FIRST LADY HILLARY RODHAM CLINTON
C. EVERETT KOOP NATIONAL HEALTH AWARDS
WASHINGTON, D.C.
OCTOBER 18, 1994

TALKING POINTS

Acknowledgements: Dr. C. Everett Koop; Carson Beadle, President of the Health Project and Managing Director of William Mercer, Inc.; Dr. Mary Jane England, Chair of Worksite Programs for the Health Project and President of the Washington Business Group on Health; Dr. Jim Fries, Chair of Program Selection for the Health Project and Professor of Medicine at Stanford University; Dr. Reed Tuxon, Chair of Community Programs for the Health Project and President of the Charles R. Drew University of Medicine.

- Changing and improving the health care system is a shared responsibility. There are things we can do as individuals to better care for ourselves. And things we can do collectively. The companies represented here today are leading the way. They have proven that we can cut costs and improve people's health.

- The President and I are especially proud of The Health Care Project and these companies because they incorporate two of our most cherished goals for this country. That there be greater cooperation between the public and private sectors and that there be an emphasis on preventive health care.

- This administration strongly believes that government should ~~provide~~ the private sector with the tools ~~to help themselves.~~ And ~~in~~ return, we expect ~~that~~ the private sector will be responsible ~~in their actions~~. The collaboration between the public and private sectors demonstrated by The Health Project and its participants represents the best of what can be achieved when corporations, labor, public organizations, the academic community and the government join together for a common cause.

- ~~And that~~ In this instance, the common cause is better health care ~~is especially gratifying to us~~. We've all heard about the rising costs of health care in this country, but with the type of programs celebrated here today, which focus on wellness and prevention programs that cut costs without jeopardizing quality, the people of this country can be healthier and so, too, can our economy. Encouraging better health habits and educating people on how to be smart health care consumers will increase our productivity and save us money.

Disability stuff to follow

THE HEALTH PROJECT

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1994 C. EVERETT KOOP AWARD PROGRAMS HIGHLIGHT THE RISING TIDE OF DEMAND REDUCTION TO CUT HEALTH CARE COSTS

"FIVE DOLLARS FOR EVERY DOLLAR SPENT"

Coveted C. Everett Koop Awards were given to nine demonstrably efficient and effective health care programs which have reduced demand for expensive medical services by helping people stay healthy. This has made it possible to cut costs by as much as $5 for every dollar spent in one program and realize savings up to 46.9 % per employee in another, while actually raising standards of care.

The winners, in alphabetical order, were Aetna Life & Casualty, L.L. Bean, Inc., Champion International Corporation, The Dow Chemical Company, Integrated Health Sciences, Park Nicollet Medical Foundation, The Quaker Oats Company, Steelcase and Union Pacific Railroad Company. (See below.)

These organizations received the Tiffany crystal awards from Dr. Koop, the universally respected former U.S. Surgeon-General, and Honorary Chairman of The Health Project, at the 8th Annual Management Disability Management Conference sponsored by the Washington Business Group on Health (WBGH). Dr. Koop stated in part:

"This third annual round of Koop Awards vividly demonstrates that so-called wellness programs, with their quaint apple-a-day flavor, have blossomed into the most powerful economic phenomenon along the health care landscape. Only now the process is known as demand reduction."

"To the extent we encourage people of all ages to adopt healthier habits, we address health care and the attendant costs at their roots," according to Carson E. Beadle, managing director, William M. Mercer Inc., and president of The Health Project (THP), the White House-endorsed public-private coalition which sponsors the Koop Award program.

"Demand reduction is proving to be a far more comprehensive and compelling solution to the country's health care problems than the profusion of approaches supplied by the Congress during the long hot summer's debate. Knowing when, when not, and how to use the health care system effectively is proving increasingly important as the health care system undergoes wrenching changes." Mr. Beadle added.

"It is ironic perhaps that tens of millions of words have been devoted to the politically-sponsored programs by the media," THP Vice President Daniel Wright said, "and with a few significant exceptions a relatively meager amount of space has been devoted to the extraordinary acceptance and expansion of demand reduction."

In that context, WBGH President Dr. Mary Jane England said: "From their inception the Koop Award winning programs developed by communities, employers and health providers have drastically reduced the costs of expensive medical interventions, by 15% to 20% and even more. And these programs are easily available for replication all over the country in the manner of Johnny Appleseed." Consider the advances made by the current crop of winners:

1994 C. EVERETT KOOP NATIONAL HEALTH AWARD WINNERS

The "Aenhance" program of **Aetna Life & Casualty** promotes healthy lifestyle practices, prudent use of the health care system and building a supportive worksite environment. AIMS, the Aenhance Information Management System, helps target employee populations with problems related to high risk lifestyles. 85% of employees have access to programs at 135 field locations.

Cost savings in the company's medical self-care program have averaged three dollars for every dollar of program cost. Savings of $373,000 per thousand employees per year are expected from the adoption of positive health practices such as low-fat diets. Employee support is high with 98% of participants rating the program as excellent. (Call Barbara Pelletier at 203-273-5947.)

L.L. Bean's comprehensive health and fitness programs are evaluated through a variety of measures including internal analyses, employee feedback and external bench marking. The company believes the programs helped keep the cost of medical benefits down to $2,123 per employee compared to a regional average of $4,000.

A bonus credits program provides rewards of $100 per employee and $200 per family for completing a comprehensive program in one of several areas such as smoking, nutrition, pre-natal care, breast self examination, health risk appraisal, cholesterol education or reduction and blood pressure education or reduction. The reward can be claimed once every year. A link has also been created with community programs. (Call Ted Rooney at 207-865-4761.)

