Delivering Wellness Communication that is Well-Planned, Timely and on Target

Tom Sondergeld
Vice President, Global Benefits & Mobility
Walgreens Boots Alliance
AHA
June 2015
Guess the Numbers

10 Hours to research a new car

2 Hours to purchase a new TV

5 Hours for a family vacation

3 Hours to buy new shoes

4 Hours for a new computer

15 Minutes to select benefits

2014 Aflac Open Enrollment Survey – Link available via World@Work
About Walgreen Co.
“At the Corner of Happy and Healthy”

- 8,330 best corners in US
- 2 strategic global partners
- $100Bn + combined revenue
- 400 healthcare clinics and 380 onsite employer clinics
- 63% US live w/in 3 miles
- 6.5 million customers per day
- 250,000 employees
- 210,000 members
- 75,000 in healthcare roles… helping people Get, Stay, and Live Well
Communicating for Success
Our P.I.E.

**Engagement**
- Leadership Support/Action
- Simplify processes and improve communications
- Improve Incentives and get more requiring

**Prevention**
- Preventive Care focus
- Incentives for participation
- Increase Activity
- Encourage Team Participation

**Intervention**
- Concentrate on smoking cessation
- Focus on Condition Mgmt (all)
- Add incentives for participation
Our Comms Strategy – Three Touches

1. Electronic
2. Hard Copy (Drop, Mail, etc)
3. Stakeholders
Branding the Programs – Essential!
Communication Avenues

• Personal Communications
  – Mail to home
  – Emails (to those known)
  – Location drops
  – Texts (to those signed up)
  – Catalina Coupons via Balance® Rewards

• Stakeholder Communications
  – Human Resources Field and Business Partners
  – Managers
  – Sr. Executives and Leaders

• Internal Mass Communications
  – Intranet & Social Media
  – HR Portal
  – Posters
  – Blogs & Regular Sr. Executive Communications
Sample: Annual Enrollment - Engagement
Sample: Clear FAQs

Frequently Asked Questions

FAQs Quick Start Menu

1. What is the open enrollment period for this year?
2. How do I sign up for coverage?
3. Can I make changes to my coverage outside of open enrollment?
4. What if I don’t want to continue my coverage?
5. Can I change my healthcare provider mid-year?
6. What happens if I don’t have health insurance?
7. How do I contact my insurance company?
8. How can I find a doctor or hospital in my network?

The Affordable Care Act (ACA) offers the following ways to enroll:

1. Visit HealthCare.gov (The Health Insurance Marketplace)
2. Call toll-free for help at 1-800-318-2596
3. Visit your state’s marketplace for additional options

Your My Benefits Options

1. How do I use my benefits?
2. What is the definition of a “covered” service?
3. How do I know if a provider is in-network?
4. Can I see a doctor who isn’t in my network?
5. How do I file a claim for medical bills?
6. What happens if I can’t pay my bills?
7. Can I get help with my premiums?
8. How do I report a change in my coverage?
Sample: Connecting it to the masses
Sample: Innovation to Surprise

Walgreens Team Members Please Read

Open Enrollment is September 22 – October 13
GET YOUR SHOP ON for your 2015 benefits
Visit http://resources.hewitt.com/walgreensfamily
*To earn points, Team Member must be eligible for benefit elections, make an election and have an active Balance® Reward account linked to their employee ID.

Earn 7,500 Balance® Reward Points*

Walgreens Team Members Please Read

Walgreens team members can now receive information on company benefits, free programs, discounts and incentives by texting LIVEWELL TO #21525
*By signing up you agree to receive marketing text messages, which may be sent through an automated telephone dialing system, from Walgreens at the mobile phone number provided. Message and data rates may apply. For terms and privacy, please visit myHR.

Live Well Alerts for Walgreens Team Members
## 2015 Wellness Programs

Here's an inclusive summary of all health and wellness programs Walgreens offers its team members. You're eligible for the programs that are checked based on your enrollment/termination in the Walgreens medical plan.

