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News Release

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Employee participation in health and wellness programs soars with senior management's commitment

Positive impact on health risk and medical trend also documented

New York, 9 March 2011

An analysis of data from nearly 450 employers that completed the HERO Employee Health Management Best Practice Scorecard documents a clear correlation between senior management support and higher levels of employee participation in programs ranging from blood pressure screenings to ongoing diabetes management. The Scorecard is a survey that rates an organization's employee health management (EHM) program based on the extent to which it incorporates best practices.

Mercer and the nonprofit Health Enhancement Research Organization (HERO) collaborated on the study and the ongoing Best Practice Scorecard survey. The Scorecard also collects data on EHM program participation rates and outcomes, although this information is not used in calculating an organization's best-practice score.

The Scorecard asks a number of questions to determine the level of leadership and cultural support for employee health and wellness programs. For example, does senior leadership make a point of participating in programs themselves? Does the corporate mission statement mention supporting workforce health as a goal? Among the organizations that scored highest in this area, average employee EHM participation rates are significantly higher. Their employees are more likely to complete a health risk assessment (59% of employees, on average) than employees in organizations reporting little or no leadership and cultural support (41%), and are also more likely to take advantage of biometric screenings offered through the program (53% versus 38%).

Higher participation leads to better program outcomes, so it's not surprising that strong leadership and cultural support was also associated with a positive impact on health risks and health care spending. About two-thirds (66%) of organizations with strong leadership and cultural support reported improvements in health risks, compared to only 26% of those with little or no support. Most strikingly, organizations with strong leadership and cultural support were ten

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times as likely as those with little or no support to report that the EHM program has had substantial positive impact on their medical plan cost trend – in other words, that as employee health has improved, the company has saved more in medical claims than it spends on the EHM program.

Leadership support is one of six elements contributing to a successful EHM program that are covered in the Scorecard. According to Steven Noeldner, PhD, a senior consultant in Mercer's total health management practice and study co-author, "Our analysis underscored that none of these elements stand in isolation from the others. For example, while many employers now provide employees with a cash incentive to complete a health risk assessment, the same incentive will be more effective in an organization where management is involved and a sound EHM strategy is in place."

Exploring the connection between program design and outcomes

To examine the relationship between the use of best practices (as indicated by the respondents' scores) and program outcomes, the study authors compared reported outcomes for respondents with low, average and high best practice scores. Employers in the high-scoring group reported higher employee participation rates in all programs, from health risk assessments to lifestyle management programs. They were also more likely to report seeing a "significant improvement" in employee health risk (25% reported a significant improvement, compared with just 11% of respondents in the average-scoring group) and "substantial positive impact on medical plan cost trend, greater than the cost of the EHM program" (30%, compared to 11% of the average-scorers and just 2% of the low scorers).

"While further analysis is needed, these results seem to support both the importance of best practices and the Scorecard's ability to identify the employers that make the most use of them," said study co-author Beth Umland, Mercer's research director for health & benefits. "Most encouraging is the finding that respondents with best-practice EHM programs are more likely to report improvement in medical plan cost trend. This seems to support the use of the Scorecard to guide the development of successful EHM programs."

The HERO Best Practice Scorecard was developed in consultation with authoritative sources on EHM best practices, including the Health Project's C. Everett Koop National Health Awards criteria, the WELCOA Well Workplace Awards criteria (Platinum level), Partnership for Prevention's Health Management Initiative Assessment, and the Department of Health and Human Services' Partnership for Healthy Workforce 2010 criteria.

"In the 18 months since the Scorecard was formally launched, nearly 450 employers have participated and the response has been overwhelmingly positive," said HERO CEO Jerry Noyce. "We have also launched the Scorecard Partner Program, to allow health plans, EHM vendors and other qualified organizations to offer the Scorecard directly to the employers they work with. This has helped to extend the reach of the Scorecard considerably."

Taking it to the next level: The Scorecard Partner Program

The pilot phase of the Scorecard Partner Program was launched in 2010, with four organizations participating – Capital BlueCross, Healthways, StayWell Health Management and the Mayo

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Clinic Health Solutions. Each organization was provided with a custom link to the Scorecard, along with website content and template marketing materials to assist in rolling out the Scorecard to its clients. Partners are provided with a database of all Scorecard responses received through their own custom links (with individual company identifiers if the respondent has indicated that the partner organization may see their answers). The pilot partners participated in monthly calls to provide feedback on the Scorecard and the Partner Program. The pilot phase will end in March 2011 and at that time the program will be opened to other interested organizations.

