



September 13, 2011

**HERO EHM Best Practice Scorecard
in collaboration with Mercer
Annual Report 2010**

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HERO Scorecard

Background

- Online Scorecard V3 launched in February 2009
- 563 respondents as of August 2011
- Preferred Provider Program launched in July 2010
 - Capital BlueCross
 - Healthways
 - Mayo Clinic Health Solutions
 - StayWell Health Management
- Benchmark Reports show normative results by industry, size and geography
 - Reports are available through Partners and HERO

EHM elements covered in the HERO Scorecard

Elements	Description
Strategic Planning	Needs assessments, Measurable goals, Total population health strategy, targeted eligible populations
Leadership Engagement	Senior leadership commitment, Manager support, Ambassadors, Physical work environment, Policies
Program Level Management	EHM program integration, Benefit plan design and inclusions
Programs	HRQ, Campaigns, Lifestyle & DM, TDS, Modalities, EAP, Onsite clinics
Engagement Methods of incentive	Communications, Incentives
Measurement and Evaluation	Performance data capture and use

HERO Scorecard Database

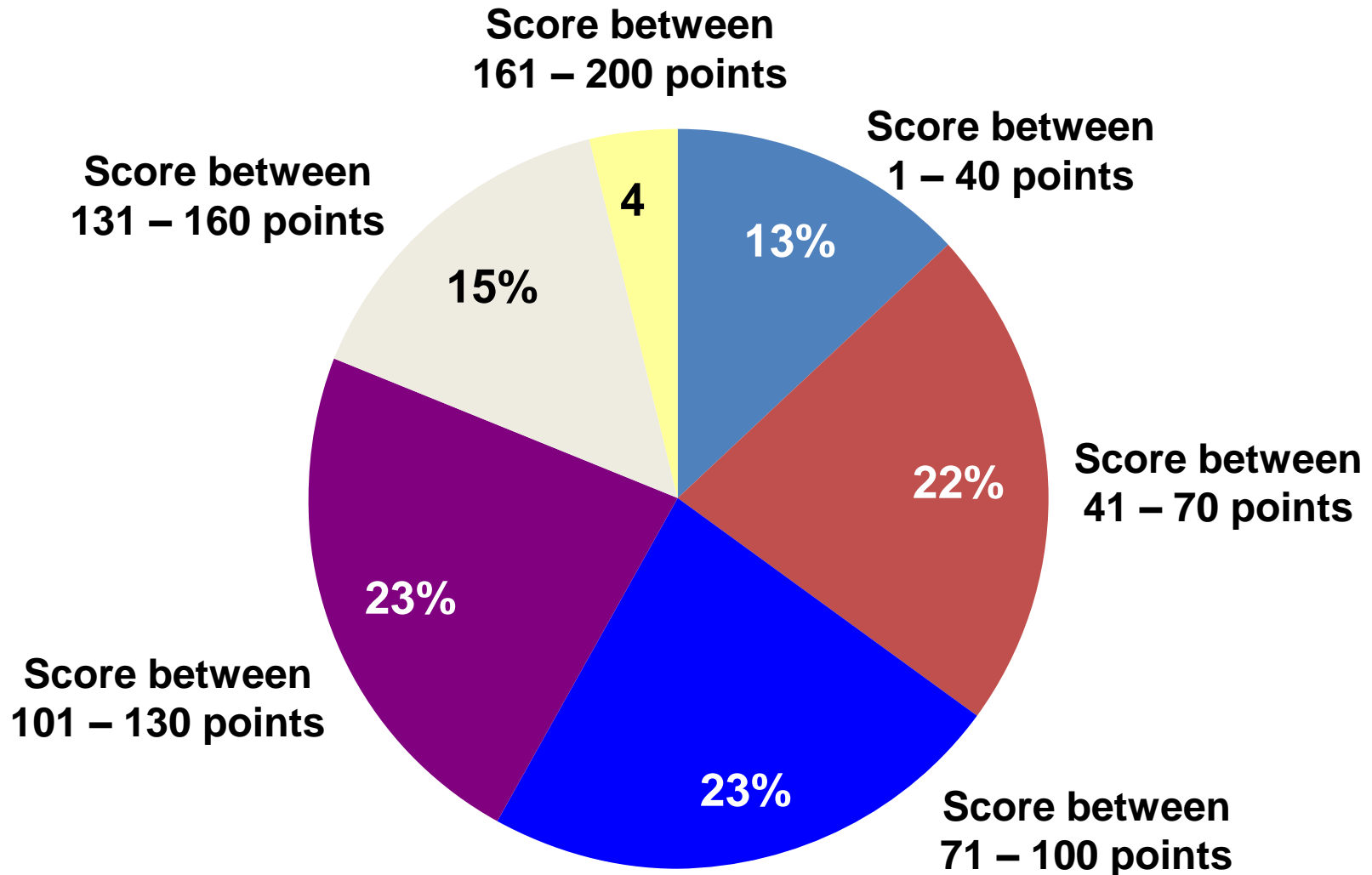
What does the data tell us?

