

Employer Investment in Health *An Emerging Strategy For Additional Stakeholders*

David Horn
Pitney Bowes
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About Pitney Bowes



- 80-plus year legacy
- Fortune 500 company
- \$5.6 billion global provider of integrated mail and document management solutions
- Global team of more than 35,000 employees
- Presence in more than 130 countries worldwide
- More than 2 million customers
- As business model moved from products to services, workforce changed - driving change in strategic thinking about health care



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Three Fundamental Sources of Success

Healthy Corporation

• Clear values
• Effective management practices
• Employee resources

Healthy Work Environment

• On-site medical facilities/ Stress Centers
• Comprehensive Employee Health Programs
• Flexible work schedules
• Healthy food options at Cafeterias
• Incentive programs

Personal Responsibility

• Health prevention
• Disease management
• Wellness management



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Data Drives Decisions

Rule 5: Avoid Barriers to Effective Treatment

- On-site **Clinics** at 7 locations staffed with Physicians and Nurse Practitioners to provide primary care services to employees.
 - 35000+ patient encounters per year
- In-house **Disability** unit focus on short and long term disability absences along with paid time off
- Focused **Disease Management** with employee opt-in
 - separate from the health plans
 - telephonic support

What does your data tell you about unintended risks and barriers to effective treatment?
 What do you need to do to remove the barriers?
 Who can help you?

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Data-Driven Plan Designs

Rule 5: Avoid Barriers to Effective Treatment

- Preventive Services**
 - Low cost or no cost
- Routine Services**
 - First dollar coverage: No deductibles for routine services
- Major Services**
 - Choice of deductible and coinsurance maximums
- Revise formulary to support strategic goal
 - Medications for target conditions on Tier 1
 - Pre-Deductible for CDHP plans

What changes can you implement at your worksite?
 What changes can you implement through negotiations with your plans and providers?
 How can you use your current resources better?
 What new ideas for products and services can you develop and model?
 What additional help will you need? From whom?

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Building the Environment

Rule 6: Carrots Are Valued Over Sticks

Target Direct Delivery for High Cost Drivers
 Create Incentives for Change
 Educate and Engage Employees
 Negotiate Employee Services

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Consumer Access, Affordability, and Behavior Change

Rule 6: Carrots Are Valued Over Sticks

Consumer Impact

- 50% to 80% reduction in employee cost of 30 day supply of medications for asthma and diabetes.
 - No generic controller medications for asthma
 - Limited generic medications for diabetes
- Employee co-pay for 30 day supply for asthma and diabetic medications kept below \$20.

How are you measuring success?

How often do you measure it?

Who else is invested in your successful population health management?

How are your employees engaged in managing their health?

How do they manage success?

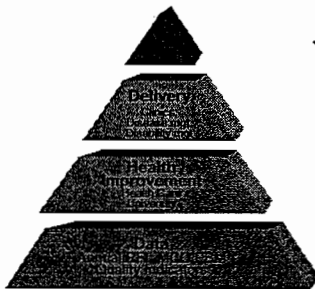
Behavior Change

- Marked changes in medication utilization for both asthma and diabetes
- Types of medication used produced better outcomes, reduced costs
- Drug Possession rates improved
- Improved engagement and compliance with disease management programs

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Create an Accountable Environment

Rule 7: Total Value Demands Total Teamwork



Plan for Health Performance and Share Rewards

Target Direct Delivery to High Cost Drivers

Educate and Engage Employees

Negotiate Employee Services

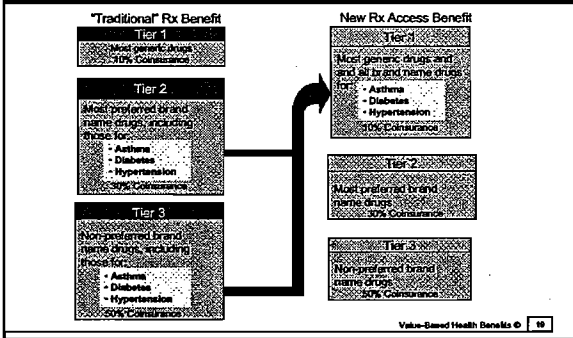
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A New Approach Using Predictive Modeling

- Hybrid artificial intelligence
- Population-based factors associated with migration from "normal" to "high cost"
- Total cost of health approach
 - Medical claims
 - Pharmacy
 - Behavioral health
 - Disability
 - Absenteeism
 - Workers Comp

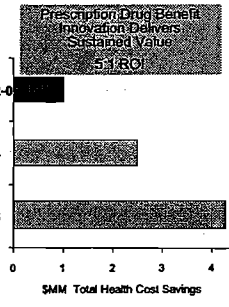
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Solution: Rx Access Benefit Design

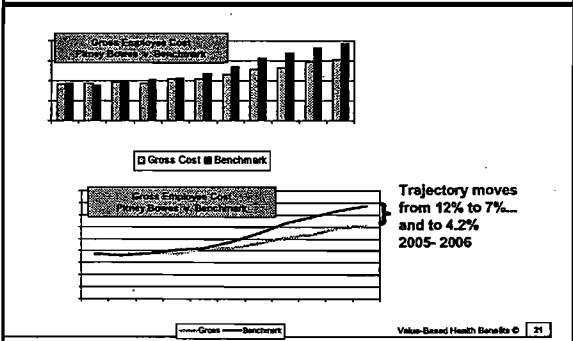


Findings

- Annual cost of care decreased for both conditions (asthma and diabetes)
- Pharmacy costs decreased
- Hospital admissions declined for people w/ asthma
 - Increased for people w/ diabetes (still below benchmark)
- ER visits declined for people w/ diabetes
 - Disability costs decreased by 50%
- Changes in medication/possession rates for both groups
 - Improved adherence
 - Types of medications (more controllers, less rescue)



Investment Strategy Delivers Results



Key Messages

Rule 7: Total Value
Demands Total
Teamwork

- 1) Most tools now give you a fine view - through your rear window
- 2) Identify key medical conditions using data
- 3) Data is valuable even if you have little of it
- 4) Benefit designs do drive consumer behavior
- 5) Redefine wellness/prevention to include care for chronic conditions and employee engagement
- 6) Prescription drugs, routine office visits, and screenings have value in managing chronic care
- 7) Benefits planning can create a strategic advantage
- 8) Benefits decision makers can make a difference

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Questions

- Comments/Feedback
- Email questions to David.horn@pb.com

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