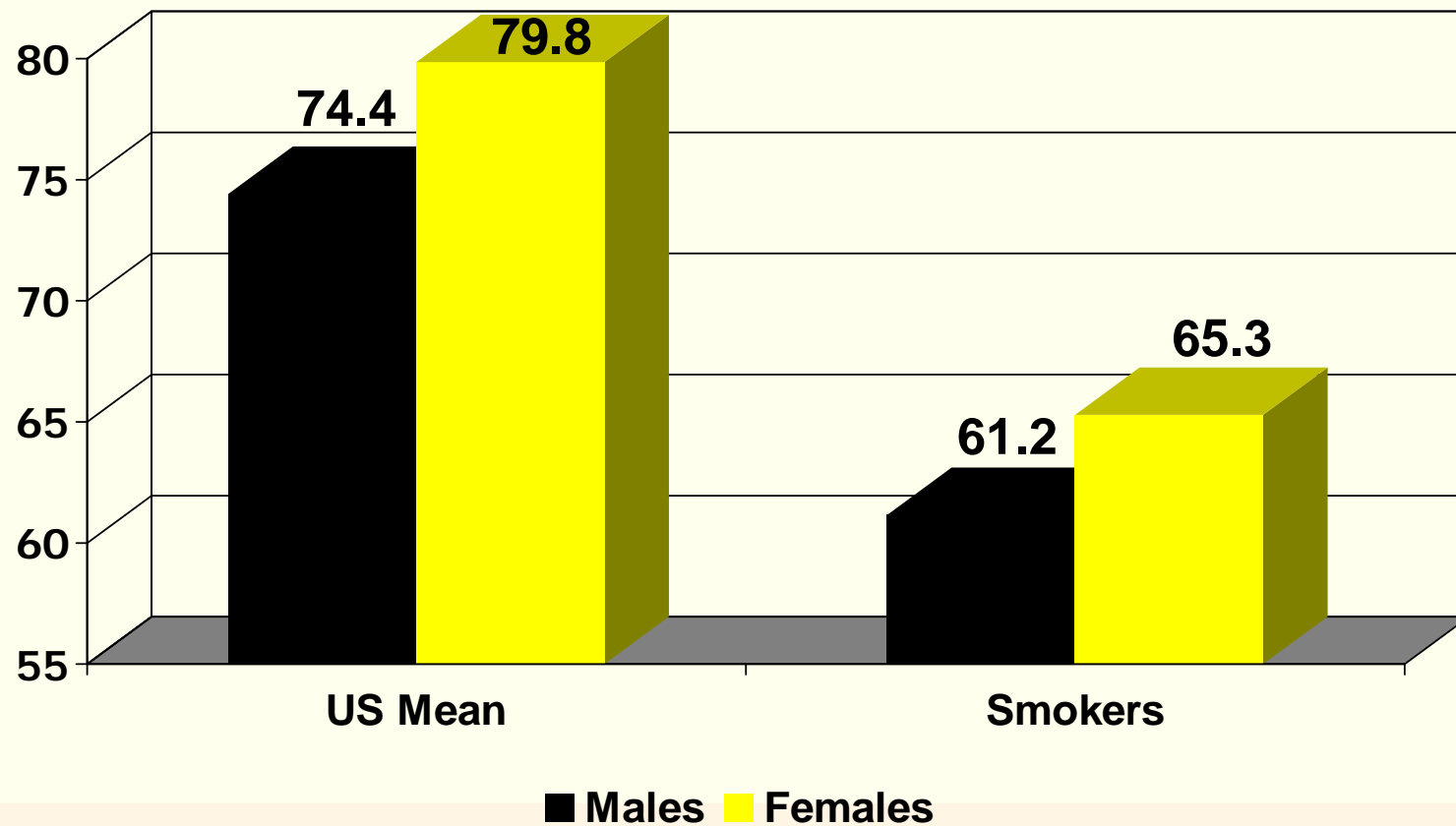
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Health Care Costs in 20 Years

