



Improving Health: An Investment in our People

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Caterpillar Inc Health Plans

- Self-Insured
- 150,000 covered lives in US
 - Employees and retirees
 - Spouses and dependents
 - 30,000 union retirees
- \$650M annual spend on health care



Productivity as a Business Advantage

“Good health is good business”

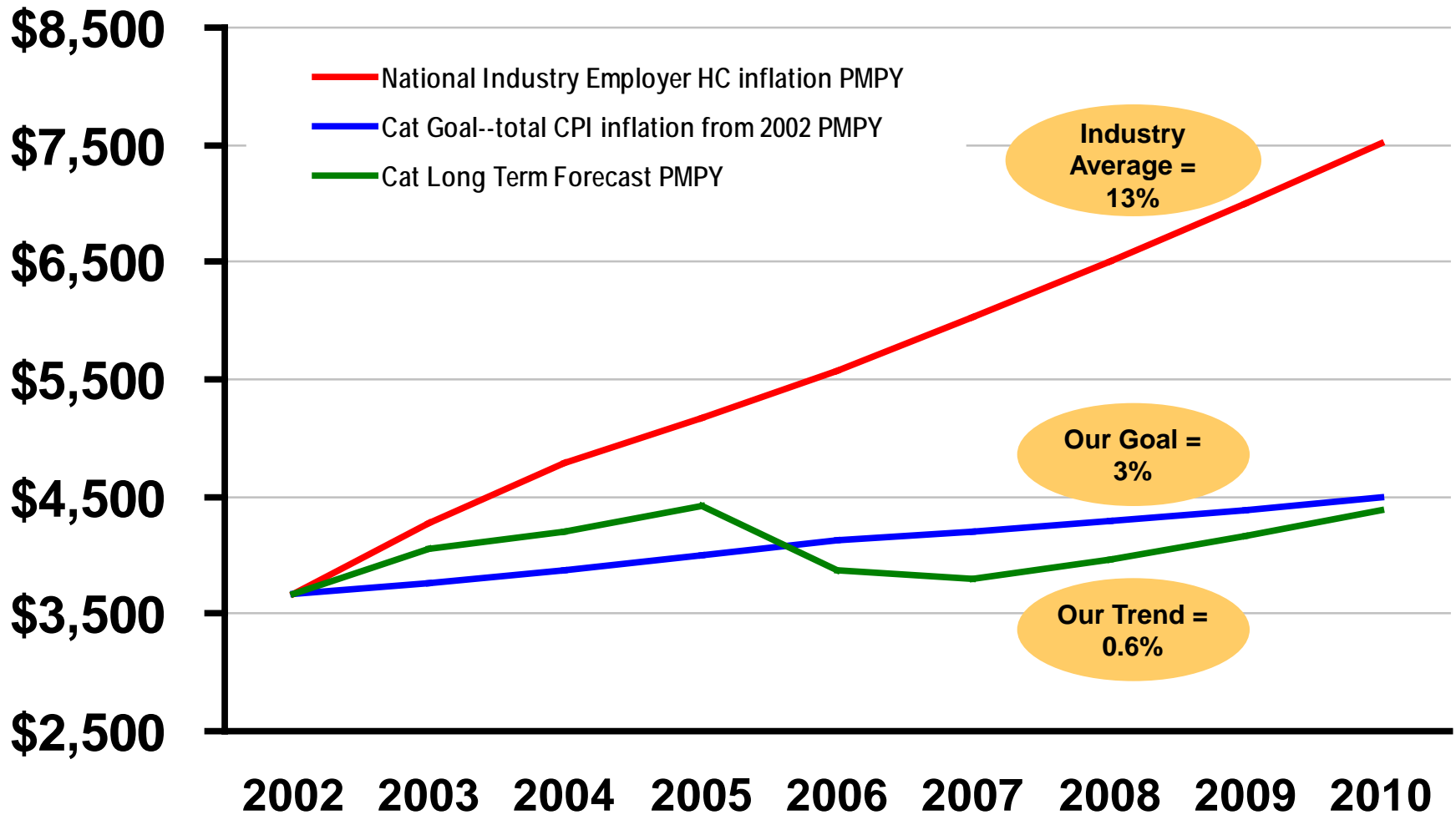
Dr. H. Vonachen,

Caterpillar Inc Corporate Medical Director

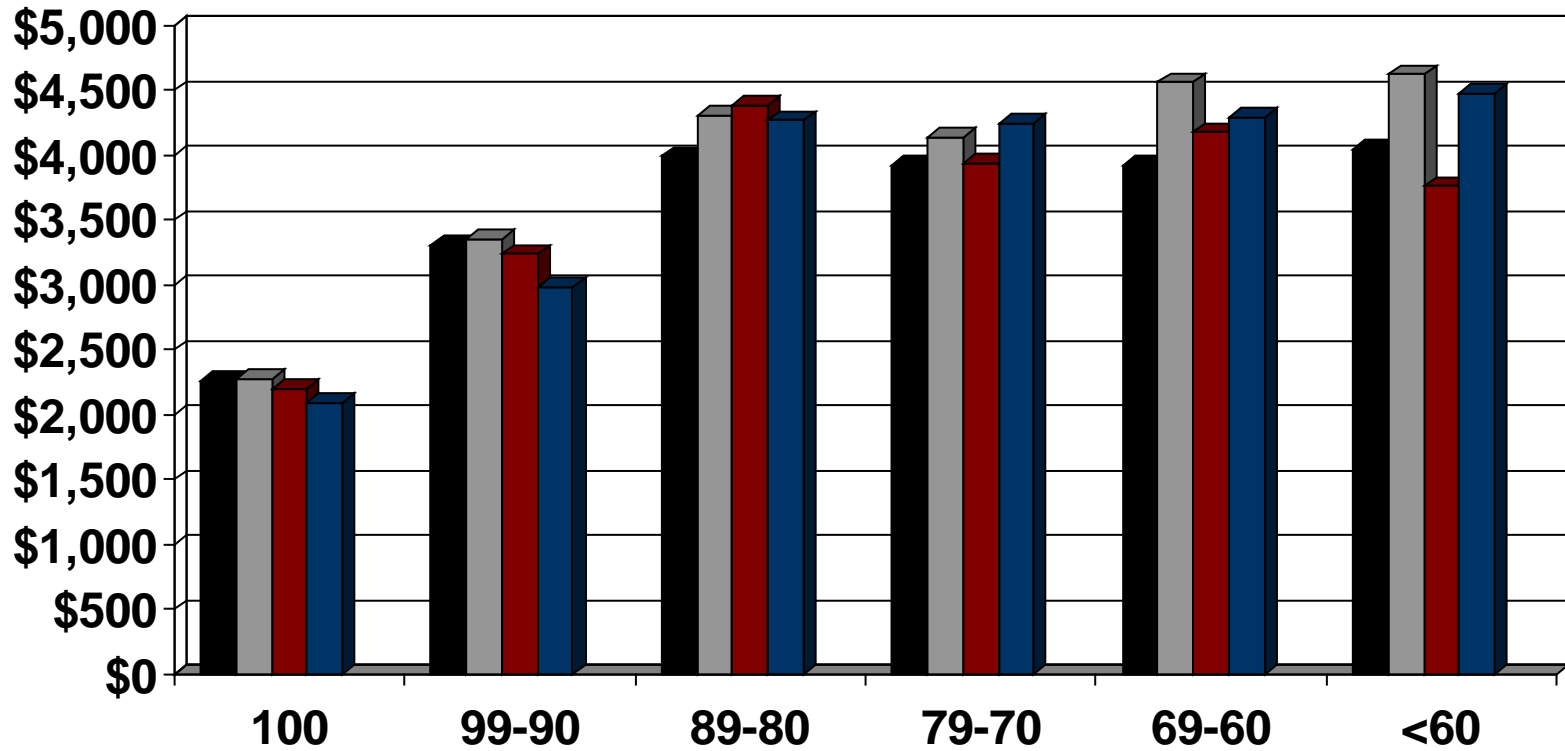
circa 1940



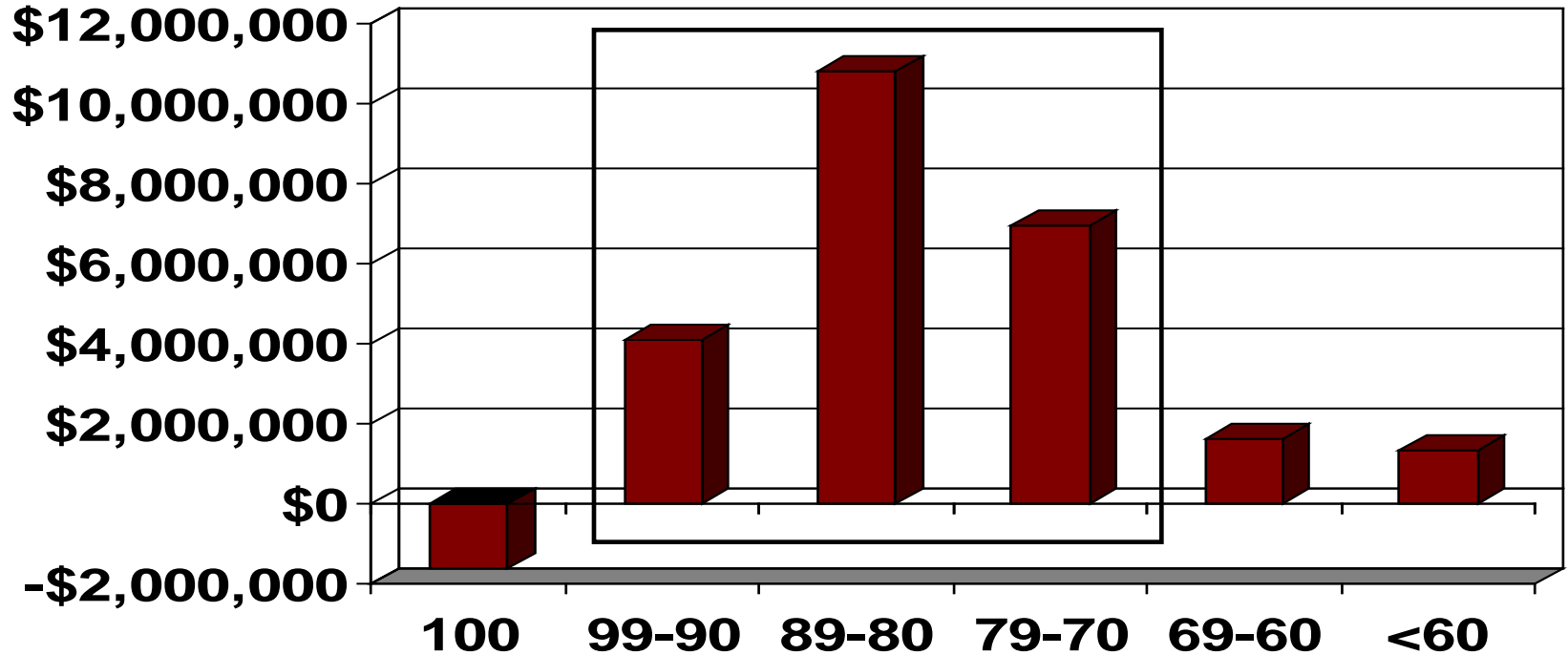
Caterpillar's Health Care Costs



Claims cost 2007-2010



Incremental cost of Risk groups



\$22 M Opportunity



What tools can deliver best outcomes?

- Free Services
 - Physical exams
 - Disease management programs
 - Free generic medications
 - Free tobacco cessation program/medications
 - Differential pricing for healthy foods
- Financial incentives
 - \$ for HRA completion
 - \$ for health outcomes
- What other tools to ‘nudge’ behavioral change?



Health Promotion Exam

- 6000 exams yearly
- >50% of management employees
- 25% production employees
- 60% of exams lead to MD referral
 - Early case finding for employees
 - Recently, acute leukemia
 - Colon cancer, melanoma, heart disease
 - Cholesterol, diabetes, high blood pressure



