

**2005 C. Everett Koop
National Health Award for Excellence in Health
Risk Reduction and Cost Reduction Programs**

Application Submitted by:
Union Pacific Railroad
May 20, 2005



BUILDING AMERICASM

PROGRAM ABSTRACT

Since our 2001 application and award, the program at Union Pacific Railroad has continued to evolve. For example, we have focused on integration into our business structure and the overall culture at Union Pacific. Our business unit managers are graded on their health program participation through the health index. We have also reviewed policies related to health, integrated into our consumer driven health care plan, and leveraged healthy eating options with our food vendors.

Our executive management has continued to recognize the value of our program. Barbara Schaefer, Sr. Vice – President Human Resources states:

"Union Pacific tries to make health promotion a component of everything we do. We want employees to know their health is important to us, and we want to provide a culture that supports long-term, positive health habits. That's why we aggressively promote exercise, healthy eating, and smoking cessation. We try to make it fun, while still making sure our employees understand this is important. Health promotion also is an important part of the company's business initiatives. With the advancing age of our workforce and the technological advances, we may continue to see increases in healthcare costs. The bottom line is that our health promotion efforts and related safety initiatives are integral parts of Union Pacific's business strategy."

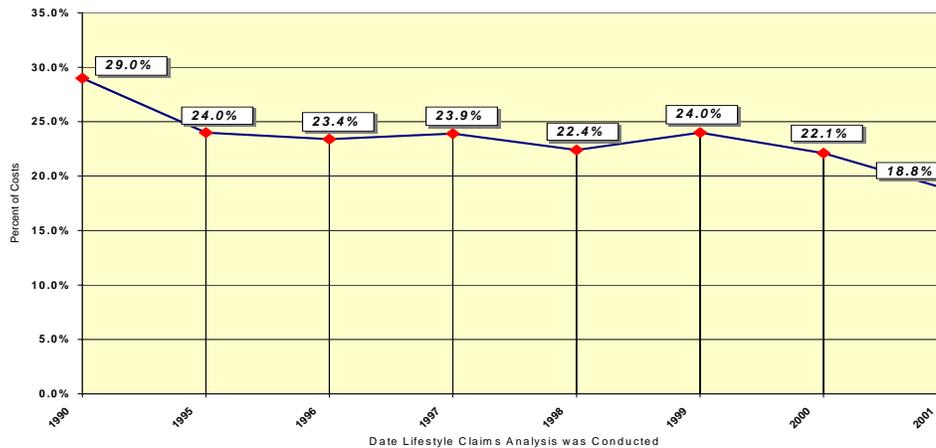
Since 1987, the program has evolved and expanded its offerings. While the program started as a classic health promotion offering through its fitness program, it is now considered a leading integrated health improvement and productivity management program. The program has continued to track the learning and direction of the worksite health field, and sought to further improve the health of its employees. The future of HealthTrack will continue to evolve to be more integrated into other company departments as well as more penetration and higher participation rates.

(Please refer to Appendix A for an in depth look at our future direction.)

EVALUATION ABSTRACT

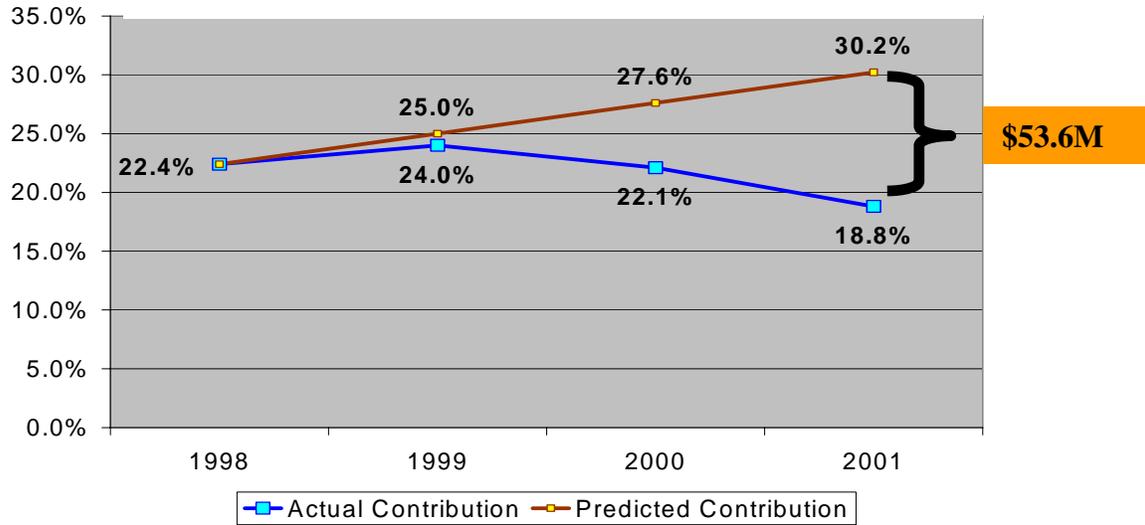
Union Pacific continues to use data to both measure and drive the direction of the program long-term. Since our 2001 application, Union Pacific completed a third Lifestyle Claims Analysis in 2001, which indicated over a 10% reduction in claims related to lifestyle since 1990. Table 1., below, outlines Union Pacific's success related to claims reductions

Table 1. Health care costs due to lifestyle related factors



Based on the Medstat/HERO analysis, Union Pacific was predicted to have an average 2.6% increase year over year in total healthcare costs related to lifestyle. Table 2., below, outlines the cost avoidance related to the reduction in healthcare costs related to lifestyle.