<table>
<thead>
<tr>
<th>Company Wellness Programs</th>
<th>U.S. Active Team Members and Family Members, Walgreens Medical Plan</th>
<th>U.S. Active Team Members, Not Associated with Walgreens Medical Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.0 Health Insurance Plan</td>
<td><img src="https://via.placeholder.com/15" alt="Checkmark" /></td>
<td><img src="https://via.placeholder.com/15" alt="Checkmark" /></td>
</tr>
<tr>
<td>2. Go to WellnessRx</td>
<td><img src="https://via.placeholder.com/15" alt="Checkmark" /></td>
<td><img src="https://via.placeholder.com/15" alt="Checkmark" /></td>
</tr>
<tr>
<td>3. Health and Wellness Events</td>
<td><img src="https://via.placeholder.com/15" alt="Checkmark" /></td>
<td><img src="https://via.placeholder.com/15" alt="Checkmark" /></td>
</tr>
<tr>
<td>4. Wellness Plus</td>
<td><img src="https://via.placeholder.com/15" alt="Checkmark" /></td>
<td><img src="https://via.placeholder.com/15" alt="Checkmark" /></td>
</tr>
<tr>
<td>5. Weight Management Program</td>
<td><img src="https://via.placeholder.com/15" alt="Checkmark" /></td>
<td><img src="https://via.placeholder.com/15" alt="Checkmark" /></td>
</tr>
<tr>
<td>6. Women's Health</td>
<td><img src="https://via.placeholder.com/15" alt="Checkmark" /></td>
<td><img src="https://via.placeholder.com/15" alt="Checkmark" /></td>
</tr>
<tr>
<td>7. Men's Health</td>
<td><img src="https://via.placeholder.com/15" alt="Checkmark" /></td>
<td><img src="https://via.placeholder.com/15" alt="Checkmark" /></td>
</tr>
<tr>
<td>8. Healthy Habits</td>
<td><img src="https://via.placeholder.com/15" alt="Checkmark" /></td>
<td><img src="https://via.placeholder.com/15" alt="Checkmark" /></td>
</tr>
<tr>
<td>9. Healthy Eating</td>
<td><img src="https://via.placeholder.com/15" alt="Checkmark" /></td>
<td><img src="https://via.placeholder.com/15" alt="Checkmark" /></td>
</tr>
<tr>
<td>10. Healthy Lifestyle</td>
<td><img src="https://via.placeholder.com/15" alt="Checkmark" /></td>
<td><img src="https://via.placeholder.com/15" alt="Checkmark" /></td>
</tr>
</tbody>
</table>

*Sample: Communicate to Inform and Aggregate*
Results
Walgreens Zero Co-pay Program Today

• Team members and spouses are eligible for free health coaching through Optum Health

• Eligible for zero copay when participating with Health Coach
  – $0 co-pay for generic diabetes, cholesterol, blood pressure medications (new for 2014)
  – $0 insulin (up to a $50 copay)
  – $0 Walgreens branded diabetes test strips and syringes

• 2014 Results

- 40 days of additional therapy
- $53 savings per enrolled
- Health coaching up 34% versus last year
- Zero copay up 48% versus last year
VBBD uses plan incentives to encourage team members to use high-value services such as prescription drugs and preventive services.

Zero Co-pay for Medications Maintained Adherence

Value Based Benefit Design: Zero CoPay Program

Generics to treat hypertension, hyperlipidemia, and cardiac conditions

Diabetic Supplies and Insulin

OTC and Prescribed Smoking Cessation

Health Coaching

(Excited Team Members)

&

Peer-reviewed results

Demonstrating a 4:1 ROI
Well-Being:
Fishing with a Net 101
Team members enrolled in the medical plan have the opportunity to complete Healthy Activities across three periods throughout the year

- Earn up to 120,000 Balance Rewards
  - 40,000 points per Period ($50 value)
  - Each activity worth 10,000 points
- Approximately 10 Healthy Activities are promoted each Period
- Examples of Healthy Activities include:
  - Did you get your Flu Shot?
  - Annual Preventative Screening
  - Participate in a Health Coaching program
Walgreens Team Member Engagement Increases Using Balance® Rewards

- Changed the incentive offering from 2013 to 2014 increased overall participant engagement
  - From $150 in Walgreens gift cards to $150 in Balance Rewards points
- Increased participant engagement Period 1 to Period 2 in 2014 by 15%

<table>
<thead>
<tr>
<th></th>
<th>2013 ($150 Gift card)</th>
<th>2014 ($150 in Balance Rewards)</th>
<th>Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Period 1 (January 1-March 31)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td># of participants</td>
<td>18,190</td>
<td>30,556</td>
<td>68%</td>
</tr>
<tr>
<td>Total dollars earned</td>
<td>$717,750</td>
<td>$1,500,000 (1.2 billion points)</td>
<td></td>
</tr>
<tr>
<td><strong>Period 2 (April 1-June 30)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td># of participants</td>
<td>6,214</td>
<td>36,145</td>
<td>480%</td>
</tr>
<tr>
<td>Total dollars earned</td>
<td>$260,850</td>
<td>$1,800,000 (1.4 billion points)</td>
<td></td>
</tr>
</tbody>
</table>
We continue to see strong utilization at our on-site health center and pharmacy

- As anticipated, Q1 saw higher volume for testing associated with our 2014 wellness incentive program
- In addition, saw large increase in volume at fitness center and “healthy” café”
## Healthy Living Center: On-site Health Center

