

Employee Health Risk & Cost Improvement



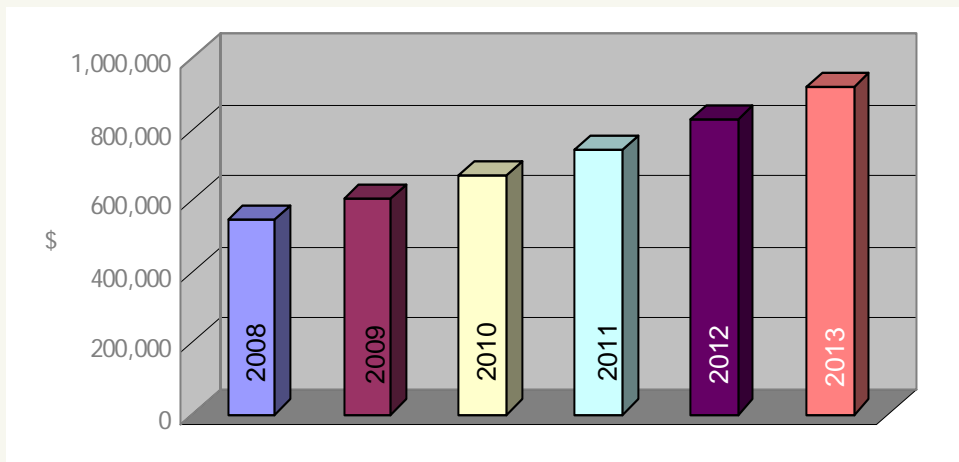
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(248) 549-4247

What will happen to your health care costs if you do nothing?

1. Estimated 2008 medical and prescription payments for every 100 employees: **\$842,400**.
2. Cost projection:



3. Projected increase over next 12 months: **\$92,664 per year**. This amounts to an **increase of \$7,722 per month**.
4. How much do you spend on prevention? (E.g., versus, how much you spend on floor covering or watering the plants.)
5. How long can you contain to sustain these increases?

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Corporate Wellness Best Practices



Process

1. Secure active executive support including objectives of both operational performance and healthy environment.
2. Emphasize employee participation; health risk assessments (HRA); risk/disease identification; resources; low-risk maintenance and risk reduction.
3. Consistently measure and improve key indicators, especially percent participation and percent low aggregate risk. Ideal outcomes follow 80% participation and 70% low-risk status.
4. Align participation with incentives and benefits.

Critical Programs

1. HealthHammer™ or other strong Health Risk Assessment (HRA), including:
 - a. Biometric/metabolic measurements - cholesterol, HDL, blood pressure, body mass index (BMI), diabetes risk, etc.
 - b. Assessment of psychological risk.
 - c. Assessment of risk taking.
 - d. Aggregate risk score (total risk stratification and triage).
 - e. Triage and follow-up.
2. Coaching.
3. Intervention.
4. All resources and data must be integrated and must continue each year.

Investment

- \$100-400 per eligible employee annually.
 - Regardless of whether program is administered in-house or by a wellness vendor.
 - Not including incentives or fitness center.

Amount Per eligible Employee Per Year (\$)	Program Description
1-14	Minimal, Largely a "paper" program.
15-27	Moderate with few activities.
28-63	Medium with several activities.
64-134	Fairly comprehensive with many good activities.
135+	Comprehensive, strong, effective program.

[Healthy, Wealthy & Wise, Wellness Councils of America, 1995. (Adjusted for inflation.)]

References:

1. Edington, D, *The 25th Annual Wellness in the Workplace Conference - Beyond Individual Risks and Behaviors*, March 15, 2006, Ann Arbor, MI.
2. *The Cost of Wellness*, welcoa.org/freeresources/pdf/goetzel_interview_cost.pdf.
3. Edington D. Emerging research: A view from one research center. *Am J Health Promot.* 2001;15:341-349.
4. *Healthy, Wealthy & Wise*, Wellness Councils of America, 1995.
5. *The Seven Benchmarks (The Well Workplace Process)*. The Wellness Councils of America.

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SBAM
Small Business Association of Michigan

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Does your company have a

CWO?



With Corporate wellness spending up 24% in 4 years and continued double-digit health premium increases, do you have the time and expertise necessary to effectively manage your employee's health? Wellco's award-winning wellness programs utilize cutting-edge technology, integrate best practice programs and document outcomes. Most important, they can save your company tens of thousands of dollars each year. Think of Wellco as your new Chief Wellness Officer without the large corner office.