Table 2. Cost Avoidance due to reduction in healthcare costs



INTEGRATION

Union Pacific has created a culture where addressing health issues are part of our daily business. Partnering with safety, operating work units, benefits, and communications has helped to create an integrated program. The Health Index, which will be discussed in detail later in this application, is an example of how health has been integrated within work units. By using data from our safety and health study, we were able to show that risk factors could be predictive of injury and have an impact on work unit safety statistics. The health index was developed to create ownership and leadership in the field related to health activities. Also, because of the relationship between health and safety, the health index was also administered as part of the company's plan to improve safety. Senior operating department management reviews the health index scores monthly and the executive management reviews the score quarterly as part of the leadership index, a comprehensive human resource management tool.

The benefits design team at UPRR has begun to look at plan designs to ensure the plans support the strategies of the health promotion program as well as review options to incorporate health promotion activity into each plan design. We have created a Summary Plan Description (SPD), a legal benefits tool, for our smoking cessation program to ensure all employees have access to Zyban. The SPD also allows us to test the effectiveness of nicotine replacement. UPRR benefits design teams ensure plans have preventive health coverage and encourages participation in annual physical exams and periodic preventive exams such as mammograms. In 2005, the management employees were offered a consumer-driven plan with a healthcare reimbursement account that incorporated health promotion incentives. Please refer to page 4 for a more detailed description of the Consumer Driven Health Plan.

Consistently placing health messages into company communications is another integration example. By using existing communication channels, employees and families get the message that employee health is an important part of the railroad. Health messages are integrated into our safety department through the quality safety meeting (QSM) process. QSM's are short safety briefings used by our field locations and presented by safety captains. Short 10 minute health briefings on such topics as BMI, smoking cessation, exercise and nutrition are included as part of these briefings. We have also integrated health messages into our company newsletters including "Inside Track", which focuses on business operation and general company information; and "Choices", which focuses on benefits and healthcare consumerism topics. Every employee receives a copy of at least one of these newsletters in their home six times a year.

One of our most useful relationships is with the occupational health nurses (OHN) who are part of our field operating structure. These nurses are funded locally and provide first response to injuries and occupational exams such as respiratory and hearing testing, but most of their time is spent on health promotion activities and assisting the work unit in meeting their annual health-related goals. The OHN's participate monthly in conference calls with the health promotion staff to review current projects and assist the health department with meeting our annual goals and objectives. They also participate in an annual meeting to go over the goals and objectives for the next year, new programs, and implementation plans. For areas where OHN's are not available we have a network of regional health coordinators who assist with program implementation and assist with work units to meet annual goals.

CONSUMER DRIVEN HEALTH PLAN (CDHP)

In 2005, Union Pacific offered, for the first time, a consumer-driven healthcare plan (CDHP) with a healthcare reimbursement account as a plan option to its management employees. This program offers many advantages including an incentive for health promotion activities, the coordination of vendors, preventive care, and allows the employee and family to manage their healthcare dollars. Senior management set the enrollment goal of 30% participation, however CDHP was selected by over 45% of the eligible population in 2005. We believe that participants in the CDHP will learn to take more responsibility for their personal health and related costs.

One advantage to the plan is an incentive to employees who participate in health promotion activities during 2005. Employees in the consumer-driven plan completing a wellness assessment will receive \$100 in their health reimbursement account. If the employee is also a nonsmoker or participates in a company-sponsored smoking cessation program, they will receive an additional \$100 in their account. As of April 30, 2005, 66% of the eligible plan participants had taken their wellness assessment, 94% are nonsmokers.

An important consumer benefit of the CDHP program is the coordination of healthcare vendors. This feature is intended to provide employees with a seamless healthcare system. The coordination was developed to address barriers such as data integration and provide better communication between vendors to ensure employees receive the appropriate intervention for their healthcare needs. Vendors include health risk identification and intervention vendors, disease management vendors, medical case managers, and plan provider vendors.

The plan provider is responsible for submitting data related to predictive modeling to ensure the disease management and the behavior modification vendors are reaching the appropriate individuals. Self reported health information received through the voluntary wellness assessment offered through the HealthTrack program can also be forwarded to the appropriate vendor for outreach. All the vendors are responsible for communicating with each other to ensure the employee is not receiving multiple outreach calls from more than one vendor for the same health issue. Joint communication between vendors was developed to reduce the complexity for the employee in dealing with the system and provide the vendors with the ability to move the plan participants to the right intervention program at the appropriate time.