Scorecard respondents as of August 2011, by employer size

	Number of respondents
All employers	563
Employers with fewer than 500 employees	94
Employers with 500-4,999 employees	241
Employers with 5,000 or more employees	214

Most respondents score less than 100

Distribution of respondents by best practice score

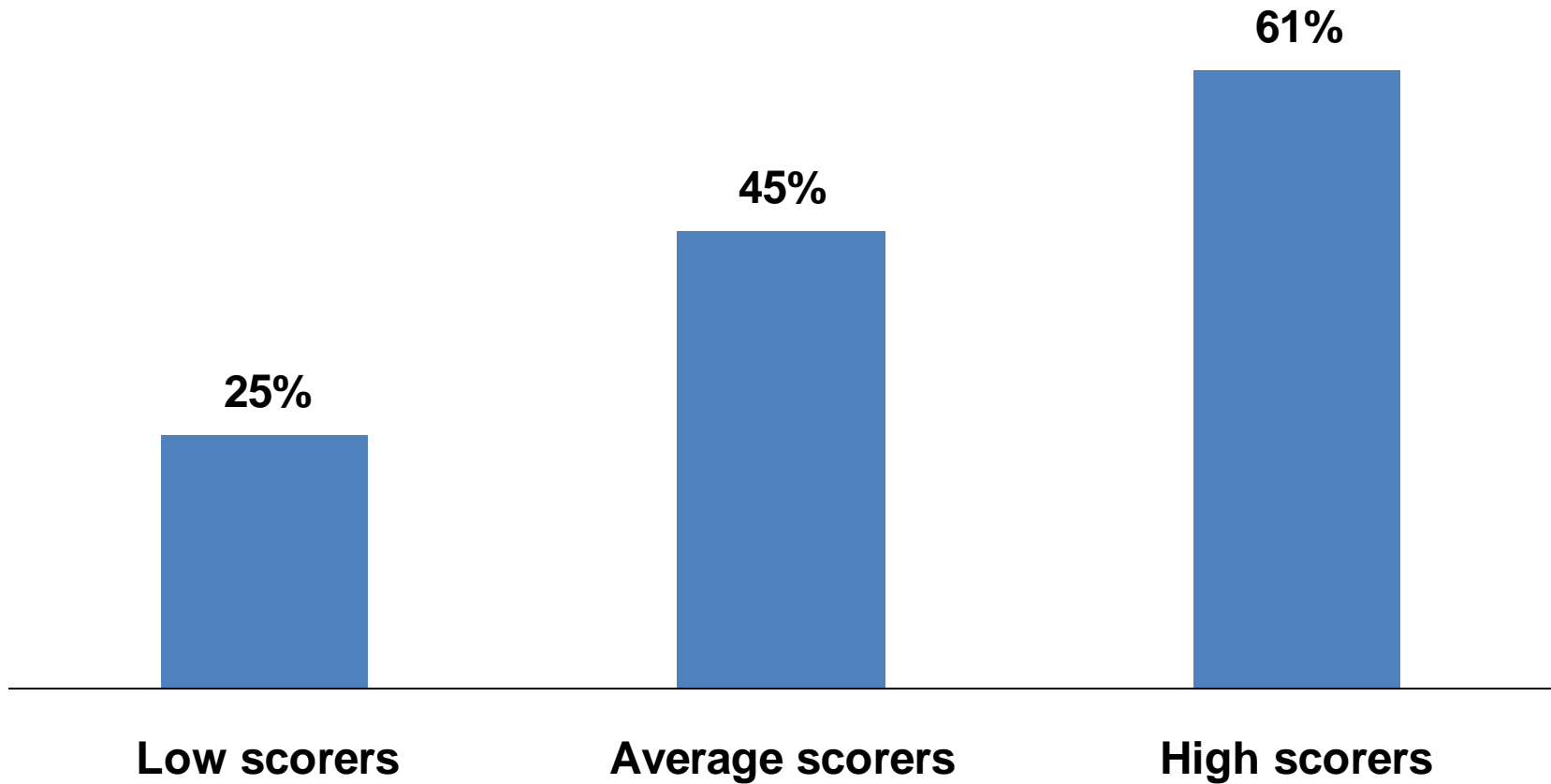


Comparing EHM programs based on best practice score

	Low scorers (66 or below)	Average scorers (67-113)	High scorers (114 or above)
Best Practice Score (average for group)	44	89	138
EHM spending per eligible per month (median)	\$6	\$10	\$13
Number of respondents	179	196	188

