



**Mike Taylor, M.D.**

MEDICAL DIRECTOR OF HEALTH PROMOTION

**Caterpillar Inc.**

## Employees Healthier, More Productive

**Company:** Caterpillar  
**Headquarters:** Peoria, IL  
**Website:** www.cat.com  
**No. of employees:**  
50,000 (U.S.)

**Nature of business:**  
Caterpillar is a *Fortune* 50 company and the world's largest manufacturer of construction and mining equipment, diesel and natural gas engines, and industrial gas turbines.

**Key executives:**  
James Owens, *CEO and chairman of the board*  
**Key solution providers:**  
Free and Clear, *tobacco cessation*  
Hewitt, *annual enrollment*  
MetLife, *voluntary benefits*  
PeopleSoft, *HR software platform*  
United Healthcare, *health benefits plan administration for medical, dental, and vision*

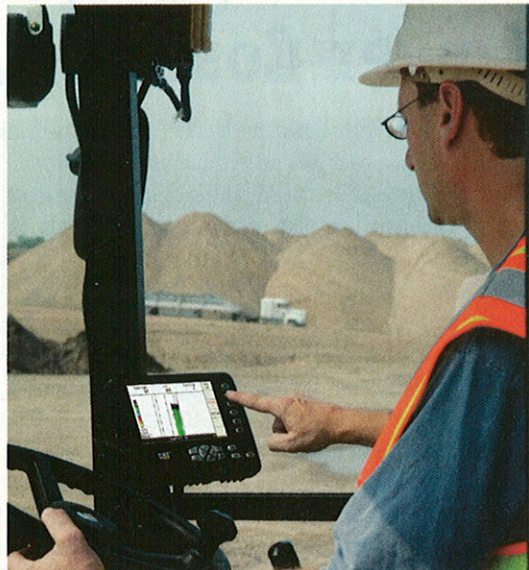
**D**r. Mike Taylor, FACP, medical director of health promotion at Caterpillar Inc., has brought about enormous achievements at the company, producing evidence for sustainable health, financial improvements, and positive employee health outcomes.

"We designed a targeted plan that identified risk early and allowed us to intervene before costs skyrocketed," said Taylor, who's also chairman of the Center for Health Value Innovation. "Our approach has paid dividends. By helping employees take an active role in their own health care, Caterpillar's health partnership program has progressed from trying to control spiraling health care costs toward improving health and productivity."

In 2007, Caterpillar launched Taylor's Healthy Balance initiative, which includes a Healthy Lifestyle Index that comprises Body Mass Index and diet, moderate-to-no alcohol use, no tobacco use, and regular exercise for the 50,000 U.S. employees and 100,000 others covered in its health plans.

Twelve percent of employees now meet all elements of this composite score. Caterpillar implemented a disability management program that demonstrates a 50% reduction in disability days. Its smoking cessation program has a 35% smoking cessation rate. Taylor's team manages food services in U.S. facilities, which features differential pricing for healthy foods, healthy vending options, and a broad line of healthy food choices.

The Caterpillar health care cost trend line has now been at 1% to 2% since 2002, instead of a projected 20% increase over four years. Under his leadership, Caterpillar also offers on-site coaches who schedule one-on-one meetings with program participants, focusing on cardiovascular risk reduction. They maintain office hours for walk-ins and coordinate "lunch



and learns," screenings, and awareness campaigns. Telephone coaching provides further guidance for weight loss management, physical activity, stress management, and nutrition. These coaches are available to all U.S. employees.

Additionally, Taylor and his team have addressed the alarming increase in diabetes among Caterpillar employees by introducing the Lifestyles for Health program for this high-risk group. The newest initiative has been to partner Caterpillar with its health care system to improve the quality of health care delivered to the company's employees and their families. The larger strategy is to initiate an integrated service for each Caterpillar employee, regardless of need, and move from addressing health care as an expense toward regarding it as an investment in people. This requires that he and his team look at more than direct medical costs and begin to factor in productivity losses resulting from heart disease, cancer, or diabetes.

Caterpillar also offers free screening for cervical, breast, prostate, and colon cancer to its U.S. employees.

"A healthy employee is a competitive business advantage," Taylor said. "Our value-based design approach lowers the health care cost trend in part because there is less use of rescue drugs and fewer emergency room visits, as well as a reduction in disability and workers compensation claims." ■

