



Case Study

IBM links health care through technology

Paul Grundy, MD, echoes the words found on the IBM website: Healthcare is becoming as important to the vitality of businesses, governments and nations as it is to the well being of individuals. But perhaps the most treatable disorder is underinvestment [in healthcare and] healthcare information technology.

IBM is offering its 130,000 U.S.-based employees a first-of-its-kind Web-based Personal Health Records (PHR) system. The system will let employees track their medical and pharmacy claims data, and will ultimately provide access to lab data and emergency/provider access. IBM is hoping this initiative will spur other companies to adopt Personal Health Records (PHR) and link them to hospitals, clinics, and physician offices. With medical professionals and individuals and their families using information technology systems connected to one another, IBM can improve healthcare delivery by providing continuity of care

across many sites, including the home.

With 350,000 employees, Dr. Grundy understands the necessity of information to drive behavior change. His challenge is to harness the wide range of plan providers and integrate their information to support valuable behaviors in the workforce. Key components of the IBM strategy include:

Creating linkages across business units for shared accountability in health performance. Sharing information in real-time to drive appropriate choices in the health resource utilization.

But, who better to understand technological support than “Big Blue”?

- Integrating Disability data to support total health management.
- Supporting preventive and EAP health coverage from day 1.
- Creating rebates for healthy behaviors.

Quick glance: Global Well-Being frames the direction

IBM creates wins for employees and the organization by supporting valuable behaviors.

By using integrated technology to drive decisions, IBM leads employees to rethink their health motivation:

1. **Prevention.** Rebates are offered for HRA completion, exercise and nutrition participation (recorded online).
2. **Behavior change.** Smoking cessation program has documented a 4-year success rate, offering rebates of \$150 for enrollment for new employee enrollment.
3. **Track disability as part of integrated analysis.** Disability coverage may be

the most liberal in the industry, because IBM knows that unscheduled absences are a key driver of overall performance costs.

4. **Elevate personal health management to a job expectation.** C-Suite involvement is a prime component of positive health management, including a very visible Senior VP of Human Resources.
5. **Create targeted disease management programs that track milestones and reward achievement.** Although disease management is provided through an outside vendor, performance is tracked to total health management.

“We know that investing in information is key to better health resource utilization. We leverage all of IBM’s intelligence to drive better health performance” says Paul Grundy, IBM Global Well Being Services and Health Benefits

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Value-based health is integral to the culture of health at IBM

IBM healthcare premiums are 6% to 15% lower than industry norms, and employees pay 26% to 60% less than industry levels

Health and Well-Being programs driver over \$175 M in annual savings for IBM

Improved health risk levels across IBM contributed up to \$20M in savings in 2005

- Reduction in ER visits
- Reduction in hospital admits
- Decrease in medical and pharmacy costs

In 2004, IBM paid \$7.7M for Disease Management, resulting in an ROI of 225%

Who is IBM?

Fortune 100 company with \$100B in revenues in 2005

350,000 Employees
130,000 US Employee
500,000 US Covered Lives

Created: "WebClinical Information Systems" (WebCIS) creating secure information accessible via the Internet for University of North Carolina caregiver network, replacing paper for 1 million+ patients who visit UNC

IBM is aligned around a single, focused business model: innovation

For more information, email us at cyndy@vbhealth.org or gjudd@vbhealth.org