Health risk assessment participation rates

Percent of eligible employees completing HRA



Perceived EHM program outcomes: Employee health risk

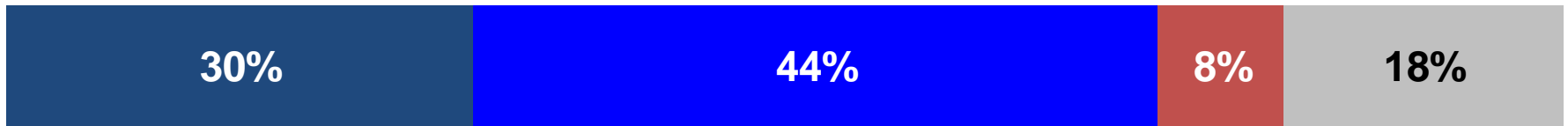
■ Significant improvement

■ Slight improvement

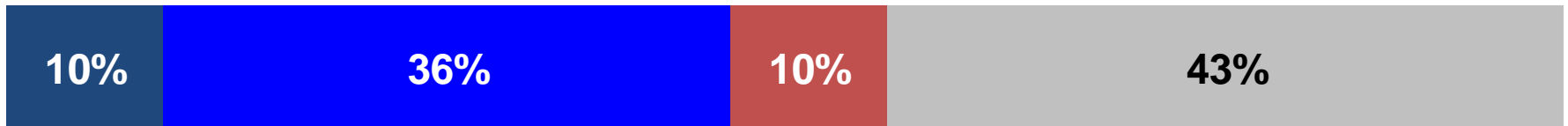
■ No improvement found yet

■ Have not attempted to measure

High scorers



Average scorers



Low scorers