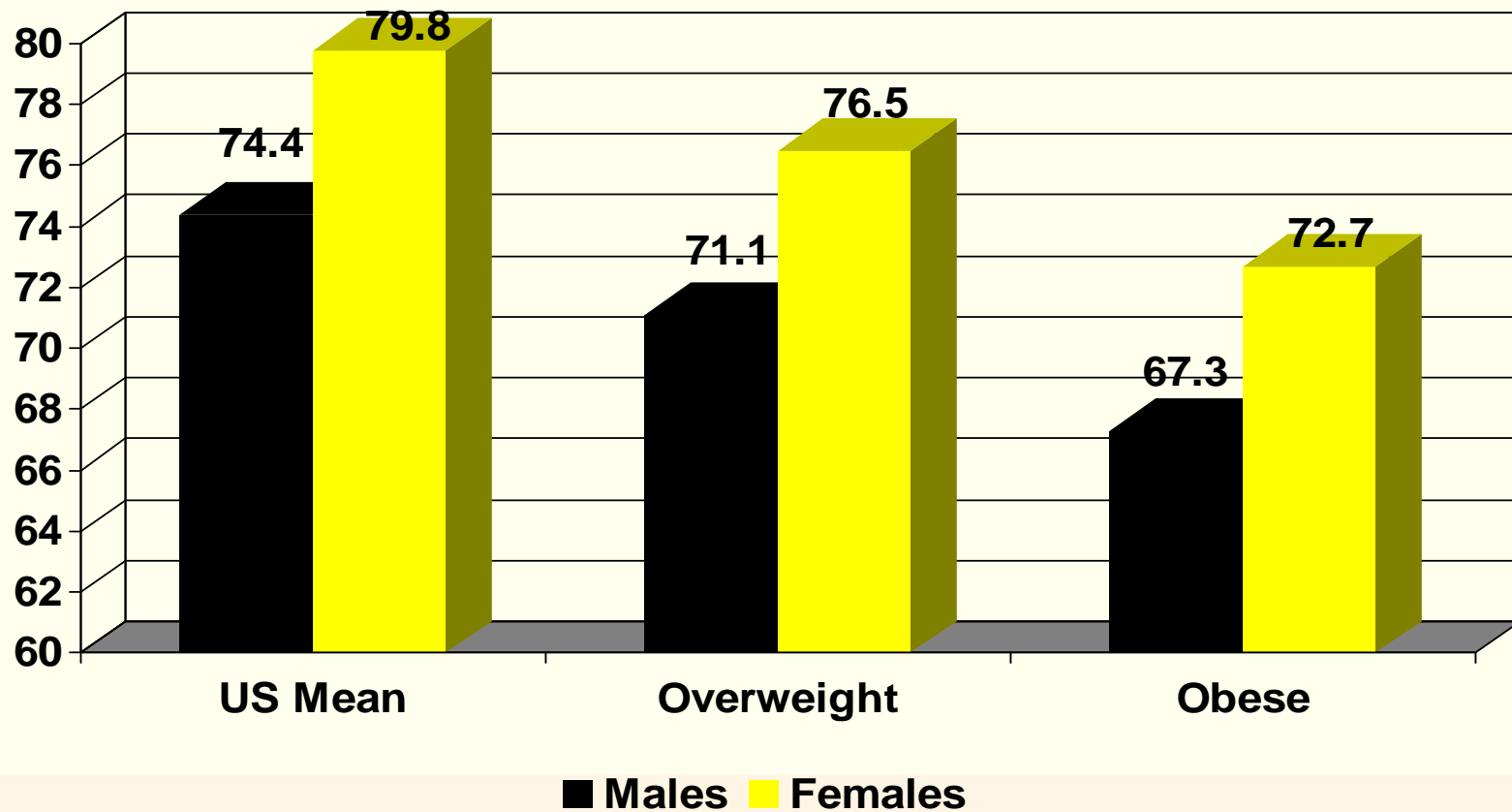
Employee Salaries & Medical Plan Costs



Life Expectancy - Tobacco Users



Life Expectancy - Obesity



Plan Development

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Plan Structure

- Organizational Culture
- Policy and Practice
- Structure/Resources
- Programs
- Metrics/Deliverables