Begun in 1981 and with 19,000 employees participating, the **Champion International's Health and Family Services Program** has seen participant costs at the Canton, NC plant reduced 30% below those of non-participants, a 50% savings compared to retail costs through a combination of preferred providers and the firm's Preventive Care Plan. Further, OSHA Recordables at their Nationwide Papers division dropped from 689 in 1991 to 91 in 1992 and 82 in 1993 as a result of the company's "Back Talk" back health and injury prevention initiative. Lost time accidents were reduced from 212 in 1991 to 40 in 1992 and 42 in 1993.

The company's incentive program for participation in screening programs began at $100 per employee per year, and now provides for no deductible for preventive care for those who voluntarily participate in the program. (Call Jerilyn Medrea at 203-358-7186.)

Developed in 1985, **Dow Chemical's "Up With Life"** program addresses a wide range of health related issues including smoking, alcohol use, cholesterol, hypertension, mental health, AIDS awareness, overweight, lactation support, mammography screening and back safety. It includes locations in Europe, South America and Pacific rim countries. Program cost ranges from $25 to $150 per employee per year depending on program maturity, staffing, facilities and economic climate at the site.

Participating employees averaged substantially lower costs than non-participants, for example, 17%, 21% and 15% lower medical costs in Corporate, Michigan and Texas Divisions for a net savings after all expenses of $3 million a year. Several hundred write-in comments on just two of the program modules included: "cleaned out medicine cabinet of old prescriptions," "ordered medical alert bracelet," "completed personal medical care journal." (Call Dr. Catherine Baase at 517-636-6542.)

Integrated Health Sciences' Healthtrac Program is used by some 466 large and small companies with a total of 121,000 employees at a cost of $32 per year per participant. For example, 5600 retired employees at Bank of America who joined the company's personal computer-assisted health promotion and demand reduction program produced a return on investment of five-to-one. The California Public Employees Retirement System (PERS) with 59,000 active participants, reported a return of four-to-one with a cost savings of $4 million.

Bank of America retirees in California are organized into 33 retiree clubs. Those who chose the plan's full program with individualized time-oriented health risk appraisals, personal recommendation letters, self-management materials and a health promotion book, showed a decrease in total direct and indirect costs of 11% compared to an increase of 6.3% for those who simply completed a questionnaire on self-reported health habit changes, medical care utilization and days confined to home. (Call Harry Harrington at Integrated Health Sciences 415-462-3200).

Park Nicollet Medical Foundation's self-care materials developed for community, employer and patient health education efforts, and tested on about 15,000 patients, has saved $3 for each $1 spent, by helping participants understand when professional care was needed and when it was not necessary.

The program, begun in 1974, costs between $5 and $150 per year per participant depending on the course taken. The comprehensive program includes prevention guidelines, hypertension screening, guidelines and counselling on HIV testing, a heart program, and a "Quit and Win" program that cut smoking over six months by 26%. (Call Paul Terry at 612-927-3758.)

The **Quaker Oats "Live Well - Be Well"** health promotion program was introduced in 1983. It is a well documented, comprehensive program that has produced significant employee population shifts into lower health risk categories, bringing about cost savings of at least $1.4 million annually. In addition, mortality risks have improved at double the national average for some 4,000 active participants in the health risk assessment program.

Quaker documented statistics within its 35-location, aggregate employee population of repeat health risk assessment (HRA) participants, shows a decrease in 12 out of 13 health risks. Financial incentives of up to $500 per family annually are provided within the firm's flexible benefit plan to employees and spouses who meet any of eight healthy lifestyle criteria with up to $140 earned for specific programs of exercise, seat belt use, alcohol control and non-smoking. (Call Julie Hanson at 312-222-7879.)

Steelcase believes that education and services for disease/injury prevention, early detection and rehabilitation helps families and retirees make healthier lifestyle choices, especially those at high risk. Their plan, adopted in 1983, tracks risk-cost relationships and changes-in-cost related to changes-in-risk leading to an Employee Medical Cost Index. Data includes clinical screening, information on high risk follow-up, medical plan selection absenteeism rates, health care utilization and program participation.

Annual claims of high risk workers at Steelcase went from $1,155 in 1985-87 to $537 in 1988-90. Costs for non-participating low risk employees were also monitored and showed a surprising increase from $655 to $1,513 demonstrating that attention must also be paid to low risk employees. Ten year projected savings from the program are roughly $20 million for nearly 9,000 employees and their family members. (Call Pamela Witting at 616-246-4005.)

Union Pacific Railroad with 28,000 individual participants in 19 states and with medical costs fast approaching $6,000. per employee, nearly twice the national average, concluded that personal health management should be among the solutions sought. Beginning with a

modest medical self care (MSC) initiative at an annual cost of $50 per person, net savings of $1.26 million were achieved.

Further, reduced blood pressure and cholesterol intake were realized with a benefit-cost ratio of 1.57:1.00. After one year, 45% of the treatment group eliminated their high blood pressure risk, 34% left the high risk cholesterol group, 17% moved out of the at-risk range of 30% above ideal weight and 21% stopped smoking. Over 90% of the UPRR workforce is union blue collar workers and half are transient with limited supervision. The System Health Facilities (SHF) program was made available on a voluntary basis and 45% participated.