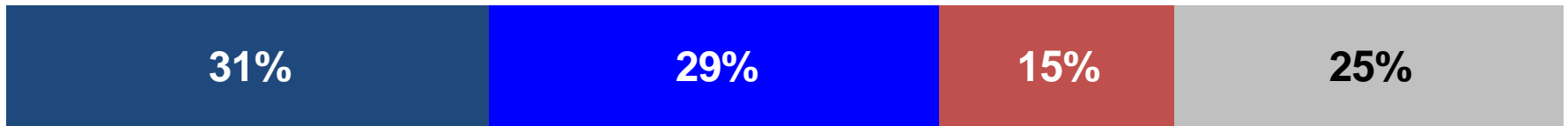


Perceived EHM program outcomes: Medical plan cost trend

■ Substantial positive impact
■ No improvement found yet

■ Small positive impact
■ Have not attempted to measure

High scorers



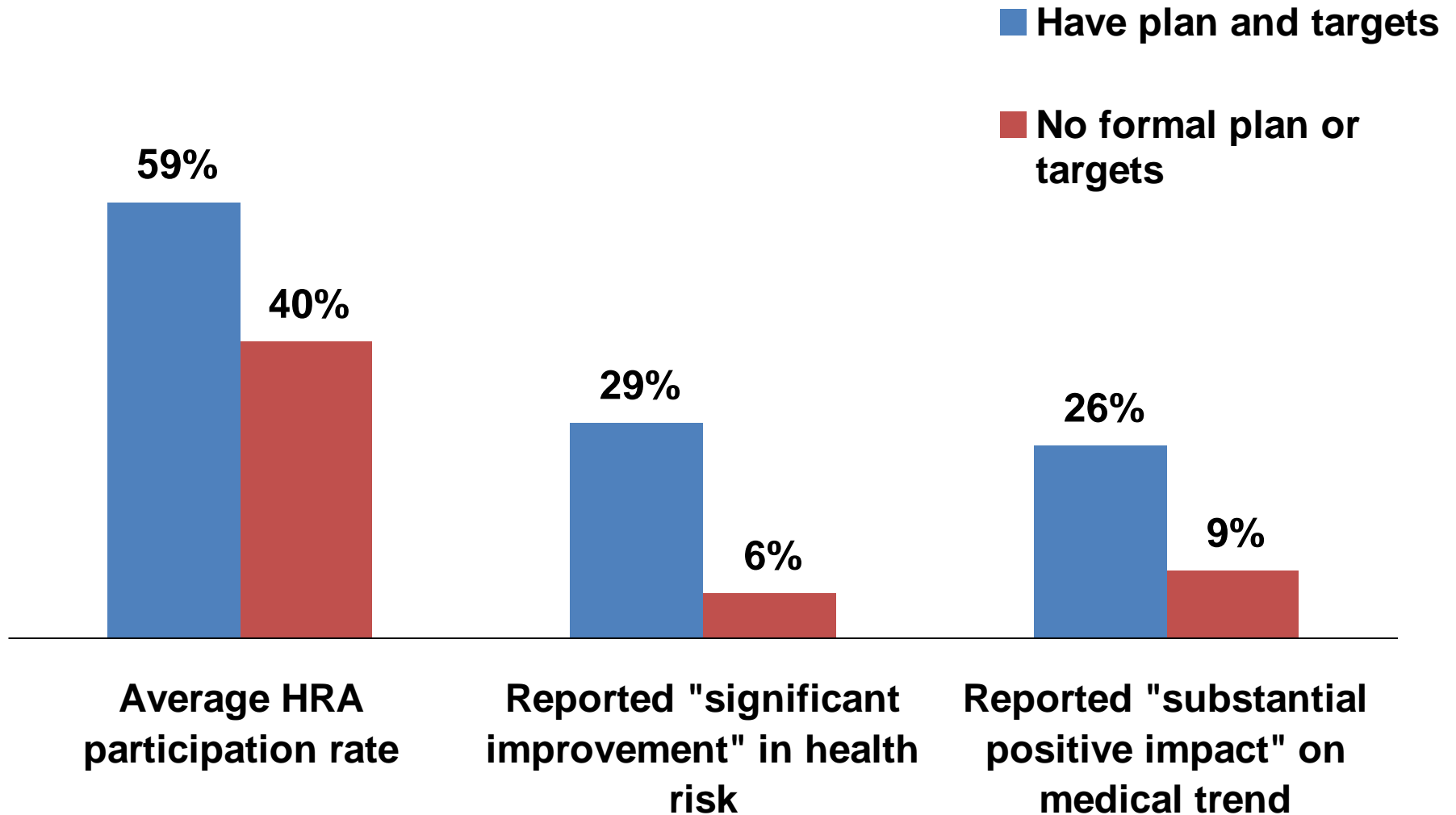
Average scorers



Low scorers



Employers that have a strategic plan and set formal EHM targets report better results