Healthy Balance

- Food Services

- Healthy Balance team partnering with food vendor

- Differential food pricing

- More nutritional education in dining centers

- Labeling nutritional content of food

- Working together to provide healthier eating choices

- Lower fat options in dining centers

- “Stealth health”



Free and Clear[®]

- Healthy Balance tobacco cessation program
 - Smoking
 - Chewing tobacco
- 12 month telephone-based program
 - Any Caterpillar employee, retiree or spouse who is actively participating in Healthy Balance is eligible
 - All services completely free of charge
 - NRT, counseling, medication



Free and Clear

- 35% 7 year quit rate (>4000 participants) among enrollees
 - 6% quit rate otherwise
- Smoking prevalence 18% down to 12% in 8 years
- 90% satisfaction rate with program



Lifestyles for Health™

- Lifestyles for Health is a US wide telephone based program designed to provide ongoing education, coaching and support to individuals who want to improve their health.
- Lifestyles for Health focus is on healthy lifestyles promoting self-care, personal responsibility, risk factor modification, health promotion and disease prevention.
- Currently 3 modules:
 - Diabetes
 - Prediabetes/Insulin resistance
 - Depression



Depression outcomes after 6 months in program

	Severe	Moderate	Mild
PHQ-9	55%	33%	50%
Work engagement	25%	20%	8%
Days missed from work	93%	60%	66%



Depression outcomes after 6 months in program

If enrolled while still working, 50% improvement in depression

If already on psychiatric disability, only 7% improvement in depression

Goal is to engage employees early in course of disease



Cancer Screening

100% coverage for colon, breast and cervical cancer screening

Cost coverage is clearly not the issue

Screening rates in 2009	
Colon	42%
Breast	60%
Cervix	42%



Using plan design to improve health

- Use financial incentives to reward health outcomes
- “Know your numbers”
 - Phase 1
 - \$100 to participate in biometric screening
 - Phase 2
 - \$250 to achieve health champion status or to improve from baseline metrics
 - Offer coaching intervention to help employees attain health champion status
- Completely voluntary
 - Cost of the program built into premiums for all



Health Promotion at Caterpillar

- Goal is to understand the risk levels of the population
- Help the healthy people stay healthy
- Prevent disease among those at high risk
- Minimize complications among those with disease
- Control health care cost to maintain benefits
- Improving health is good for Caterpillar and our employees

“Good health is good business”