The plan was also developed to encourage plan participants to participate in preventive care by covering preventive healthcare at 100% of expenses. Preventive care covered is based on the recommendations of the United States Preventive Services Task Force. The plan also offers a disease management program for coronary artery disease, congestive heart failure, and diabetes. Additional services include a 24-hour nurseline, cancer resource services, healthy baby programs, and a transplant management program, which offers access to transplant centers with 100% coverage.



HEALTHTRACK HEALTHTRACK

Since our 2001 application and award, the HealthTrack program at Union Pacific Railroad has evolved and continues to be the foundational program for UPRR employees. HealthTrack has been officially branded by Union Pacific to represent health and wellness programs and services offered to employees and their spouse.

In our 2001 application, the HealthTrack program focused on 10 risk factors and chronic conditions coupled with follow-up programs that provided education materials and telephone counseling to individuals with 4+ risk factors. Today, the follow-up program still concentrates on 10 risk factors and chronic conditions, but now, participants receive a comprehensive booklet each month, that pertains to all of their high-risk factors. Also, telephonic lifestyle management counseling is offered to anyone who is interested regardless of his or her numbers of high risk factors. Another enhancement to HealthTrack's follow-up program has an increased emphasis on mental health. Every participant found to be at-risk for depression receives an outreach call to be enrolled in telephonic lifestyle management or be referred to our employee assistance program.

Health Track also encompasses our system-wide smoking cessation program. In our 2001 application, we detailed the start of this program that evolved from a research study done in 1998. Now Zyban and other nicotine suppressants are added to the formulary for all health care plans. Zyban is part of a program that included counseling and other support for smokers. Since 2001, Zyban has been offered to all enrolled participants as well as nicotine patches, gum, inhalers and other nicotine suppressants. The program consists of five components: Readiness review, behavior change support materials (web and print based), telephonic health coaches, pharmacological assistance and periodic assessments.

"Know Your Numbers" was added to HealthTrack as an education-based program where four important health numbers are published every year. The four topics revolve around "numbers" that are considered important health numbers one should know. The Know Your Numbers program provides brochures, educational booklets and videos for each topic. Some topics include:

- 30 minutes of Physical Activity
- 3500 – Calories in a pound
- 33% of Diabetics are not diagnosed
- 24 - Body Mass Index
- 7 – Warning signs of Cancer
- 8 – Recommended hours of sleep
- 10- Strategies for Healthy Living

Quality Safety Meetings (QSMs) were implemented by the safety department at Union Pacific Railroad in 1999. QSMs are an opportunity for all management levels from the senior level to the first-line supervisor, to instruct, interact, and learn from the employees they work with daily. Quality Safety Meetings, when properly conducted accomplish the following: personalize safety concepts, promote safety awareness, encourage ideas for preventing accidents, allow effective demonstrations and instructions, and provides an opportunity to focus on problem areas and their solutions. As part of our integration efforts with the safety department, in 2004 HealthTrack began developing and publishing QSMs from the health promotion department.

HealthTrack has capitalized on old evaluation data to evolve the new program. Union Pacific entered into a collaborative agreement with three pharmaceutical companies to bring best-of-class interventions to the employees of Union Pacific through research grants. Three research grants were implemented in 2002 for diabetes management, weight management and a study focusing on health education/awareness through community and worksite collaboration.

The health promotion program monitors risk migration among the health risk appraisal population through comparison of time 1 health risk appraisal and most recent. Table 3, below, depicts the most current time 1 versus most recent health risk appraisal results. This table is shared with the field and senior management on a quarterly basis.

Table 3. Time 1 versus Most Resent Wellness Assessment

<i>Time 1 vs. Most Recent Survey</i>				
Area	Eliminate Manage Percent	Reduced Percent	Worsen Percent	Stayed The Same Percent
Cigarettes	24.48%	15.39%	7.38%	52.76%
Weight	1.15%	29.54%	35.00%	34.31%
Fatigue	58.83%	4.78%	6.51%	29.88%
Physical Activity	15.69%	54.61%	17.09%	12.61%
Depression	77.10%	4.26%	10.11%	8.53%
Blood Pressure	7.84%	42.44%	9.59%	40.13%
Cholesterol	23.92%	52.15%	16.98%	6.95%
Stress	78.00%	0.00%	0.00%	22.00%

SAFETY

Safety is the number one responsibility of every employee at Union Pacific Railroad. Dennis Duffy, Executive Vice-President Operations says, “On our railroad, safety comes before productivity”. Steve Kenyon, General Manager Safety, states: “Safety at Union Pacific is a process rather than a series of ‘programs’, and it is a critical part of our business and of our corporate culture. Every work unit, be it a shop, an office or a track gang, must have the safety process as part of its business plan”.