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



EHM programs offered

Disease management programs

80%

Health risk assessment

77%

Targeted behavior modification program

73%

Population-based health education

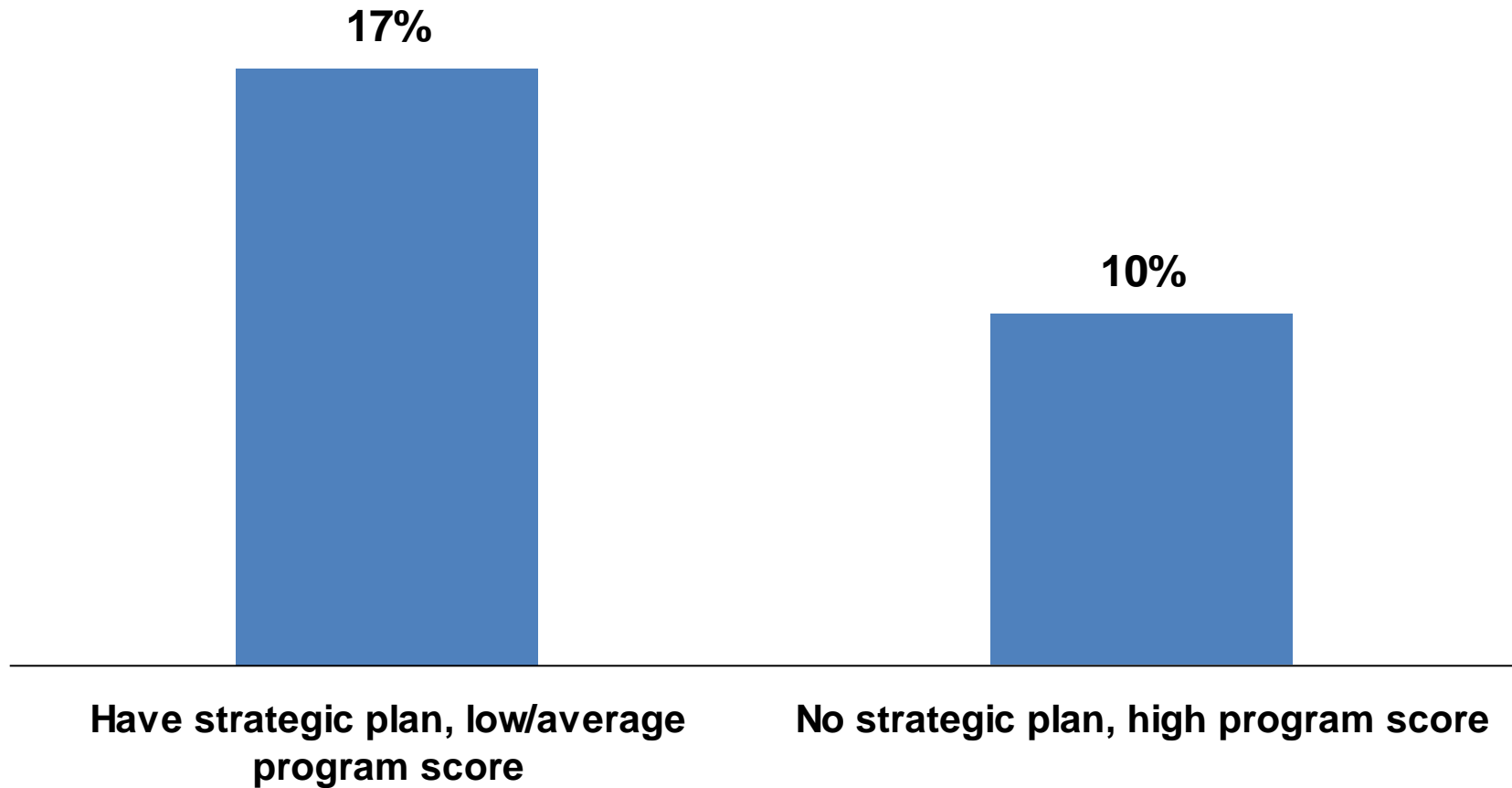
66%

Onsite or near-site health screenings

63%