Smash Annual Premiums and Build Profits

ClaimTamer™

ClaimTamer is a complete, *all-inclusive* wellness system guaranteed to enhance the health of your workforce and build a healthy return on your investment. It integrates 12 months of proven, targeted wellness tools as well as quarterly wellness communications and interventions for employees in all readiness stages to effect better participation and results. This program also utilizes the award-winning HealthHammer program to systematically boost employee wellness and productivity.



HealthHammer™

HealthHammer does more than hit the nail on the head when it comes to saving your company's money: it can save an employee's life. It is the first system of its kind to integrate avoidable costs, paperless health risk appraisal, biometrics (the measurement of biological characteristics), and medical claims in one powerful tool that offers instant, onsite results without any delay for lab processing or reports to be mailed. That means the health of your employees *and* your bottom line can begin improving faster than ever before.

TrendMender™ Seminars and Teleseminars

Quack Attack seminars and teleseminars cover a variety of timely topics and are packed with useful tips. Each topic features practical, first-hand insights that will help you enhance the health of your employees and improve performance on a daily basis.

ZeroTrend™ Coaching

No one understands wellness better than Wellco. Our expert consultants offer proven strategies based upon your unique needs. Contact us today to learn more about how to grow your program, improve your outcomes, and enhance the overall health of your company.



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Dear Colleague:

How does one of the best companies to work for take charge of employee health risks and costs?

As a 3-time winner of the 101 Brightest and Best Places to Work, our mission of 100% Customer Success means differentiating The Nailco Group (TNG) from the competition.

Our team is fully engaged in their health and benefits through a comprehensive corporate wellness program. The HealthHammer and ClaimTamer wellness systems are the foundation to our innovative program and extraordinary outcomes.

Most importantly, HealthHammer and ClaimTamer have provided a 288% return on investment through reduced medical costs.

Scott Foster and Wellco Corporation provide unprecedented, award-winning corporate wellness programs by integrating national best practices, actionable metrics and employee health accountability. I highly recommend that you contact Scott Foster now at 248.549.4247 and ask how their HealthHammer and ClaimTamer can do the same for you.

Sincerely,



Larry Gaynor,
President & CEO

P.S. – HealthHammer is the best and most powerful health risk appraisal and management system on the planet!

FOR IMMEDIATE RELEASE:

For information, contact:

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Wellco

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WELLCO TOOL TO HELP BUSINESSES MAKE MORE INFORMED EMPLOYEE HEALTH AND WELLNESS DECISIONS

Employee health measurement tool from Wellco provides information about wellness program effectiveness

Royal Oak, MI – Wellco today announced the availability of the HealthHammer ZeroTrend™ Dashboard, a computerized employee health risk and cost evaluation tool that provides businesses with information about the effectiveness of their wellness program and targeted opportunities for health cost relief. The tool was developed and is powered by Wellco, a leading provider of worksite wellness programs in Michigan.

Health insurance premiums continue to increase 11-20% annually. Recent surveys suggest that, as a solution to continuing cost shifting to employees that exceed wage gains, more than half of employers plan to implement an employee wellness program in the next 2 years. In a recent study by Watson Wyatt and the National Group on Health, employers with effective wellness programs have five times lower absenteeism, four to four and a half times less short- and long-term disability, and three and a half times lower health care costs. The study also found that companies with strong wellness programs earn 20 percent more revenue for each employee.

“Until now, small- and medium-size businesses have not had the resources, time, or expertise necessary to optimize the health of their employees and the associated costs”, said Scott Foster, Corporate Wellness Expert, Wellco. “This tool is an important resource for businesses and Wellco is proud to provide Michigan organizations with reliable, easy-to-use comparative information to control health care costs.”

The ZeroTrend Dashboard is part of Wellco’s HealthHammer employee health risk appraisal and management system to address employee health risks before they become dangerous and costly. Wellco developed the tool to provide businesses with data in five categories:

- Medical cost and premium projection
- Avoidable health cost control
- Break-even analysis and return on investment (ROI) measurement
- Wellness program participation, outcomes, and metrics monitoring
- Incentive tracking and health plan integration

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About Wellco

Wellco is a leading provider of corporate wellness systems dedicated to addressing employee health risks before they become dangerous and costly.