Gina McDonald, Senior Health Education Consultant with Capital BlueCross and member of the firm's wellness committee, first used the Scorecard to assess Capital BlueCross's own EHM program before providing it to customers through the Partner Program. "The HERO Best Practice Scorecard allows me to provide group customers with a report that showcases their accomplishments and opens dialog about strengthening their health management programming," said Ms. McDonald. "The addition of the Scorecard to our consulting model provides a service that is not only informative in nature, but also caring and supportive."

Notes for editors

The HERO Scorecard is available to organizations on a complimentary basis and may be accessed through the-hero.org, mercer.com or a Partner organization. The survey must be completed online, but a PDF version is available that can be used as a teaching tool or to prepare for the completing the online version. After an organization's information and data have been submitted to the online HERO Scorecard, they will be provided with a free report that compares the score of their program with the aggregate score of all the responses. For more information, visit the-hero.org and click on the Scorecard link.

HERO is a non-profit corporation dedicated to the creation and dissemination of employee health management (EHM) national research, policy, strategy, leadership, and infrastructure. Illustrations of success in these areas include the HERO Think Tank, the HERO Research Database, the HERO Forum for Employee Health Management, and the HERO Best Practice Scorecard V3.0 in collaboration with Mercer.

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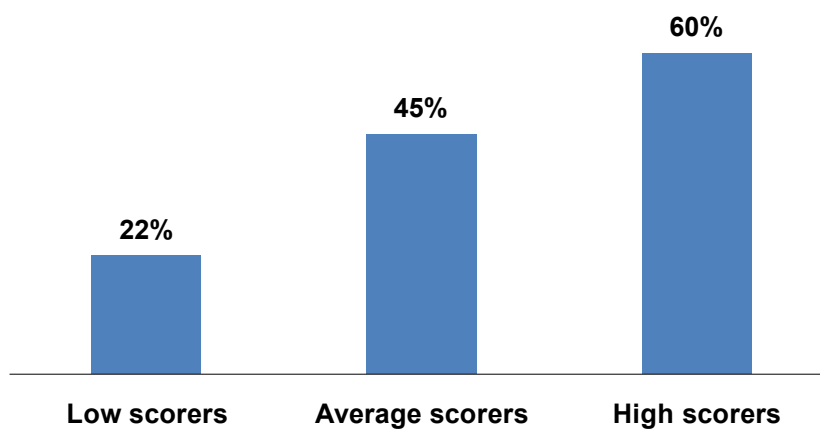
Comparing EHM programs based on best practice score

	Low scorers (66 or below)	Average scorers (67-113)	High scorers (114 or above)
Best Practice Score (average for group)	45	90	136
EHM spending per eligible per month (median)	\$6	\$11	\$13
Number of respondents	144	149	149

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Health risk assessment participation rates