Because safety is critical to the railroad industry, rules and procedures have been developed to protect both employees and the communities we operate in. At Union Pacific we expanded our employee safety process by integrating health initiatives. This began with the evaluation of data, which examined the relationship between various health risks and injury claims. Our analysis revealed that health status, tobacco use, stress, and weight were predictive of safety incidents. Based on this data and information from our cultural audits, we identified the need for a model to improve the safety as well as the health environment of our employees. The ensuing processes, developed jointly by the safety and the health promotion departments and supported by UP’s leadership, have resulted in significant improvements.

One of the first steps health promotion took was to further develop intervention strategies that targeted the health indicators associated with safety incidents. We expanded our smoking cessation approach by piloting the use of nicotine replacement with behavioral modification as well as by providing Zyban for employees in the program. We are also in the process making our current smoking policy more restrictive.

We are completing a research study on weight management, which tests the use of pharmacological assistance along with behavior modification interventions to determine if this approach is more successful in long-term weight management. We are also participating in two grants that are testing messages related to weight and cholesterol management to determine what messages and delivery paths move our population through the stages of change.

The safety department of UPRR houses the occupational health psychology (OHP) group. OHP has integrated many of its initiatives into the health promotion program to enhance delivery to all employees. These initiatives include alertness management, resiliency, and behavioral health, which are delivered through the health promotion field network consisting of occupational health nurses and regional health coordinators. Our telephonic counseling and lifestyle management vendor also ensures that depression screenings are included when working with our employees. We also make outreach calls to all employees who have been identified as at risk for depression through the health risk appraisal process. Based on our most recent health risk appraisal data, 77% have been able to eliminate or manage their risk for depression.

The health promotion staff and the occupational health psychology group also teamed up to provide health screenings, mental health education and data collection in a UP Headquarters cohort and at a field location. The analysis was looking at the impact of health on absenteeism and presenteeism. The resulting analysis is shown in tables 4 and 5 below.

Table 4. Average # of days absent- Headquarters.

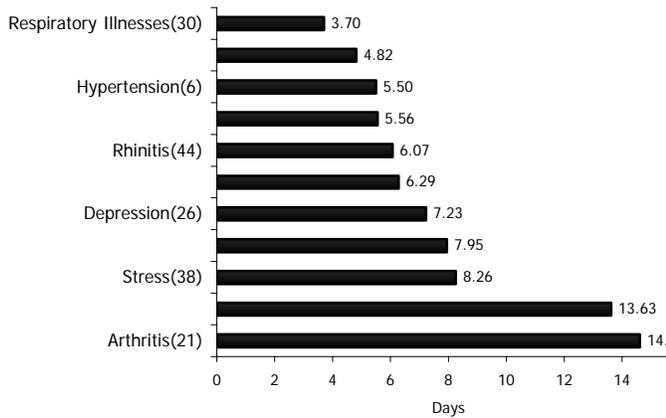
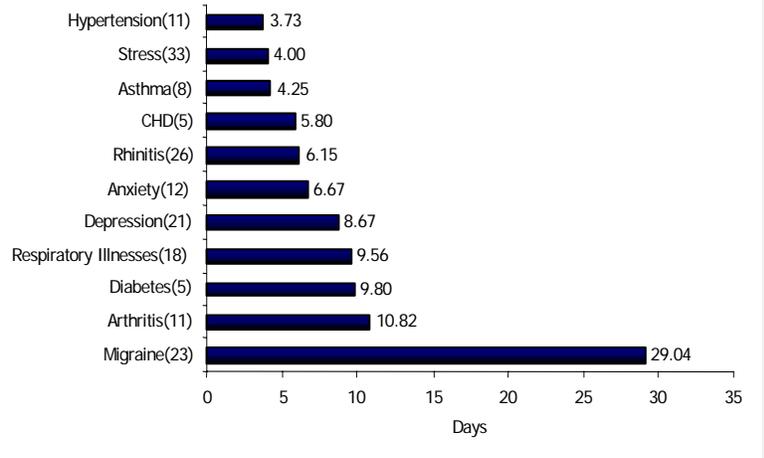


Table 5. Average # of days absent – Field.



SAFETY

The development of the Health Index, which is discussed in greater detail later in this application on page 8, is one of the strongest links we have made with safety and field operations. The health index is a joint effort between safety and health promotion to work with field operations in developing a healthy culture to support and encourage risk reduction among our employees. This initiative was implemented by the health promotion area and is audited by the safety department as part of their auditing program. Work units work with health promotion to develop annual action plans that establish health-related goals and objectives. The health index formalizes these goals and objectives, establishes metrics, and measures progress against established goals.

At Union Pacific we believe that improving the health of our employees was essential in improving our safety in 2004. Union Pacific's combined safety and health initiatives resulted in a 15% reduction in reportable injuries and a 21% reduction in lost workday cases in 2004.