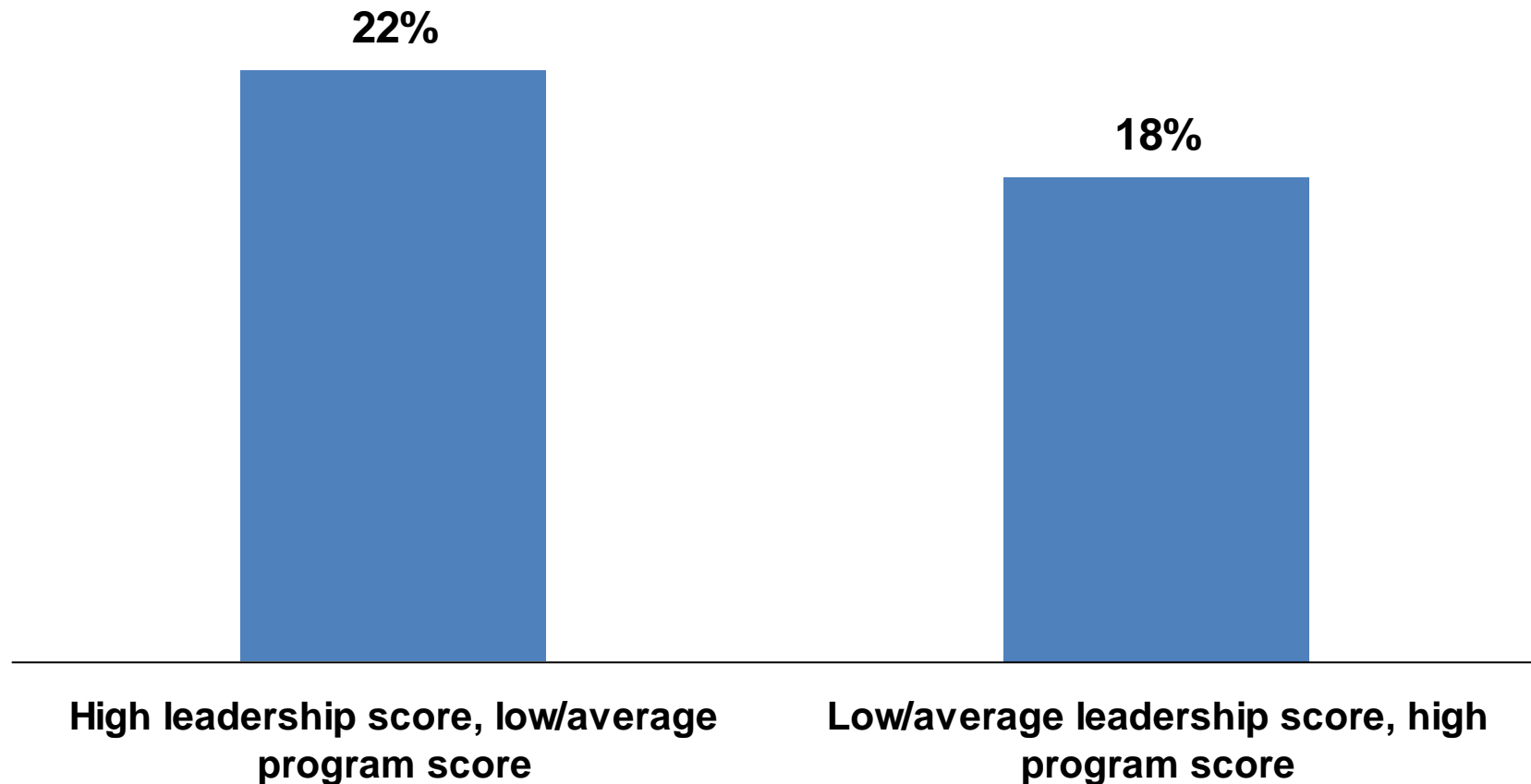
Results suggest that having a strategic plan contributes more to success than the number of programs offered

Have achieved a “significant improvement” in health risk



Results suggest that strong leadership and culture contribute more to success than the number of programs offered