The Health Project seeks out programs that can demonstrate real cost savings through improved personal health. Some 85 programs were nominated in 1994. Sixteen were considered to be outstanding and of these the nine described above had the best combination of program provisions and significant cost data. There were also seven excellent programs with not quite the same degree of documentation, but which were considered worthy of honorable mention. These are shown alphabetically by category:

HONORABLE MENTION WINNERS

COMMUNITY PROGRAMS	EMPLOYER PROGRAMS
Franklin Memorial Hospital	UNUM Life Insurance Company
Project Freedom	OTHER PROGRAMS (e.g.,Provider)
Stanford Five Cities Project	Health Net, Inc.
University of Vermont	University of Virginia

"The impressive savings by the Koop Award winners highlights the fact that the demand reduction process makes it possible to lop massive amounts of money, up to $200 billion or even more, off the trillion dollar annual American health care tab," Dr. James Fries, professor of medicine, Stanford University Medical Center, and chair, THP Program Selection Task Force, stated, and added:

"That compares favorably with the additional costs bandied about for virtually every proposal for health care reform."

Dr. Koop stated, "There is a common thread running through these outstanding programs which is the involving of people in the process. They are being invited to check their own health risk levels under health risk assessment programs. The point is that awareness of the consequences

of high risk health behavior... smoking, substance abuse, cholesterol...are the road signs pointing to their solution.

The widely-heralded ***New England Journal of Medicine*** essay (July 29, 1993), written by Dr. Fries and The Health Project consortium stated in part: "Preventable illness makes up approximately 70% of the burden of illness and the associated costs. Well-developed national statistics such as those outlined in ***Healthy People 2000*** and ***Health U.S. 1991 Prevention Profile*** document this central fact clearly."

Further, the Surgeon General's 1989 report stated that half of all chronic illness and premature deaths in the U.S. are due to unhealthy behaviors or lifestyles.

"What we are really talking about here," THP President, Carson Beadle summed up, "is a sense of responsibility for one's own health, and the rewards are far more precious than any monies saved, no matter how impressive. For example, living life to the fullest from healthy births to shooting hoops with grandchildren at 75."

# # #

THE HEALTH PROJECT

A Private/Public Organization That Encourages Better Health Behavior and Informed Use of Health Care Services

The Health Project (THP) is a private-public organization formed to bring about critical attitudinal and behavioral changes in the American health care system, so that providers and consumers employ its vast resources with increasing knowledge and understanding.

Health care has become a major concern of Americans as they struggle with complex issues such as cost and availability. However, the way we use health care services and the attention we give to our personal health is pervasive. Many organizations are working hard to develop programs that encourage better health habits and improved understanding of how to use health services more efficiently.

The mission of The Health Project (THP) is to seek out, evaluate, promote and distribute programs with demonstrated effectiveness in influencing personal health habits and the cost effective use of health care services. These programs have the objectives of (1) providing appropriate quality care, and (2) sharply reducing the alarming rate of health care inflation, by holding down unnecessary expenditures.

The project is a dedicated undertaking, capitalizing on carefully selected private and public health initiatives which have improved measurably the health status of Americans. It will store those proven programs in a repository so that corporations and community agencies may draw on them according to their needs, constantly improving and enlarging them through a widening user network centered in THP in order to improve health care outcomes throughout the country.

THP will focus on improved personal health care practices, as well as the efficient, effective and economical use of the system when it becomes necessary. Thus,

- consumers have a responsibility not to neglect or abuse their bodies and expect others to pay the costs, and that extravagant use of the system is not an inalienable right;
- providers must broaden their outlook by thinking as much in the broader, more positive terms of good health as they do in the specifics of curing sickness, assuming responsibility for educating their patients in good health care habits; while
- employers must play a leadership role in encouraging proper health care behavior and cultivating good health care purchasing practices by employees, with emphasis on good health incentives rather than scare tactics, so that those in poor health circumstances beyond their control are not discriminated against; and finally
- all parties to the health care process must recognize that improved personal health habits are not only desirable but also necessary in the prevention of the serious chronic illnesses which occur later in life; and that increasingly knowledgeable system utilization practices are essential to progressively higher health care standards.

The programs that make up the overall THP effort are not meant by any definition to distract from consideration by other groups of such hard issues as access to health care coverage, managed care, medical tort reform and insurance industry policies and practices. Instead, they will be positive, productive, well publicized action programs for optimum use of the nation's precious health care resources.

THE HEALTH PROJECT PROGRAMS AND AWARDS

Originated in the White House, The Health Project (THP) is a private-public organization formed to bring about critical attitudinal and behavioral changes in the American health care system, so that providers and consumers may employ its vast resources with increasing knowledge and understanding.

To attain this goal, THP seeks out community and work site programs that have achieved results, tests them for their effectiveness and presents an award to the programs that reduce demand by encouraging better health habits and improve understanding of how to use health services efficiently. Information on model programs is made available to anyone interested in implementing such programs. Dr. C. Everett Koop, the universally admired former U.S. Surgeon-General, is Honorary Chairman of THP.

On October 20, 1992, the first "C. Everett Koop National Health Awards" were conferred on eight work site health care programs for employees which demonstrably improve health standards and reduce costs. The programs were developed by Blue Shield of California, Coors, Du Pont, Johnson & Johnson, Southern California Edison, Tenneco, The Travelers, and Ventura County (California).

On December 8, 1993, six programs were chosen to receive the Koop awards. Included were two work site programs: The City of Birmingham and First National Bank of Chicago. This year four community programs were awarded for the first time: Monterey County, North Bay Health Resources Center, Indian Health Services and Union of Pan Asian Communities.