HEALTH INDEX

As a result of a recent culture audit and a safety study, the health promotion department created a tool called the health index. This index was modeled after the existing safety and environmental index at Union Pacific Railroad as an attempt to streamline health information into overall business operations. It was created to achieve higher levels of participation and health outcomes among work units and increase the level of senior management support. Again, through integration of the HealthTrack program with the safety programs, operating work units and healthcare benefits, Union Pacific has been able to create a culture where health is a part of our daily business. Each of our operating department work units are responsible for creating an annual plan called a Work Unit Action Plan (WUAP). The WUAP consists of health promotion activity within their work unit. This annual plan is reviewed monthly and assigned a health index score. The health index score measures the work unit on their progression towards the goals and objectives established in their annual plan. Each month our field representatives review the health index score specific to each work unit, which has thus created a “health team”. This team is comprised of a health professional and UP management. It has become a tool to make managers more accountable for their employees as well as a way to engage employees to participate in the various HealthTrack offerings. Senior operating management reviews the score quarterly as part of the leadership index, a comprehensive human resource management tool.

Table 6., below, is a sample Health Index Score Card for all UPRR work units as a whole. **(Please refer to Appendix C for a copy of an individual work unit score card.)**

Table 6. Health Index Scorecard

	100 Points Possible						Bonus: 25 Points Possible					TOTAL SCORE
	WA	Repeat	Follow-Up	OHP	Exercise	SCORE	Smoking Policy	Exercise	Flu Vaccine	CPR/ AED	QSM	
Transportation												
Northern Region												
Twin Cities SU	3	0	23	0	8	34	0	0	0	0	1	35
Chicago SU	1	0	25	1	8	35	0	0	0	0	0	35
Council Bluffs SU	2	0	17	3	6	28	0	0	0	0	0	28
North Platte SU	1	0	25	0	10	36	0	0	0	5	0	41
Denver SU	2	0	23	0	8	33	0	0	0	0	1	34
Comm Ops SU	2	0	25	0	8	35	0	0	0	0	0	35
Cal Ave	0	0	5	0	10	15	0	0	0	0	0	15
M19-A	2	0	25	2	11	40	0	0	0	0	0	40
Region Totals	11	0	138	4	48	201	0	0	0	5	2	208
Southern Region							0	0	0	0	0	
Livonia SU	1	0	25	1	9	36	0	0	0	0	0	36
Houston SU	2	0	23	0	10	35	0	0	0	0	0	35
Fort Worth SU	3	0	21	0	9	33	0	0	5	0	0	38
San Antonio SU	4	0	23	1	8	36	0	0	0	0	0	36
Region Totals	10	0	92	2	36	140	0	0	5	0	0	145
Western Region												
Tucson SU	1	0	25	0	9	35	0	0	0	0	0	35
Utah SU	2	0	25	0	7	34	0	0	0	0	0	34
Roper	0	0	13	0	4	17	0	0	0	0	0	17
Portland SU	1	0	23	0	7	31	0	0	0	0	0	31
Roseville SU	1	0	11	0	6	18	0	0	0	0	0	18
Los Angeles SU	6	0	25	0	11	42	0	0	0	0	0	42
LA Basin	0	0	25	0	11	36	0	0	0	5	1	42
West Colton	12	0	25	8	8	53	0	0	0	0	0	53
El Paso SU	1	0	25	0	8	34	0	0	0	0	0	34
Region Totals	11	0	122	0	44	160	0	0	0	5	1	272

PHYSICAL FITNESS

Our physical fitness program contains two major components, System Health Facilities and the Omaha Health and Fitness Center, which will be discussed in this section. Both programs are offered free-of-charge to UPRR employees.

The System Health Facility (SHF) program continues to be the longest running and most popular program available to our field employees. We believe this to be the most extensive corporate-sponsored exercise program in the country. The total number of facilities has increased to over 535 locations. All employees are eligible to use these facilities. New SHF member growth continues to rise as shown in Table 7 below and as of April 2005, there are 28,769 active employees are SHF members, which represents 60% of the UPRR employee population. The continued growth of this program can be attributed to several factors: field staff support, increased employee hiring, and management support. The field staff consists of regional health coordinators and occupational health nurses. They communicate and help deliver the health promotion programs to our field employees. A second factor that has affected growth in the program is the large amount of hiring that has taken place since 2003. The SHF program is a recruitment tool and is attractive to the younger population of employees that the company is hiring. A third factor includes the continued acceptance and willingness of field management to support and fund additional system health facilities for employees. As the culture at Union Pacific becomes a healthier one, so does the interest level in having free access to a company sponsored fitness facility. There is an increased demand from employees for UP to provide access to more facilities.