For more information about Wellco and HealthHammer, visit www.wellcocorp.com.



Wellco has **reduced** the annual health care costs of our biggest client by **21%**.

Recent Results:

- 288% ROI through reduced medical costs to The Nailco Group (Farmington Hills), a 3-time winner of the 101 Brightest and Best Places to Work.
- 57% improvement in successful health changes at CO-OP Network.
- 500% increase in open enrollment meeting participation at the City of Farmington Hills.
- 62% reduction in high-risk medical claims among employees in the St. John Health System.

Rave Review Samples:

"The bottom line is that the ClaimTamer and HealthHammer wellness systems have returned at least 162% of our investment by reducing our medical costs."

Toby Stein, Executive Vice President (*retired*), CO-OP Network and Service Centers Corporation

"Scott's system saved us more than \$200,000".

Robert Casalou, President, Providence Hospital

"HealthHammer is the best and most powerful health risk appraisal and management system on the planet."

Larry Gaynor, President and CEO, The Nailco Group

"Your programs are dynamite!"

David Bond, Senior Partner, Wiklund & Bond Financial Services

"Scott has consistently been our most popular and most effective speaker for more than 10 years."

Karen Sherman, St. John Health System

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Truth or consequences: Selecting health risk appraisals

Most people would agree that even the most innocuous assumptions about health care can have unintended consequences. For example, the caduceus (a winged staff with two snakes wrapped around it) often is incorrectly used as a symbol for medicine or doctors in place of the Rod of Asclepius, which consists of a single serpent entwined around a plain staff.

The main reason for the modern confusion over these symbols occurred when the caduceus was adopted by the Medical Department of the United States Army in 1902. The truth was uncovered several years later by the librarian to the surgeon general, but the symbol was not changed.

That particular inaccuracy didn't cause serious problems. However, the mistake of confusing one health risk appraisal, or HRA, with another can have serious consequences.

Developed in the 1970s by Indianapolis physicians Lewis Robbins and Jack Hall, HRAs calculate patients' total health risks. Although HRAs are wildly popular with organizations interested in controlling medical costs (including insurance companies), overall implementation of HRAs has been tempered because they vary so widely in quality, accuracy and impact.

Like the ancient symbols described above, HRAs are similar, but not at all the same. Recognizing the distinctions among them and choosing one that provides accurate assessments, measurable outcomes, and quantifiable return on investment will have a direct impact on your success at managing your corporate wellness program.

As the renowned management theorist Peter Drucker says, "What gets measured gets managed."

In fact, none of this is problematic if you choose the right wellness firm. To that end, there are seven important characteristics of HRAs that you should keep in mind when partnering with a wellness firm to help implement and manage your corporate wellness program.

Current guidelines

The top five chronic and costly diseases (heart disease, cancer, stroke, chronic obstructive pulmonary disease and diabetes) are caused by fewer than 10 modifiable risk factors and cause more than two-thirds of all deaths each year. The diagnosis and treatment guidelines for those risk factors, such as high blood pressure, abnormal cholesterol and diabetes, change regularly due to ad-



vances in medicine.

Your HRA should be current and updated at least once each year.

Follow-up

HRAs are exponentially more effective when combined with a reinforcement

of the results through follow-up communications. All participants should be contacted within three months of the assessment, and urgent concerns should be addressed sooner.

The follow-up should include a clear summary of the participant's overall HRA score and identified risks. Resources should be included based upon the participant's readiness for change along with contact information for questions and continued coaching. The more innovative HRAs automate follow-up by self-generating targeted e-mail and postal mail communications.

Advanced technology

Results, reports and coaching should be immediate. The sooner you receive lab processing or reports, the faster the health of your employees and your bottom line can begin to improve. The HRA should also be in a digital format, provide automatic results comparisons and be secure and permanent-data-storage compliant with the Health Information Portability and Accountability Act, or HIPAA.

Personal attention

Participants make lifestyle changes when they have a good experience and when they feel that you value them in your organization. Their experience is greatly enhanced when you provide a convenient program that exceeds their expectations. For example, host the HRA in an on-site conference room and provide appointments that are conducted on time. Provide an HRA that provides little or no paperwork. Implement the program with completely confidential assessment and coaching (e.g., a private room with the door closed).