Each of these programs has decreased health care costs well in excess of their expense. Extended descriptions of the winning programs are included in this kit.

The Health Project is grateful for the generous outpouring of exceptional people from the following corporations, government agencies and private organizations. That above all is what has made this enterprise possible:

- Major corporations and service organizations: AT&T, Ford Motor, General Electric, General Motors, Health Insurance Association of America, Health Net, Hill and Knowlton, Honeywell, Johnson & Johnson, William M. Mercer, Metropolitan Life, The Prudential, Southern California Edison, The Travelers, Value Health.

- Government bodies: the HHS Office of Disease Prevention and Health Promotion, the National Center for Chronic Disease Prevention and Health Promotion, the White House Office of Economic and Domestic Policy.

- Organizations and institutions: AFL-CIO, The Business Roundtable, the Center for Corporate Health Promotion, the Columbia-Presbyterian Medical Center, the Employee Benefit Research Institute, Harvard, the Health Care Leadership Council, New England Medical Center Hospitals, the New York Stock Exchange, the Rockefeller Foundation, Stanford, the U.S. Chamber of Commerce, the Washington Business Group on Health.

- Publications: the American Journal of Health Promotion, The Journal of the American Medical Association.

Following are brief sketches of the benefits of the programs that received the C. Everett Koop National Health Award:

At The Work Place

- **Blue Shield of California -** Positive results have documented reduction in physician visits of 10% to 15%, decrease in health risks of 10% per year, and overall cost savings of $6.00 for each program dollar.

- **Coors -** Break-even costs for the program can be achieved with only 8% participation of high risk employees.

- **Du Pont -** Manufacturing employees at 41 intervention sites had a 14% decline in disability days over two years, with a return of $2.05 for every dollar spent by the end of the second year.

- **Johnson & Johnson -** Improvements in weight, blood pressure, cholesterol, and a 22% reduction in smoking have contributed to an estimated 3% to 5% lowering of health related costs. Studies document the yield in reduced medical and absenteeism costs alone provides a 1.7 to 1 return on investment.

- **Southern California Edison -** In the first three years, SCE's HealthFlex Plan, including the prevention programs, saved $32 million compared to the expected trend without those changes. More than 1,200 elevated risk factors were identified which were previously unknown to screening participants. Employees and spouses with three elevated cardiovascular risks cost the company twice the amount in health care claims dollars compared to those with no elevated risk factors.

- **The Travelers -** A recent return on investment analysis revealed a $3.40 return for every $1 invested, yielding total corporate savings of $7.8 million in 1990.

- **Tenneco** - Program participants had 43% lower ambulatory health care costs, with average annual savings of $257. Individuals who exercised on a regular basis had the lowest injury prevalence (5.4 per 100 employees) at the lowest cost per injury ($32 v. $42). Non-exercising females had 2.75 more absentee days and had a 17 percent higher probability of job turnover.

- **Ventura County (California)** - The program has documented a significant reduction in risk among its 6,500 employees, with medical savings averaging $212 per participant per year.

- **City of Birmingham** - Health and safety initiatives have reduced smoking by 28%, cholesterol measures by 37%, leading to virtually no increase in benefit costs from 1985 to 1990.

- **First National Bank of Chicago** - The prenatal education program lowered percentage of low birth weight babies to 3% vs 7% national average, cesarean section rates to 19% vs 28% for non-participants, and cost per case by $2,393.

In The Community

- **Monterey County** - A chronic disease prevention and Injury control program has reduced smoking by its 360,000 citizens by 34%; increased seat belt use from 17.5% to 49.6% and reduced the incidence of high blood pressure and cholestrol.

- **North Bay Health Resources Center** - The Stop Tobacco Access for Minors Project (STAMP) has reduced over-the-counter tobacco sales to minors by 40%, with some cities as high as 75%.

- **Indian Health Services** - The Baby Bottle Tooth Decay Prevention Project, cut this $2,000 per child malady 32% across a national network, giving lifetime improvement in jaw and adult teeth formation and digestion.

- **Union of Pan Asian Communities** - A Samoan community exercise program for high risk groups with high rates of obesity and for seniors reduced physician visits 66%, prescriptions by 73%.

(Additional copies of this information kit can be obtained for a shipping and handling charge of $5.00 by calling 212-345-7336. Costs are minimal due to the voluntary efforts of Board and Task Force members.)

BACKGROUNDER:

HOW THE HEALTH PROJECT (THP) SELECTION, EVALUATION, AND INFORMATION PROCESS OPERATES

Many of the health care programs examined in the initial selection of the "C. Everett Koop National Health Award" already were on record with the Washington Business Group on Health (WBGH), the nation's only coalition of major employers devoted to the analysis of national health policy and related work site issues. Others were uncovered through professional networking.

In the future, employers, public officials, and other organizations and groups are invited to submit programs for consideration. The Koop Awards for work site and community programs will be announced in the fall of each year. Applications may be secured from these offices:

Community Programs

Reed Tuckson, M.D.
Charles Drew University of Medicine & Science
Community Programs Task Force
213/563-4987 - FAX 213/563-5987

Work Site Programs

Carson E. Beadle
President
The Health Project
212/345-7336 - FAX 212/345-5999

The THP Work Site Programs Task Force, chaired by Mary Jane England, M.D. president of the Washington Business Group on Health (WBGH), examines programs currently in operation, from a variety of work settings -- large companies, small businesses, public sector employers, industrial and manufacturing companies, and service providers.