The second component of our exercise program is the Omaha Health & Fitness Center that is part of the new Union Pacific Center (UPC) headquarters building. This new fitness facility is a symbol of support and commitment to our program by top level management. We believe this facility ranks with other top corporate fitness facilities in the country. UP has consolidated most of its Omaha workforce into the UPC. In addition, over 500 employees were relocated to Omaha from our St. Louis offices. The new headquarters facility now accommodates nearly four thousand employees, which is more than double the occupancy of the old building. The new Health & Fitness Center was designed with this in mind so that it could accommodate more users. The new fitness facility is approximately 20,000 square feet compared to the old facility, which was 8,000 square feet. As shown in Table 8 below, the new facility has been well received by employees. This new facility has separate areas for weight training, cardiovascular training, stretching, group exercise classes and a special 24 hour accessible exercise area (which was not previously offered). The new facility provides: office space for staff members, a fitness testing room and a room for new member orientations and private health and fitness consultations. It also provides a special Internet room where employees may login to a library of specific healthy websites as identified by our staff in the Health & Fitness Center. The facility also maintains a resource library for employees containing both books and videos.

Table 7. System Health Facilities by year

Year	New SHF Members by year	Total SHF Use
1997	2,236	133,742
1998	3,413	139,289
1999	5,558	221,335
2000	3,461	243,556
2001	3,027	272,565
2002	2,126	275,639
2003	2,149	296,589
2004	4,523	319,128
2005 through April	1,914	44,946
TOTAL EMPLOYEE MEMBERSHIP – 28,769 as of April 30, 2005		

Table 8. Omaha Health and Fitness Center by Year

Year	Total Fitness Center Membership	Total Fitness Center Use
2001	2,074	58,607
2002	2,312	57,907
2003	2,454	48,181
2004**	3,137	56,615
2005 through April	3,439	31,081

** New facility opened in August of 2004

ENVIRONMENTAL CHANGES

Union Pacific has made some of its most significant strides in changing the culture to support health and safety by making environmental changes. Senior management feels, it is imperative that all of our employees and future employees understand that when you come to work for Union Pacific, you come to work for a company that not only values your health, but supports it through policy and procedures. Environmental changes include smoking policies to vendor selection and benefit plan designs.

In 1990, Union Pacific identified that we had a very high prevalence of tobacco users in our population. Since this time, we have incrementally become more aggressive in addressing this risk factor. It began with eliminating smoking in the headquarters building except in a designated smoking room and has progressively become more restrictive. The smoking room was eliminated in the 1990’s and smoking restrictions were implemented in our field operations. During this time, we also aggressively marketed our smoking cessation behavior modification program. In 1999, the smoking policy was made more restrictive with the elimination of smoking in most company facilities and company vehicles. We looked at this policy change as a chance to enhance our program offerings and received a grant to conduct a smoking cessation study using our counseling protocol coupled with Zyban. Based off the results of this study, we changed our benefits plans to ensure all employees had access to Zyban.

Union Pacific is in the process of moving to a more restrictive smoking policy, which will further expand the areas on our property where smoking is not allowed, including all facilities, company vehicles, offsite meetings, and outside restrictions in our field locations. We have also adopted a policy to not hire smokers in areas where we have the legal right to do so and where we have candidate pools large enough to support our hiring needs. Union Pacific currently does not hire smokers in the following states: Texas, Arkansas, Idaho, Washington, Tennessee, Arizona, Kansas and the city of Omaha, Nebraska. Since the announcement of the expansion of smoking restrictions, over 1,500 individuals have signed up for the company sponsored smoking cessation program and nicotine replacement pilot. The charts below outline our success related to employees eliminating their risk for smoking. Table 9, below, summarizes our results through the Health Risk Appraisal process and chart. Table 10, below, outlines the preliminary results of our nicotine replacement pilot in some of our field locations.

Table 9. Health Risk Appraisal – Time 1 vs. most recent HRA comparison

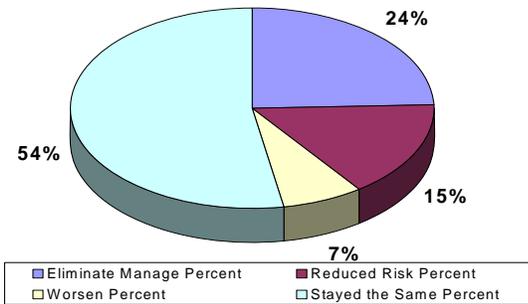
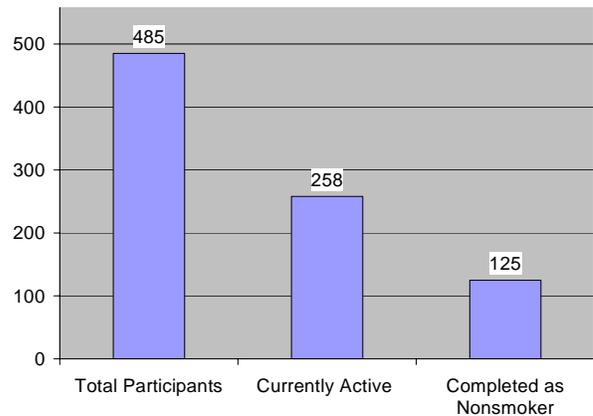


Table 10. Nicotine Replacement



A second area where we are focusing our efforts is in the area of nutrition and weight management. As stated earlier, weight is a significant predictor of safety incidents and we have been targeting many of our programs and grants on helping us reduce our risk related to weight. We are in the process of completing a grant, which addressed the use of pharmacological assistance coupled with behavior modification and impact on long term weight management success. In the area of nutrition, we have begun a multifaceted approach to bring awareness to this issue in the workplace. We have begun an educational and awareness campaign through our Know Your Numbers and Quality Safety Meeting process and have addressed such issues as general nutrition information, how to read food labels and how many calories are in a pound.