Have achieved a “significant improvement” in health risk

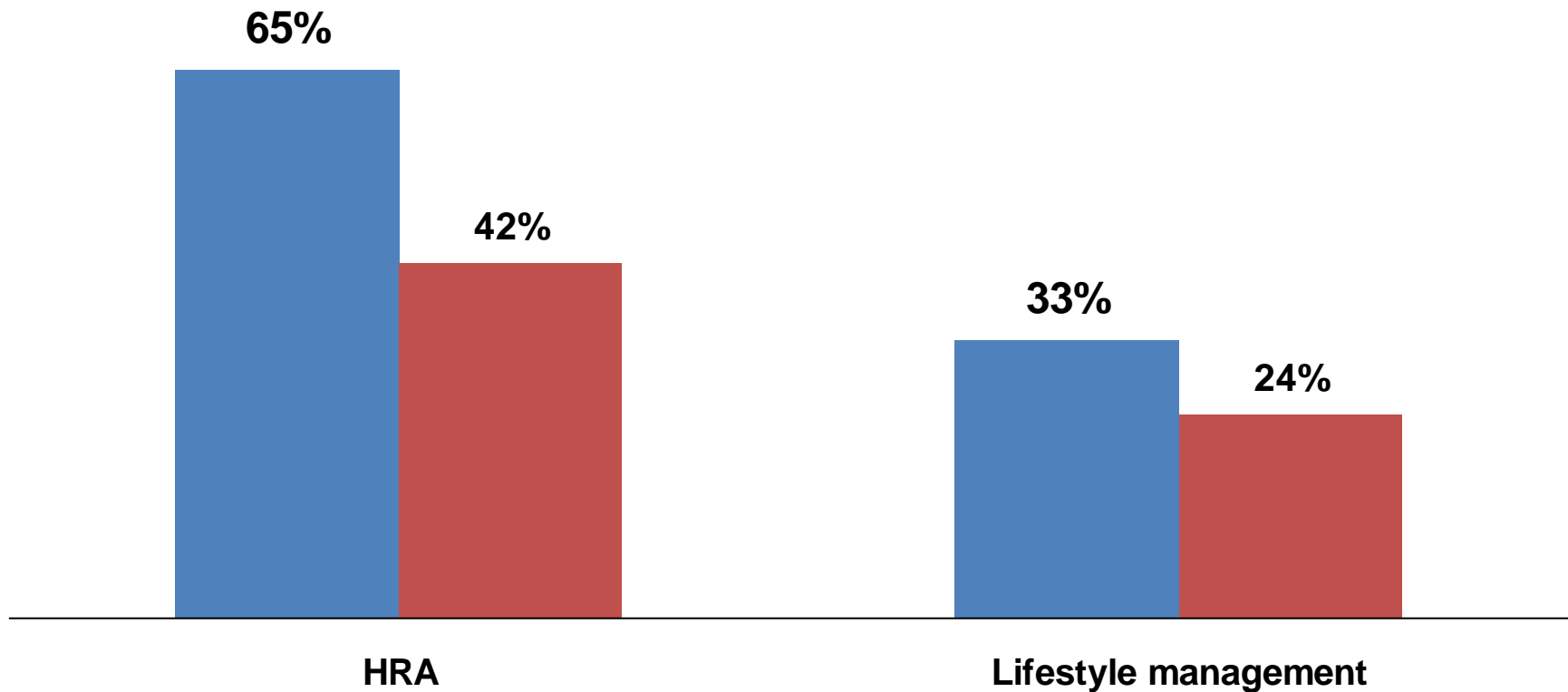


Use of incentives in EHM program

	HRA	Disease management	Behavior modification
Offer any incentive	83%	27%	61%
Cash/gift card	35%	12%	33%
Lower premiums	31%	4%	16%
Contribution to Health Savings Account	7%	2%	4%
Contribution to other spending account (FSA, HRA)	10%	3%	6%
Average value of incentive	\$224	\$153	\$154

The value of EHM program incentives matter!

Average participation rate when value of incentive is: ■ In the top third ■ In the bottom third



Summary

HERO Scorecard

Summary

- Higher scores are associated with better reported outcomes
 - Participation
 - Risk reduction
 - Financial
- Having strong leadership and cultural support, and a strategic plan, appear to have a greater impact on risk reduction than the number of programs
- HERO Scorecard appears to have precision to identify which best practices are associated with favorable EHM program results

HERO Scorecard

Looking to the future

- Encourage additional participation by organizations of all sizes
- Repeat use of Scorecard to see how your score has changed
- Consider becoming a Scorecard Preferred Provider
 - Custom link to on-line Scorecard for your constituents
 - Access to your constituents' responses (by organization with permission)
 - Access to Benchmark Report and reporting templates
 - Annual License Fee: \$10,000