Dr. Reed Tuckson, president, Charles R. Drew University of Medicine and Science, Los Angeles, chairs the Community Programs Task Force. He and his colleagues conduct preliminary review of programs currently in operation, with emphasis on prenatal care, retiree health, and basic economics of health care.

Dr. James F. Fries, professor of medicine, Stanford University Medical Center, chairs the Program Selection Task Force. All programs submitted by the Worksite and Community Task Forces are reviewed for effectiveness in meeting stringent criteria. The principal benefit to be gained by these programs is reduction in the need for health care services, by maintaining and improving personal health and health habits. Detailed information on methodology for evaluating effectiveness of programs is included in this kit.

The Koop award-winning program information is maintained by the Resource Center Task Force, chaired by John Troy, vice president, The Travelers Insurance Company. It is the repository for all such programs and the information nexus for recognized private and public organizations capable of implementing them elsewhere in the country. THP is in effect a circulating research library, and THP is determined that those who wish to borrow from it will be able to do so easily. In time we will respond to professional inquiries not only with complete and accurate descriptions of the Koop Award-winning programs, but with information sources, program improvements and updates, and corollary information that may be helpful.

A Development Task Force, is chaired by Roger F. Greaves, chairman, president and CEO of Health Net. It determines in conjunction with THP treasurer, Dr. Jacque J. Sokolov, president, Sokolov Strategic Alliance, the funding that may be required from private, foundation and public sources in accordance with the provisions of its governing trust. THP is are seeking funds to help us put the Koop Award programs in the service of the widest population.

Corporations and other employers have known for years how to help employees take better care of themselves, and develop the self-confidence required to make more cost-effective use of health care delivery systems when necessary. Unfortunately,this employer know-how has benefitted only a fraction of the population. THP is the means of spreading these programs all around the country.

Daniel R. Wright, managing partner of The Tau Group, a Manhattan-based consulting firm and chair of THP Public Affairs Task Force, summarized the mission of The Health Project by saying, "we are going to enter all possible communications channels in order to make the entire country aware of these uncommon programs," and added, "we will do this in the tradition of Johnny Appleseed, the patron saint of American apple orcharding, who supplied thousands of seedlings to pioneers from the Alleghenies to Ohio at the turn of the 19th century.

METHODOLOGY FOR EVALUATING EFFECTIVENESS BY THE PROGRAM SELECTION TASK FORCE

The Health Project Consortium began its deliberations with the consensus belief that health care costs could be reduced by reducing need for and demand for medical services without reducing access to care. Each heart attack prevented would save $50,000. Each cold treated by self-management at home would save $130. It was recognized that a solid new initiative toward demand reduction would largely depend upon prevention of medical problems and that almost revolutionary and hithertofore neglected redefinition of health promotion was necessary: health promotion must now be viewed as having the twin goals of health improvement and medical cost reduction.

The Health Project then sought evidence that it was possible at the same time to improve health and to reduce demand for medical services. By nomination from the Board and by search of a large data base of employee-based programs, some 200 health promotion programs were identified by a Work Site Programs Task Force. These were screened with particular attention to the quality of documentation, and seventeen extremely promising programs were selected for detailed analysis. The Program Selection Task Force obtained extensive data on these programs and using a peer-review balloting system, based upon procedures of the National Institutes of Health, identified the eight exemplary programs which are the first recipients of the C. Everett Koop National Health Award.

As the Task Force proceeded, it was evident that the strongest, most exemplary, and best documented programs had gone well beyond the usual concept of health promotion as risk modification. The traditional concepts, as for example with smoking cessation programs, recognize that improvement in health risks will decrease the number and severity of downstream complications such as heart attack, lung cancer, and emphysema. These laudatory and essential goals have, however, the partial drawback of a substantial time lag, at least two or three years, before the major effects of he program upon health needs and demand reduction can be realized. It is some time after the health risk is reduced before the adverse health event fails to occur.

The exemplary programs, however, collectively had evolved many additional health promotion features which were in large part responsible for their ability to reduce costs even the initial months of the program. These features included:

- Self-management materials directed at improving consumer decisions about when to seek medical care and when to manage problems safely and surely at home.

- Program features to improve health confidence, and documentation that improvements in "self-efficacy" had immediate direct and lasting effects upon medical utilization.

- Informed choice programs where objective information is provided to individuals facing a major procedure such as coronary bypass graft surgery or prostatectomy, to indicate the pros and cons of conservative and aggressive approaches, encouraging informed choice by the consumer, and with the result that conservative approaches were chosen more frequently by consumers.

- Chronic disease self-management in which individuals with established and expensive conditions such as arthritis were taught self-management techniques resulting in reduction of need for services.

- Inclusion of prenatal programs directed at reducing the number of low birthweight babies requiring very expensive intensive care as newborns.

- Features directed at reducing costs of the last year of life by encouragement of durable power of attorney and living will, advance directives and emphasis upon humane and dignified care.

- Financial incentives for program participation and for constructive behavior change enabling the individual to receive direct financial benefits from programs, reflecting their decreased requirements for immediate and future medical care.

The future of these and other program features was surprising and encouraging to the Task Force upon review, and resulted in the strong conclusion by the Task Force that development of health promotion programs directed at both behavior change and cost reduction was indeed not only possible but had been well and repeatedly demonstrated, and that the adoption de facto, of these broader program features in turn implied a broader definition of work site health promotion, one previously outside of the traditional definition of health promotion and disease prevention.