**Demonstrating Positive ROI**

### Results for Q1 2014

<table>
<thead>
<tr>
<th></th>
<th>Deerfield Health Center</th>
<th>Mt. Vernon Health Center</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Direct Cost Avoidance</td>
<td>$239,236</td>
<td>$274,214</td>
<td>$513,450</td>
</tr>
<tr>
<td>b. Additional Direct Cost Avoidance</td>
<td>$99,423</td>
<td>$153,490</td>
<td>$252,913</td>
</tr>
<tr>
<td>c. Operating Expense</td>
<td>($306,214)</td>
<td>($270,450)</td>
<td>($576,664)</td>
</tr>
<tr>
<td>d. Net Direct Cost Avoidance (a+b+c)</td>
<td>$32,445</td>
<td>$157,254</td>
<td>$189,699</td>
</tr>
<tr>
<td>e. Indirect Cost Avoidance 2</td>
<td>$70,645</td>
<td>$101,966</td>
<td>$172,611</td>
</tr>
<tr>
<td>f. Total Net Savings (d+e)</td>
<td>$103,090</td>
<td>$259,219</td>
<td>$362,309</td>
</tr>
</tbody>
</table>

1) Add. DCA - Specialist, Emergency Room, and Inpatient Cost Avoided.
2) Indirect Cost Avoidance - Productivity and Health Improvement Savings

* Data represents 3,045 visits by 993 unique patients
Number of Healthcare Clinic visits by team members increased 40% for the top 15 diagnoses.

- 2011: $836,000
- 2012: $874,000
- 2013: $1,300,700

$3 million in savings over three years for the top 15 diagnoses.

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<table>
<thead>
<tr>
<th>Employees in a 10-mile radius of a Take Care Clinic</th>
<th>Number of employees who are enrolled</th>
<th>Percentage of employees who are enrolled</th>
</tr>
</thead>
<tbody>
<tr>
<td>98,757</td>
<td>42,436</td>
<td>43.0%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Relation</th>
<th>Enrolled members</th>
<th>Members using Take Care Clinic</th>
<th>Percentage using Take Care Clinic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee</td>
<td>42,436</td>
<td>14,278</td>
<td>33.6%</td>
</tr>
<tr>
<td>Dependent</td>
<td>37,797</td>
<td>8,643</td>
<td>22.9%</td>
</tr>
<tr>
<td>Total</td>
<td>80,233</td>
<td>22,921</td>
<td>28.6%</td>
</tr>
</tbody>
</table>

Average population density for zip codes within 10 miles of a Take Care Clinic

8,121 people per square mile

• Time period: 12/01/12 – 11/30/13
<table>
<thead>
<tr>
<th>Diagnosis</th>
<th>Take Care Clinic Users</th>
<th>Non-Take Care Clinic Users</th>
<th>True Savings and Potential Reach – 10-mile Radius from Healthcare Clinic – 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number of Members</td>
<td>Total Cost</td>
<td>Number of Members</td>
</tr>
<tr>
<td>Acute sinusitis, unspecified</td>
<td>4,116</td>
<td>$364,913</td>
<td>7,816</td>
</tr>
<tr>
<td>Screening for lipoid disorders</td>
<td>4,112</td>
<td>$153,551</td>
<td>12,740</td>
</tr>
<tr>
<td>Screening for diabetes mellitus</td>
<td>2,097</td>
<td>$78,882</td>
<td>6,558</td>
</tr>
<tr>
<td>Unspecified otitis media</td>
<td>1,945</td>
<td>$160,832</td>
<td>3,339</td>
</tr>
<tr>
<td>Acute upper respiratory infections of unspecified site</td>
<td>1,915</td>
<td>$149,284</td>
<td>3,834</td>
</tr>
<tr>
<td>Streptococcal sore throat</td>
<td>1,774</td>
<td>$166,593</td>
<td>5,577</td>
</tr>
<tr>
<td>Acute pharyngitis</td>
<td>1,356</td>
<td>$112,772</td>
<td>3,691</td>
</tr>
<tr>
<td>Need for prophylactic vaccination and inoculation, Influenza</td>
<td>1,274</td>
<td>$38,836</td>
<td>2,953</td>
</tr>
<tr>
<td>Urinary tract infection, site not specified</td>
<td>943</td>
<td>$79,934</td>
<td>3,035</td>
</tr>
<tr>
<td>Acute bronchitis</td>
<td>830</td>
<td>$65,498</td>
<td>2,049</td>
</tr>
<tr>
<td>Acute nasopharyngitis (common cold)</td>
<td>819</td>
<td>$64,397</td>
<td>1,881</td>
</tr>
<tr>
<td>Other mucopurulent conjunctivitis</td>
<td>662</td>
<td>$48,523</td>
<td>851</td>
</tr>
<tr>
<td>Influenza with other respiratory</td>
<td>598</td>
<td>$53,136</td>
<td>1,743</td>
</tr>
<tr>
<td>Unspecified viral infection, in conditions classified elsewhere and of unspecified site</td>
<td>492</td>
<td>$39,010</td>
<td>1,178</td>
</tr>
<tr>
<td>Screening for obesity</td>
<td>492</td>
<td>$18,391</td>
<td>1,517</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>$1,300,778</td>
<td></td>
</tr>
</tbody>
</table>