LI Wellness Culture Support

- CEO and President
 - Strong examples – personal commitment – excellent health
 - CEO 52 years young
 - President 62 years young
- Leadership Development
 - “3 for 3”
 - Peak Performance Action Team (PPAT)
- Senior Team Monthly Wellness Mondays
- Leadership Wellness Outings and Challenges

Leadership “3 for 3”

- Initiate and manage change to deliver results
- Development of self and others
- Wellness of self and others

LI Policy and Practice

- Tobacco Free Campus
- Pre-Shift Stretch Program
- Performance Management System – Wellness objectives tied to overall performance and pay (merit and incentives)
- Mandatory Quarterly Physicals
- Individual Wellness Objectives for all people
- Post-Offer Job Specificity Testing

Tobacco Free Campus



Pre-shift Stretch Program



LI Resources

- Wellness Manager (Leadership Team Member)
- Occupational Nurse
- Wellness Intern
- Safety Manager
- Wellness Committee
- Safety Committee
- Peak Performance Action Team
- (Leadership Development Team)
- G2 Leadership Team

Programs

- Tobacco Cessation
- Mark Your Miles
- Wellness Wednesdays
- Mayo Clinic Newsletter
- Health Education Seminars
- Gym/Activity Reimbursement



Program Incentives

- 14,000 ft. annual mountain climb
- Wellbuck\$
- Days off of work
- Healthcare cost reduction



Program Incentives



Metrics/Measurements

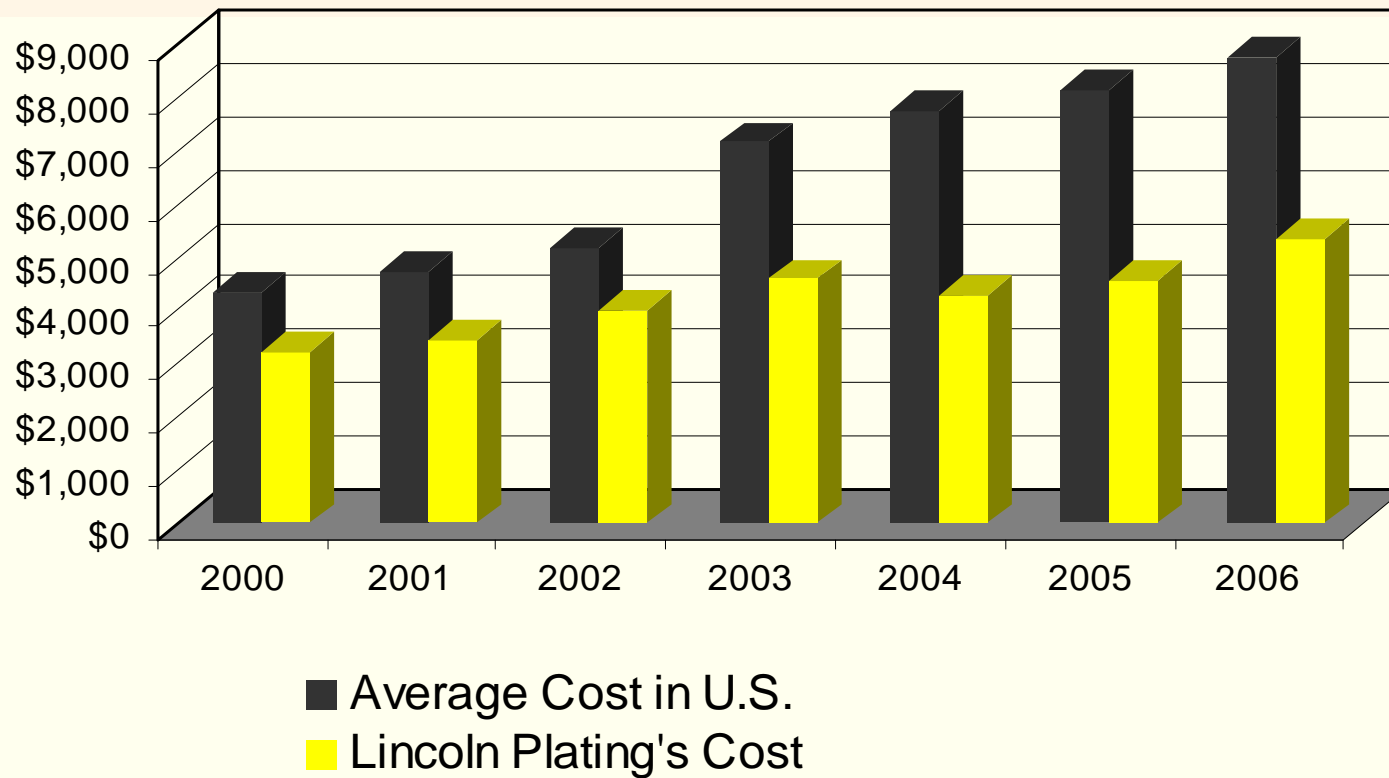
- Participation
- Quarterly Check Data:
 - Blood Pressure
 - Flexibility
 - Weight and Body Fat
 - Tobacco Use
- ROI – Including Health Care cost per person
- Health Culture Audit and Health Risk Appraisal Profiles
- Health Information Update