For additional information contact:

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415-723-6003 Fax: 415-723-9656

I. PURPOSE

To give drop-by the presentation of the Health Project's C. Everett Koop National Health Awards, and give brief remarks on ...

II. BACKGROUND

The Health Project/C. Everett Koop National Health Awards

The Health Project is a public/private organization founded in 1991 to promote "demand reduction" -- better consumer health care behavior and informed use of health care services -- as the key to reducing spiraling health care costs. The Health Project identifies and evaluates health programs developed by communities, employers and health providers that have reduced their health care costs by changing the habits of their health care consumers.

Each year, the Health Project presents the C. Everett Koop National Health Awards to organizations around the country with the most innovative and effective programs (Koop is the honorary chair of the Health Project). The winners must demonstrate that their wellness and prevention programs -- i.e., free health screenings in the workplace, bonuses for enrollment in health education programs, pre-natal care programs -- have reduced demand for health care and cut health care costs, while actually increasing the standards of care. The Health Project disseminates information about the winning programs to employers and health providers around the country, in hopes that they will replicate the programs in their own communities.

This year, the Health Project is presenting the Koop Awards to nine organizations: Aetna Life & Casualty, L.L. Bean, Inc., Champion International Corporation, The Dow Chemical Company, Integrated Health Sciences, Park Nicollet Medical Foundation, The Quaker Oats Company, Steelcase, and the Union Pacific Railroad Company (see attached program descriptions).

The Health Project has approximately 55 members representing a broad crossection of organizations -- from the Group Health Association of America to the Business Roundtable to the Centers for Disease Control (see attached list of Board of Directors). The Health Project was founded with support from the Bush Administration, and the organization continues to work with HHS (Jim Harrell, Deputy Director of Disease Prevention at HHS, serves as an ex-officio member).

The Washington Business Group on Health -- National Disability Management Conference

This year, the Koop Awards will be presented at the National Disability Management Conference, sponsored by the Washington Business Group on Health. The Heath

Project selects a different city and site to present the Koop Awards each year, in an effort to broaden public awareness of the awards (last year, the awards were presented at the Healthy Community Global Conference in San Francisco.) The Health Project selected this conference to present the 1994 awards because the Washington Business Group on Health is relatively progressive on employer health issues, and it supports the types of worksite health programs that the Health Project promotes.

The three-day WBGH National Disability Management Conference brings together approximately 700 executives, primarily from Fortune 500 companies, to discuss strategies that encourage effective health and disability prevention, cost containment, and return-to-work policies for persons with chronic illnesses and disabilities. Mrs. Gore addressed the group on mental health issues on Monday.

FYI Dr. Koop

You are scheduled to give brief (5-minute) remarks to a plenary session of the conference on Tuesday, after Dr. Koop has given the keynote address and presented this year's Koop Awards. Following your remarks, you will meet briefly with the award winners.

The conference is sponsored by UNUM Life Insurance Company of America.

Washington Business Group on Health

The WBGH is the nation's only organization representing large employers solely on issues related to health policy and worksite health issues. Formed in 1974 by five companies -- Ford Motor Company, Goodyear, General Motors, Corning Glass and Eli Lilly -- to address the growing imbalance between the rising prices that employers were paying for health care and their lack of control over what they were buying, the WBGH has grown to over 200 members, most of whom are Fortune 500 members.

The WBGH is traditionally one of the more progressive business organizations with regard to health care reform. According to Marilyn Yager, however, the organization was highly critical of the business-related aspects of the Health Security Act (although WBGH President Mary Jane England was very supportive.)

The WBGH was particularly helpful with children's and disabilities issues in the HSA, however, and its members are still generally more progressive than most other business groups.

Acknowledgements:

Carson Beadle, President of the Health Project; Managing Director of William Mercer, Inc.

Dr . Mary Jane England, Chair of Worksite Programs for the Health Project; President of the Washington Business Group on Health (will intro HRC)

Dr. Jim Fries, Chair of Program Selection for the Health Project; Professor of Medicine at Stanford University

Dr. Reed Tuxon, Chair of Community Programs for the Health Project; President of the Charles R. Drew University of Medicine

DNC acknowledgements:

Wilhelm

Event co-chairs -- Ron Dozoretz (and his wife Beth) Miles Lerman and Peter May

Washington Business Group on Health
8th Annual National Disability Management Conference
Sponsored by the UNUM Life Insurance Company of America

Tuesday, October 18, 1994
J.W. Marriott Hotel
9:15 - 9:30am
Suggested Talking Points
Hillary Rodham Clinton

Audience

Fortune 500 employers who are members of the Washington Business Group on Health (WBGH) and work in the areas of human resources, disability management, risk management, occupational health, employee assistance, and rehabilitation. Also represented are large disability and workers' compensation insurance companies, benefits consulting firms, and rehabilitation service providers.

The conference is, to date, the largest gathering of employers assembled to discuss strategies to encourage effective health and disability prevention, cost-containment, and return to work for persons with chronic illnesses and disabilities. (Estimated audience: 700 persons).

The Washington Business Group on Health's Institute for Rehabilitation and Disability Management (IRDM) has, for ten years, been a resource for employers to minimize the impact and cost of disability to employers and employees' and to encourage early return to work for employees with disabilities.

Acknowledgements

Former U.S. Surgeon General C. Everett Koop; Washington Business Group on Health President Mary Jane England (who also serves as chair, work site programs for The Health Project); Carson E. Beadle, President, The Health Project; and conference sponsor, The UNUM (pronounced YOU-num) Life Insurance Company of America. (Note: there will **NOT** be a UNUM representative on the stage).