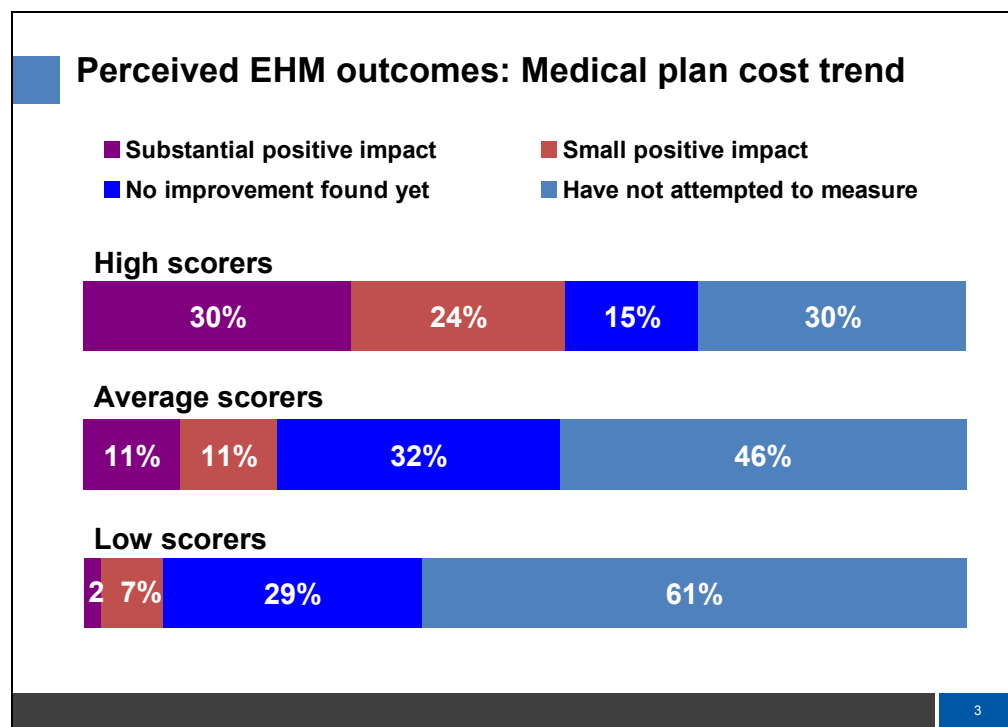
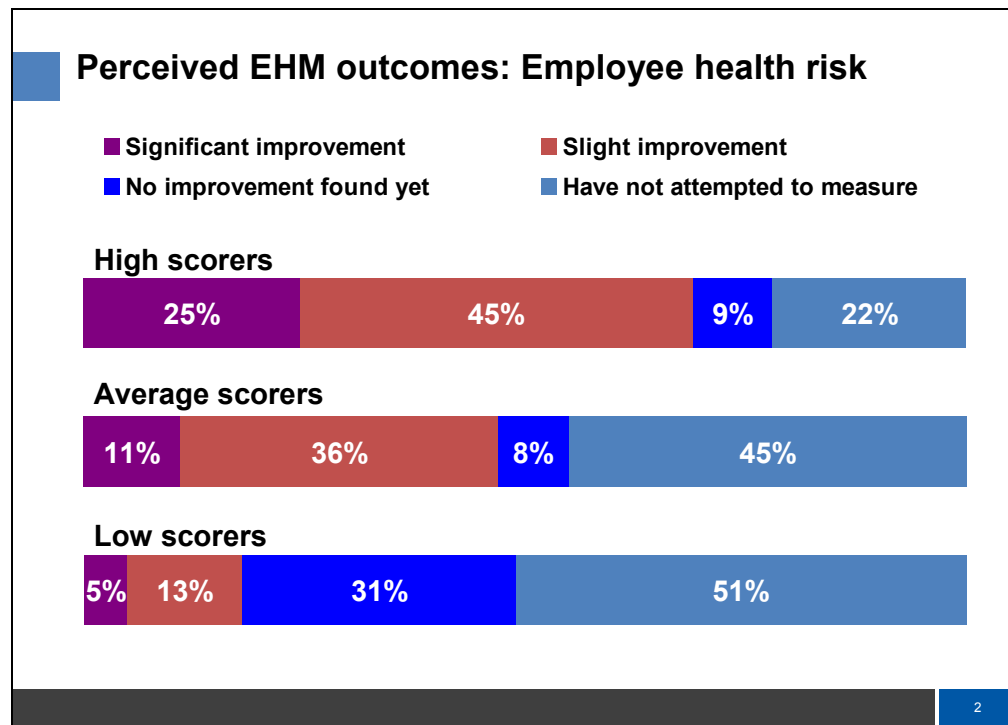
Percent of eligible employees completing HRA



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Room for improvement in leadership engagement in EHM

Senior leadership active in EHM programs



Mission statement supports culture of health



Believe senior leadership & culture is "very supportive" of EHM



Organized network of wellness champions in place



Note: Data is based on employers responding through June 2010.

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Use of incentives in EHM program

	HRA	Disease management	Behavior modification
Offer any incentive	82%	25%	61%
Cash/gift card	37%	13%	35%
Lower premiums	30%	8%	18%
Contribution to spending Account (FSA, HSA, HRA)	12%	4%	6%
Average value of incentive	\$225	\$148	\$154

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The value of EHM program incentives matter!

	HRA	Behavior modification
Average participation rate when value of incentive is:		
...in the top third	63%	37%
...in the bottom third	43%	24%

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