On the environmental side, we have worked with our food service vendor to ensure that all food provided through the corporate dining center has nutrition labeling, recipes are modified to reduce calories and fat, and they provide at least 30% healthy option offerings. We have also developed recommendations to be used by managers who will be providing food at company functions. These recommendations outline healthy options which should also be provided for individuals who are looking for lower calorie and fat options. Our vending machine vendor in our headquarters building has also been required to provide at least 30% of vending options as healthy options and they must be identified. Our goal is to move to 50% of vending options and eventually move this requirement to all our field locations.

ENVIRONMENTAL CHANGES

In 2004, we began a Health Expo in conjunction with our Benefits Group. This expo was designed to encourage employees to participate in health promotion activities and understand their risks as well as help employees to choose the benefit plan which best suits their individual or families needs. We also used the expo to further market that "Your Health is Your Responsibility". We want all employees to know that they are responsible for taking an active role in their health and the company will provide world class programs and an environment to support their healthy choices.

As with most organizations the use of outside vendors to provide services has become an integral part of how we do business at Union Pacific. One of the largest challenges with using outside vendors in the health and wellness arena is ensuring that they understand your corporate strategies and goals related to health improvement. Union Pacific has taken the stand that we want vendors to reach beyond their standard offerings to help meet our long-term strategies and goals. This is evident in our selection of vendors for our Consumer Driven Health Care Plan (CDHP), our food service vendors and even our construction companies responsible for our new headquarters building. When selecting vendors for our CDHP, we were looking for best in class vendors who would be able to provide integration with other vendors to ensure a streamlined health system for our employees. We ended up with three separate vendors, one providing medical plans and coordination of health care, one providing disease management, and one providing lifestyle management and risk reduction. These three vendors were not only asked to provide world class services, but to also develop a communication process that ensured employees were presented with one health care system and not three separate vendors. They were also asked to develop data feeds to a data warehouse, which would be able to provide integrated measurement reporting.

We took the same strategy with our selection of vendors for our new headquarters building, which was opened in June of 2004. When selecting design and construction vendors, we wanted them to understand the building not only needed to meet our technology needs, but also needed to support our commitment to providing a healthy environment. The design company worked closely with the health promotion group and the construction company to ensure the construction of a state-the-art health & fitness center. This facility is close to 20,000 sq. ft. and supports approximately 4,000 employees. It also includes a 24/7 area to ensure all employees have the ability to use the facility. We also required that our stairwells be easily accessible and well lighted to encourage employee use. This is also apparent in our selection of a food service vendor. We would not select a vendor who was not willing to go beyond their standard healthy offerings. We wanted a vendor who would also look to modify existing recipes to lower fat and calories in all their foods and who would work in conjunction with our health & fitness center to offer joint incentive programs and educational programs.

OCCUPATIONAL HEALTH PSYCHOLOGY

The Occupational Health Psychology (OHP) program has evolved to encompass behavioral health issues and how those issues affect the environment and health of Union Pacific's employees. The long-term commitment of Union Pacific's alertness management and behavioral health program is to create effective programs and cultivate positive cultural change to improve the safety and health of Union Pacific employees. The guiding principle of the program is the commitment to provide employees, and their families, comprehensive and integrated programs based on current scientific data, through a long-term commitment to both pragmatic solutions and consistent execution.

The main components of the OHP department are: Alertness Management, Sleep Disorders, Operation Redblock, Behavioral Health Promotion and Workplace Violence. As with all of the preventive health programs, delivery of the preventive aspect of these programs have been integrated into the HealthTrack structure.

Managing a successful program designed to address the requirements of fatigue management, employee quality of life and operations requires long-term resources. Union Pacific uses computer modeling as well as employee engagement forums as the basis of the overall program. Implementation of all alertness programs and strategies will be accomplished in a manner that is comprehensive in nature and integrated into operations, structures and culture. Moreover, all components of the program will use existing scientific data and concepts. Since the initiation of the program in 1998, we have seen 59% of employees identified as at-risk for fatigue, eliminate their risk.

Another component of the alertness management program focuses on addressing sleep disorders. The sleep disorders component has a primary emphasis on education; assessment and awareness of sleep disorders. The goal of the program is to increase awareness through education and ensure employees seek adequate medical attention when necessary.