The Importance of Health Promotion and The Health Project

This Administration believes, ~~as did those that preceded it~~, in the value of promoting the health of all Americans. The Public Health Service has served as a leader in the national effort to improve health across the twenty-two priority areas established in the landmark document *Healthy People 2000: National Health Promotion and Disease Prevention Objectives.*

These objectives represent a concrete strategy for measuring our progress in areas ranging from tobacco use to maternal and infant health; from violent and abusive behavior to occupational safety and health, with special emphasis on the needs of special populations, including people with disabilities.

Healthy People 2000 offers a vision for the new century, characterized by significant reductions in preventable death and disability, enhanced quality of life, and greatly reduced disparities in the health status of populations within our society. Moreover, it is the product of a collaborative national effort, involving professionals and citizens, private organizations and public agencies from every part of the country.

If we are to achieve the goals of improved health for all Americans, we need more of this kind of collaboration between the public and private sectors. The Health Project represents one such effort. U.S. corporations have joined together with organized labor, the academic community, public organizations, and the government to identify, reward, and share the secrets of successful health promotion programs, whether they are sponsored by employers, communities, or health care providers.

The programs being honored today not only reduce health care costs but importantly, they achieve this result by focusing on improving health and educating individuals in the responsible use of health care services. **{For specific examples of the methods used by the winning programs refer to the press release in briefing materials}**

Health Promotion and Prevention as Integral Components of Disability Management

In the current environment of spiraling medical, disability and workers' compensation related costs, employers face the challenge of providing quality and cost-effective services to maintain or restore health, function and productivity. More than $160 billion is spent of disability-related costs each year. In 1992, the cost of workers' compensation to employers was $62 billion with medical costs accounting for nearly 40% of the total.

Disability management is the humane, common sense alternative to premature disability or early retirement for employees who experience a serious injury or illness.

Employers are recognizing the need to integrate health promotion, wellness, safety and prevention efforts into the continuum of disability management services. It is no longer considered to be practical or effective for disability management services to be fragmented. Forward-thinking employers are developing integrated, organized delivery systems that tear down the turf barriers and lead to the timely delivery of appropriate and cost-effective care.

Future Challenges

The probability of becoming the ages of 20 and 60 is almost one in five for males and more than one in seven for females. An estimated 11.5 percent of persons between the ages of 18 and 69 report some degree of limitation in working at a job due to chronic health conditions.

Primary prevention efforts are essential in reform of the health care system and were a central focus of The Health Security Act. However, the future of health promotion and prevention efforts will not stop at primary prevention. Developing effective **secondary** prevention efforts for persons with existing disabilities and chronic illnesses is necessary for long-term and continued productivity and health maintenance.

1994

C. EVERETT KOOP NATIONAL HEALTH AWARDS

WORKSITE, COMMUNITY AND PROVIDER PERSONAL HEALTH MANAGEMENT PROGRAMS

REDUCING HEALTH CARE COSTS

THROUGH

IMPROVED HEALTH BEHAVIOR

THE HEALTH PROJECT

Originated in the White House, The Health Project (THP) is a public/private organization involving leading U.S. corporations, the labor movement, the academic community, public groups and government agencies.

THP gathers up the best worksite and public health programs for helping people take increasingly better care of themselves, judges their effectiveness, and gives the C. Everett Koop National Health Awards, named for the acclaimed former U.S. Surgeon-General, to the winners.

"The Koop Awards consistently show that corporations, communities and providers are able to slash 15% to 25% from their health care expenditures with imaginative and cost-effective programs that actually increase standards," according to Carson Beadle, president, The Health Project, and managing director, William M. Mercer, Incorporated.

Dr. James F. Fries of Stanford University Medical Center added: "THP is extending these programs throughout the country in the manner of Johnny Appleseed. If 20% could be achieved from all health care plans, we could cut $200 billion or more from our annual trillion dollar health care bill by the end of the decade. It is remarkable to think we can save about as much in a year as the Pentagon spends. The evidence is in the Koop Awards."

C. Everett Koop National Health Award Winners

honoring health promotion and disease prevention programs with demonstrated savings from improving health behaviors

1992 and 1993 Winners

At The Work Place

Blue Shield of California's documented results show decrease of 10% to 15% in physician visits, 10% in health risks and overall savings of $6.00 per program dollar spent

City of Birmingham's Health and Safety Initiative reduced smoking by 28%, cholesterol measures by 37%, leading to virtually no increase in benefit costs from 1985 to 1990

Coors produced break even results at only 8% participation of high risk group. 59% reduction in smoking; high dietary fat intake down by 60%, hospital inpatient days down by 57%

DuPont: 14% decline in disability days of manufacturing employees at 41 intervention sites over two years, plus significant improvements in weight, cholesterol and high blood pressure

First National Bank of Chicago lowered percentage of low birth weight babies to 3% vs 7% national average, Cesarean rates to 19% v. 28% for non-participants and cost per case by $2393.