Establish a one-to-one staff-to-participant ratio to improve the experience and

response. Stay away from health fair environments, also called assembly line, cattle call, wellness-on-a-shoestring or community health. They often don't work, are not well received and are a waste of time and money.

Ditto for HRAs offered online only or without actual biometric measurements such as blood pressure, cholesterol, diabetes risk and so on.

Effective data and reporting

Participant reports should be no more than one to two pages long. They should clearly communicate results by individual risks and include specific interpretation, recommended follow-up (with time frame) and overall score. Similarly, the organizational report should summarize trends into concise executive reports.

Forward-looking HRAs also organize participants by individual risks, aggregate risks and risk clusters including metabolic (high blood pressure, abnormal cholesterol, diabetes, etc.), behavioral (stress, work-life satisfaction), safety (alcohol, no seat belt) and low-risk (less than three overall risks).

Customization and integration

Data collection and reports should be customizable based upon your medical claims, specific goals and needs. Future programs should be integrated into the HRA for targeted communication, assessment and reporting. Your HRA should store, track and report criteria for incentives, consumer-driven health plans and emerging plans with variable deductibles. You also may want to brand your program or market your organization by including your logo, slogan and contact information.

Qualified staff

The data from your HRA is only as good as the staff that collects and interprets it. Is the wellness staff specifically qualified and trained for preventive health? Often, the staff consists of temporary health care workers with no specific wellness program training. Eventually, that kind of limited expertise can lessen your plan's effectiveness as well as employee participation.

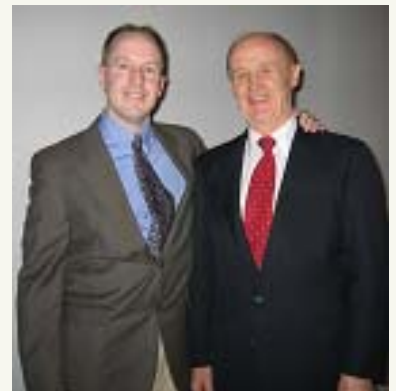
Make no mistake about it: when you focus on the seven most important characteristics of a strong HRA you are well on your way toward a healthier work force and bottom line.

■ Scott Foster is chief wellness officer of Wellco Corp., a Royal Oak wellness systems provider.

Scott Foster - Overview

Biography:

Scott Foster, Corporate Wellness Expert for Wellco, has generated millions of dollars in cost savings for organizations and is a highly popular speaker and consultant for Fortune 500 companies such as Home Depot, MetLife, SBC, and 3M. He is a frequent consultant to the Michigan Department of Health and is the only governor-approved, active program facilitator in the region. Scott is a featured columnist for "Health Michigan", the only statewide publication of its kind to focus on the business and economics of health care. He is an Executive Committee Chairperson of the Oakland County Wellness Coalition, a strategic alliance of prestigious organizations such as Automation Alley and 28 Chambers of Commerce. Scott is the facilitator of wellnessroi.com, an Internet resource that provides interviews and commentary from the nation's wellness superstars. Often featured as a media expert, he is certified as a Health Promotion Director by the world-renowned Cooper Clinic in Dallas, and he was awarded a Lipid Clinic facilitation certificate by Chicago's Midwest Lipid Clinic. Scott has previously served as a hospital administrator and clinician.



Scott with Dr. Dee Edington



Scott with Dr. Ken Cooper



Scott with Michigan Surgeon General, Dr. Kimberlvdawn Wisdom

Recent Results:

- Most memorable presentation at a recent Michigan Society of Association Executives annual event.
- 288% ROI through reduced medical costs to The Nailco Group (Farmington Hills), a 3-time winner of the 101 Brightest and Best Places to Work.
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“Wellco recently lowered medical costs for many of our high-risk employees by 62%.”

Andrew Vosburgh, MD, Corporate Medical Director, St. John Health System

“HealthHammer is the best and most powerful health risk appraisal and management system on the planet.”

Larry Gaynor, President and CEO, The Nailco Group

“The HealthHammer system saved us more than \$200,000. HealthHammer is better than programs that cost three times as much.”

Robert Casalou, President, Providence Hospital

“Your programs are dynamite!”

David Bond, Senior Partner, Wiklund & Bond Financial Services

“If I didn’t have my blood pressure checked I might have had a stroke. Thank God!”

Employee identified with urgent high blood pressure by the HealthHammer™ system



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