*Independent analysis conducted by HCMS group on behalf of Walgreen Co.*
Driving significant Cost Savings for Non-emergent Patient Visits

- The average cost of care at a retail clinic is one fifth the cost of an ED visit

- Between 13.7 percent and 27.1 percent of ED visits could take place at retail clinics or urgent care centers, with potential cost savings of $4.4 billion annually


Delivering Wellness Communication that is Well-Planned, Timely and on Target

Tom Sondergeld
Vice President, Global Benefits & Mobility
Walgreens Boots Alliance
AHA
June 2015
Getting Wellness to Work

By: Carol Partington
June 25, 2015
Elkay Statistics:

- 95 year old, privately held company
- 15 locations throughout the US
- 3500 full-time employees
- 70% manufacturing, 30% office/support staff
- Onsite biometric screenings since 1994
- Benefits department: 2.5 FTE’s
Our Journey

- 1994  take screening*, receive $35
- 2007  take screening, get healthy premium (otherwise pay higher premium if tobacco user or not take screening.)
- 2013  change vendor, now outcomes-based program, same healthy/higher premium structure
- 2016  take screening, changing premium structure

(*screening is 34-panel, fasting blood test)
Lessons Learned

- Employees only took the screening for preferred pricing (did nothing with the screening results)
- Employees weren’t getting healthier
- Screening helped (a bit) in our annual medical trend, yet not drastically
2012/2013 – Our Critical Transition Period

─ Moved from screening program to outcomes-based program
─ Key measures: Blood Pressure, LDL Cholesterol, Glucose, Triglycerides, and Tobacco Use
─ Still use 34-panel blood test
So How Are We Doing?

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td># employees screened</td>
<td>1946</td>
<td>2100</td>
</tr>
<tr>
<td>% tobacco users</td>
<td>11%</td>
<td>9%</td>
</tr>
<tr>
<td>% repeat participation</td>
<td>n/a</td>
<td>78.10%</td>
</tr>
<tr>
<td>Lab results sent to Doctor</td>
<td>10%</td>
<td>13%</td>
</tr>
</tbody>
</table>
### How Are We Doing? (continued)

<table>
<thead>
<tr>
<th>Measure</th>
<th>Regressed</th>
<th>Improved</th>
</tr>
</thead>
<tbody>
<tr>
<td>Blood Pressure</td>
<td>7%</td>
<td>88%</td>
</tr>
<tr>
<td>LDL Cholesterol</td>
<td>17%</td>
<td>71%</td>
</tr>
<tr>
<td>Glucose</td>
<td>22%</td>
<td>65%</td>
</tr>
<tr>
<td>Triglycerides</td>
<td>17%</td>
<td>64%</td>
</tr>
<tr>
<td>Tobacco Use</td>
<td>0%</td>
<td>28%</td>
</tr>
</tbody>
</table>
## How Are We Doing? (continued)

<table>
<thead>
<tr>
<th>Risk Stratification</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>High</td>
<td>15%</td>
<td>13%</td>
</tr>
<tr>
<td>Moderate</td>
<td>17%</td>
<td>15%</td>
</tr>
<tr>
<td>Low</td>
<td>68%</td>
<td>72%</td>
</tr>
<tr>
<td>Elkay Aggregate Score</td>
<td>1</td>
<td>-1</td>
</tr>
</tbody>
</table>
Does This Program Work?

Per our data from 2013 to 2014:

- Diabetes and Asthma have the highest episodes of care. However, paid/claimant decreased.
- Coronary Artery Disease had the highest paid/claimant. However, episodes/1000 decreased 14%.
- Paid PMPM charges decreased 3.8%.
More Lessons Learned

- Tobacco users not taking the screening
- Not sufficient volume of results being faxed to employee’s primary physicians

Ideas we are trying:
- Card for employee confirming date/time of screening, opposite side has ‘Physician’s name, Physician’s fax number’
- Changing pricing structure – two separate incentives, one disincentive
Tips

- Tie it to a success – Safety program
- Know your audience (employee or spouse)
- Communicate program during the year
- Recognize your program is a journey
- Select a vendor/partner that matches your culture and program expectations
Thank you for your attention.

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