Johnson & Johnson: 22% reduction in smoking linked to 3% to 5% lowering of health related costs

Tenneco: 43% lower ambulatory health care costs; lower injury rates, absenteeism and rates of turnover demonstrated for those who exercise

The Travelers: $3.40 return for every $1. invested with total savings of $8 million

In The Community

Monterey County's Chronic Disease Prevention & Injury Control Program reduced smoking by its 360,000 citizens by 34%; increased seat belt use from 17.5% to 49.6% and reduced the incidence of high blood pressure and cholesterol

North Bay Health Resources Center's program "Stop Tobacco Access for Minors Project" (STAMP) has reduced over-the-counter tobacco sales to minors by 40%, with some cities as high as 75%

Indian Health Service's Baby Bottle Tooth Decay Prevention Project cut this $2,000 per child malady 32% across a national network, giving lifetime improvement in jaw and adult teeth formation and digestion

Union of Pan Asian Communities' Samoan Community Exercise for high risk group with high rates of obesity and for seniors reduced physician visits 66%, prescriptions by 73%

For details and references on these programs send $5.00 to: The Health Project, 1166 Avenue of the Americas, 43rd Floor, New York, NY, 10036, 212/345-7336.

1994 C. Everett Koop National Health Award Winners

The **"Aenhance"** program for employees of **Aetna Life & Casualty** promotes healthy lifestyle practices, prudent use of the health care system and a supportive worksite environment. 85% of employees have access to programs at 135 field locations. Cost savings average three dollars for every dollar of program cost.

The **L.L. Bean Health and Fitness Programs** are evaluated through internal analyses, employee feedback and external bench marking with costs almost half the regional average. Bonus credits reward employees and families for completing programs in smoking, nutrition, pre-natal care, breast self examination, health risk appraisal, cholesterol and blood pressure.

Champion International's Health and Family Services Program with 19,000 employees participating and begun in 1981, shows costs 30% below those of non-participants, and 50% savings compared to retail costs through a combination of preferred providers and the Preventive Care Plan which includes incentives for participating in screening programs. Their back health and injury program has seen OSHA Recordables drop from 689 in 1991 to 82 in 1993.

Dow Chemical's nine year old **"Up With Life"** program on smoking, alcohol use, cholesterol, hypertension, mental health, AIDS awareness, overweight, lactation support, mammography screening and back safety, includes locations in Europe, South America and Pacific rim countries. With program cost ranging from $25 to $150 per employee per year, participant costs have been lower by 15% to 21% at three locations for a net savings after all expenses of $3 million a year.

Integrated Health Sciences' Healthtrac Program is used by some 466 large and small companies with a total of 121,000 employees at a cost of $32 per year per participant. 5600 retired Bank of America employees, organized into 33 retiree clubs, produced a return on investment of five-to-one. The California Public Employees Retirement System (PERS) with 59,000 active participants, reported a return of four-to-one with a cost savings of $4 million.

Park Nicollet Medical Foundation's program begun in 1974 provides self-care materials for community, employer and patient health education at costs between $5 and $150 per year per participant as tested on about 15,000 patients, has saved $3 for each $1 spent, by helping participants understand when professional care was needed and when it was not necessary. The comprehensive program includes prevention guidelines, hypertension screening, guidelines and counselling on HIV testing, a heart program, and a "Quit and Win" program that cut smoking over six months by 26%

The **Quaker Oats "Live Well - Be Well"** program, has since 1983, produced significant employee population shifts into lower health risk categories, with savings of at least $1.4 million annually. Mortality risks improved at double the national average for 4,000 in the health risk assessment program. Documented statistics 35 locations with repeat health risk assessments, show a decrease in 12 out of 13 health risks. Financial incentives reward achievement of eight healthy lifestyle criteria.

The **Steelcase Wellness Program, Well, Well, Well!** believes that education and services for disease/injury prevention, early detection and rehabilitation helps families and retirees make healthier lifestyle choices, especially those at high risk. Their plan, adopted in 1983, tracks risk-cost relationships with claims of high risk workers going from $1,155 in 1985-87 to $537 in 1988-90. Projected savings from the program over ten years are roughly $20 million for nearly 9,000 employees and families.

Union Pacific Railroad with 28,000 participants in 19 states and medical costs approaching $6,000. per employee, felt that personal health management should be tried. A modest medical self care (MSC) initiative at an annual cost of $50 per person, netted savings of $1.26 million. Reduced blood pressure and cholesterol intake produced a benefit-cost ratio of 1.57:1.00. Over 90% of the UPRR workforce is union blue collar workers and half are transient with limited supervision.

Honorable Mention Winners

In addition to the twenty-one *winners of the C. Everett Koop National Award* Tiffany crystal award since The Health Project began, there have been many worthy programs indicating that corporate America, communities throughout the country and health care providers, believe health promotion/disease prevention can produce real *demand reduction* leading to reduced health care costs with a net improvement in personal health.

Some of these programs have not had sufficiently documented results to meet The Health Project criteria, but have nonetheless been considered to be outstanding programs. These have received ***Honorable Mention*** with the hope and belief they will qualify for the crystal award in future years.

1994 Honorable Mention

Community Programs

Franklin Memorial Hospital
Project Freedom
Stanford Five Cities Project
University of Vermont

Employer Programs

UNUM Life Insurance Company

Other (e.g., Provider) Programs

Health Net
University of Virginia

1993 Honorable Mention

Arco
A T & T
Burlington Northern Railroad
Cargill Fertilizer
Charleston Area Medical Centers
The Coca-Cola Company
County of San Mateo
GE Fitness Center
Honeywell, Incorporated
Kal-Aero Incorporated
New York Life Insurance Company
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THE HEALTH PROJECT TASK FORCES

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(1) Shared responsibility to fix what is broken in the health care system

(2) There are things we can do as individuals to take better care of ourselves & be better informed consumers of h.c.

(3) And there are things can be done collectively ←

(4) These companies are leading the way —

Proven that we can cut costs & at the same time improve people's health.

emphasis on "demand-reduction" "wellness programs"