LI Business Outcomes

- Healthcare costs 50% below national average
 - 40% to 45% below region, industry or size comparables
 - 5.7% CAGR since 2000 vs. 14% - 17% for comparables
 - Cost decreases in 2004 & 2005
- Workers' compensation mod rate of 0.77
 - 38% reduction in 4 years
 - 97% cost reduction since 2003
 - Costs average >1% of payroll (0.12% YTD2006)
- 100% participation rate in wellness
 - Program rated 4.12 / 5.0 by all people

**Bottom line...Wellness saves money for
individuals & the company!**

Metrics and Deliverables



Recognition

- 2004-2006: Top 25 “Medium-sized Companies to Work For”
- 2003 & 2006: Wellness Councils of America - Platinum Award
- 2007: Great Places To Work – Respect Award
- 2007: American Heart Association’s “Start! Fit-Friendly Company” Platinum Award

Value of Recognition

**Recruitment of new people
and business during growth.**



Leadership Necessities

- Garner Top-Level Support
- Build a Mission and Vision Statement
- Integrate Wellness into the Companies Strategic Vision
- Build a Wellness Committee
- Build the Program Plan Based on Needs Assessments
- Attach to Company Benefits
- Surround Program with Policies and Procedures
- Provide Measurable Outcomes
 - Health Care and associated costs
 - Turn-over
 - Stability
 - Absenteeism
 - Claims Data
 - Risk Factors and Associated Cost's

Why the big fuss?

Within 5 years of implementing a comprehensive wellness program, returns may be at least \$3 to \$8 per dollar invested.

Source: Goetzel, R.Z. (2001). AJHP. Vol.. 15, No. 5.

Why the big fuss? *Real Results*



Jens Anderson

Health threats: Jens and his wife were longtime tobacco users, and had poor exercise and nutrition.

Supporting change: Instigated by LP's tobacco free campus policy, and with the support of LP's tobacco cessation program, Jens and his wife quit smoking. After replacing the habit with food, they then made considerable lifestyle changes in their nutrition and physical activity after gaining more than 30 pounds during cessation.

Today: "Our family has never felt better." Jens' son doesn't have to take as much asthma medication, and therefore is able to live the active lifestyle that he enjoys. Jens and his wife are wellness champions, setting the example for their kids, coworkers, and each other.

Why the big fuss? *Real Results*

Chau

Health threats:
tobacco user for 25 years.

Supporting change:
Healthcare premium discounts for non-tobacco users.

Today: Adopted a healthier lifestyle in addition to quitting tobacco, qualified for “go! Platinum,” and climbed Grays Peak in 2006.



Shawn

Health threats: obesity, pre-diabetic, sedentary home-life, poor nutrition.

Supporting change:
STEP-UP program, peer support.

Today: 100 pounds lighter, promotions at work, quality time with his three kids.

Or, do nothing

- Invest nothing, and nothing will happen
- Annual health insurance increases between 14% and 20%
- Continued increases in employee health risks (per trends)
- Increased number of large medical claims resulting from undetected conditions
- Reduced average tenure/increased turnover
- Lack of organizational culture and organizational alignment

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