



Case Study

HealthyPeople Medical Plan: Choice and Accountability

April 2008

Johnson & Johnson realized that healthier employees and a tighter rein on costs would require a multi-dimensional approach to health. Fitness and wellness options have been available for years, as has disease management. An incentive medical plan was all that was missing. The new HealthyPeople HRA plan was rolled out in January 08 to link it all together. With the use of incentives and data management, employees and their dependents have a fully integrated health management environment.

- Participate in Case/Disease Mgt program, if identified by chronic or complex condition criteria

Disease management covers: diabetes, low back pain, high risk pregnancy, COPD, CAD, CHF, atrial fibrillation, asthma, complex cases and rare diseases. A depression screening tool is part of the disease management effort.

With the new plan, data will be integrated and analyzed by Medstat and will include: short-term and long-term disability, medical usage, health profile risk assessment data, and drug utilization.

Even with an active worker to retiree ratio of 4:1, further savings can be realized by having pre-Medicare retirees in the active plan with care management, wellness, and disease management.

EAP has robust participation and integrates with behavioral health.

So far, it seems to be working. The latest annual health care survey of their population indicated a 91% overall satisfaction rate with their health plans.

The 30% of employees not in the HealthyPeople HRA plan have elected either an HMO option or no coverage.

Building a Culture of Health—Value-based plan delivers:

- Net savings of \$5.1 million for CareConnect in 2005; 95% of employees who needed disease mgt participated.
- Reduction in expenditures of \$224.66 per employee in medical utilization and expenditures as a result of Health and wellness program
- Programs designed to integrate occupational health, disability, wellness and medical benefits should reap substantial health and economic benefits on an on-going basis.

Who is Johnson & Johnson?

Consumer, medical device and diagnostics, and pharmaceutical corporation with 200 operating companies in 57 countries

- 45,000 U.S. employees
- 126,000 covered lives
- \$61 billion annual revenue
- 70% of employees elect the HealthyPeople HRA Plan; an HMO option is available.

Accredited by CEO Cancer Gold Standard™ 2006 and 2007, Johnson & Johnson is part of the national effort to fight cancer in the workplace through:

- Tobacco use
- Diet/nutrition
- Physical activity
- Prevention, screening and early detection
- Access to quality treatment and clinical trials

For more information, Visit us at www.vbhealth.org

The HealthyPeople HRA plan:

1. Account-based medical plan design integrated with Healthy People initiatives.
2. Employees receive annual \$500 discount on medical plan contributions. To keep the discount, they must:
 - Complete a Health Profile Risk Assessment every two years
 - Participate in health risk counseling if identified as high risk

Quick glance: New Initiatives Saving Resources

“In October 2007, we opened our first on-site medical clinic at corporate headquarters. We have identified several locations that could support such a clinic. Two more will probably open in 2008,” says EfreM Dlugacz.

Partnering with an outside provider, CHD Meridian Healthcare, Johnson & Johnson is making it easy for employees to take care of non-emergency medical needs while at work. Billed as “primary care light,” the clinic has two physicians, a nurse practitioner, and an LPN to provide care.

They can handle acute care and draw blood for laboratory tests so employees don’t have to visit a separate lab. Employees can also get their annual physical, immunizations, health

education, and preventive screenings in the onsite clinic. Because confidentiality for employees is so important, no Johnson & Johnson employees work at the clinic.

The clinics are yet another step towards full integration of health and wellness options for employees to help them manage their overall health and that of the company. The clinics are part of the ongoing initiatives including:

- Health Profile Risk Assessment program and counseling
- Internet-based programs and education
- Healthy lifestyle support: On-site fitness centers/ exercise reimbursement programs
- Healthy eating opportunities

Says EfreM Dlugacz, Vice President of Global Benefits & Health Resources:

“The health of our employees and their families is inseparable from the health of the Corporation; and two critical ingredients that contribute to achieving positive health outcomes are prevention and early intervention.”