



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. Raymond Zastrow oversees the health needs of a workforce of 9,500 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.

This is evident in the wellness incentive program that QuadMed launched in 2006 for Quad/Graphics employees and spouses. Called Lean You!, it provides monetary rewards to employees and their spouses for meeting certain wellness criteria. However, because Lean You! participants are proactive about their healthcare, they save the com-

pany significant money through early detection and/or prevention of diseases.

Key cost drivers for Quad/Graphics included pharmacy increases, 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: QuadMed'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.** QuadMed physicians see 2 patients per hour, deliv-

ering total health management and setting milestones for health improvement.

3. **Behavior change is rewarded:** By meeting milestones and accumulating points, employees can receive \$400 in a flexible spending account (FSA) or as taxable income.
4. **Copays for desirable behaviors are reduced.** Annual Lean You physicals at the onsite clinic are free; 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.

Value-based health saves 31%+ over costs in the community (Y2008 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 considerably below benchmarks when adjusted for age and demographics:
 - 18% below in 1998
 - 19% below in 2000
 - 17% below in 2002
 - 26% below in 2004
 - 32% below in 2006
 - 31% below in 2008
- Since 2000, Quad/Graphics has seen healthcare costs increase an average of 4.9% per year, which is significantly lower than the 10-12% other companies have seen.
- 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?

- \$2.2B in revenues in 2008
- QuadMed is an LLC subsidiary of Quad/Graphics, providing healthcare to employees, families, and the community
- Founded in 1971 by Harry Quadracci; Raymond Zastrow, MD, is the Chief Medical Officer