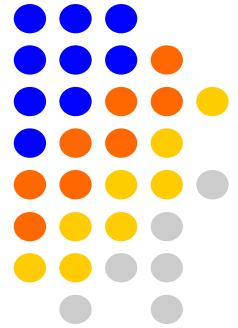




Case Study



QuadMed aligns health with Harry Quadracci's vision

QuadMed decisions are made for long-term benefit, rather than short-term reward. This holistic philosophy means that balance is essential in both personal and professional life to nurture and fulfill human needs—physically, mentally and spiritually. The philosophy permeates QuadMed and its parent company, Quad/Graphics.

Dr. Len Quadracci and Dr. Raymond Zastrow oversee the health needs of a workforce of 12,000 people (and their families), aligning health care with the corporate mission: a value driven company committed to clients, employee owners, shareholders, communities and the environment. Recently a new program was developed:

- **Lean You** was started as an employee-only program just 2 years ago. It has been expanded to spouses in 2006.
- The focus is on preserving the stability and performance of the workforce for the Quad/Graphics company.

Key cost drivers for Quad/Graphics included pharmacy increases and claims related to chronic care, including diabetes, depression, asthma (adult and pediatric), high cholesterol, high blood pressure, obesity and cancer. “Faced with these trends, we developed a program that focuses on shared accountability,” says Dr. Zastrow.

The plan:

1. Harness evidence-based medicine to deliver proper screening, care and compliance.
2. Reduce barriers to chronic care treatment by innovative plan design and pass-through savings.
3. Tightly integrate EAP and medical/Rx claims for their co-morbid relationship.
4. Teach employees how to better manage their health. Integrate fitness, rehabilitation and occupational medicine with overall medical claims for better outcomes.
5. Set goals and reward achievement.

Quick glance: Quad/Med's Incentivized Wellness program “Lean You”

QuadMed supports the social contract that underlies Quad/Graphics.

Quad/Graphics' goal is to improve the health of its employees whenever and wherever possible. Quad/Graphics understands that employees who are actively engaged in maintaining and improving their health will attain the best health outcomes.

1. **Preventive screenings:** onsite clinic delivers screenings and preventive counseling.
2. **Physicians are encouraged to spend time with patients.** Quad-

Med physicians see 2 patients per hour, delivering total health management and setting milestones for health improvement.

3. **Behavior change is rewarded:** By meeting milestones and accumulating points, employees can receive \$250 in an FSA (flexible spending account) or as taxable income.

4. **Copays for desirable behaviors are reduced.** Physicals at the onsite clinic have a copay of \$5.00; improvement in HbA1C or other measures deliver reward points that translate into dollars.

Founder Harry Quadracci measured success beyond the bottom line. Did an employee grow by learning something new and then teaching it to someone else? Did having a job at Quad help families live better, more productive lives? “This attitude governs everything we do,” says Raymond Zastrow, MD.

Jun 2006

Value-based health saves 17%+ over costs in the community (Y2000 results)

- Treatment adherence is increased by reducing the cost of Rx through onsite and intra-company mail delivery (pass savings of discounts and no admin fees).
- QuadMed's health care costs are consistently below benchmarks when adjusted for age and demographics:
 - 18% below in 1998
 - 19% below in 2000
 - 17% below in 2002
 - 21% below in 2004
- Average health care trend per employee per year for 2000-2005 is 6.4%
- Investing in preventive care saves money by identifying colon cancer, breast cancer, hypertension, hyperlipidemia, and early diabetes.
- Movement into preferred networks has been accomplished through plan design
- These same services are provided through contracting with the community.

Who is Quad/Graphics?

Fortune 500 company with \$26B in revenues in 2005

QuadMed is an LLC subsidiary of Quad/Graphics, providing healthcare to employees, families, and the community

Founded in 1971 by Harry Quadracci; Len Quadracci, MD, is the Chief Medical Officer

Quad/Graphics Named to FORTUNE Magazine's "100 Best Companies to Work For" List: January 9, 2006

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