Operation RedBlock is an industry-wide program which was started by Union Pacific in the late 1970's. It is designed to prevent employees from allowing drug and alcohol use to compromise the safety and well being of co-workers. The program includes a network of trained volunteers who provide education and awareness and, when necessary, intervention to ensure that co-workers are free from the influence of drugs and alcohol, while at work. Employees needing assistance with substance abuse problems or other behavioral health issues, are referred to Employee Assistance (EAP). The occupational health psychology department supports Operation RedBlock systematically by developing and distributing educational and awareness materials, designing training programs, supporting and coordinating the efforts of the volunteers, implementing preventive programs and managing the overall general direction of the program.

The behavioral health component has been integrated with the current health promotion discipline to create a comprehensive program designed to enhance all aspects of employee health. The fundamental elements of a successful behavioral health program include: de-stigmatizing mental health issues through education, identifying people with behavioral health issues, and providing those people with coping skills and other tools to eliminate or manage the issues. A critical component of the behavioral health program is an interdisciplinary approach to managing workplace violence. With prevention as the primary focus, a viable workplace violence program consists of prevention, education, managing critical incidents and post-incident recovery.

Information and research from Union Pacific's occupational health psychology program has been published in the following journals:

- ✓ Journal of Employee Assistance: vol 1 (1)
- ✓ Absolute Advantage, 2002
- ✓ National Wellness Institute, Wellness Management, Winter 2002
- ✓ National Wellness Institutes, Wellness Management, Spring 2002

(Please refer to Appendix B for a full copy of the above articles.)

LEADERSHIP

The long-term success of any health promotion program is dependent on the support of the individuals at the highest level. Mr. Richard Davidson, Chairman, President, and CEO of Union Pacific Corporation has placed health and welfare initiatives as one of the top priorities for the Company. Mr. Davidson’s leadership is evident in his quest to actively develop a culture, which supports health within our Company. He was behind the inclusion of a 20,000 sq.ft, state-of-the-art health and fitness facility in our new headquarters building which opened in 2004 and has pushed for tighter policies regarding smoking at our worksites. Mr. Davidson received the Light of Wellness Award from the Wellness Council of the Midlands in 2003. He has been supportive of many health-related activities in our local areas and had dedicated time to participate in the Healthier US Executive Roundtable sponsored by then Secretary Tommy Thompson. He has also been featured on the “Leading by Example” publication developed by the Partnership for Prevention.

Union Pacific also has a second Light of Wellness Award winner in Barbara Schaefer, Sr. Vice-President Human Resources and Corporate Secretary. Ms. Schaefer won this award in 2004 for her support for health initiatives as well as her personal passion for inspiring and recognizing employees who have changed health behaviors. She led the team responsible for picking the food service vendor for the new headquarters building. Ms. Schaefer made it very clear that only vendors who were willing to go beyond the norm in providing healthy options and health information to employees would be considered. She has also dedicated her time to participate in articles regarding Health promotion including “All Aboard” published in Workforce Management and she was a keynote speaker at the 2004 Institute for Health Productivity Conference.

(Please refer to Appendix D for a copy of some recent publications where the support of our senior management has been highlighted.)

Union Pacific feels strongly about providing leadership in the public arena as well. Union Pacific was one of the founding companies who sponsored the formation of the Wellness Council of the Midlands. It is also a founding board member on the National Business Group on Health’s “Cost and Health Effects of Obesity” and has been a supporter of a local grant addressing childhood obesity. Union Pacific also participates in local health organizations such as Our Healthy Community Partnership and Activate Omaha.

One of the most notable projects Union Pacific has participated in is the “Get Healthy DeSoto” grant sponsored by Pfizer, Inc. The grant was developed to deploy a comprehensive program in a worksite and community to evaluate which elements of the program helped produced the desired outcomes. As part of this project, Union Pacific ensured that every program available was offered in our car shop located in DeSoto and also worked with management to support the creation of an onsite exercise area and restrictive smoking policy. The project also included working with the local Chamber of Commerce, the physician and hospital networks, and the school systems to further expand the healthy environment outside the Worksite and into the community. Table 11 below, depicts time 1 versus most recent health risk appraisal results for our DeSoto worksite.

Table 11. Get Healthy DeSoto Time 1 versus Most Recent Health Risk Appraisal Data.

Risk Factor	Number In Area	Eliminate Manage Percent	Reduce Percent	Worsen Percent	Stayed Same Percent
Physical Activity	64	17%	50%	20%	13%
Fatigue	34	61	0%	3%	35%
Depression	12	75%	17%	0%	8%
Weight	111	2%	27%	32%	40%
Blood Pressure	52	12%	48%	10%	31%
Cholesterol	28	14%	75%	11%	0%
Cigarettes	31	52%	23%	6%	19%
Stress	11	82%	0%	0%	18%

Due to senior management support for a comprehensive and integrated approach, UP has received the following awards since the 2001 Koop award:

- ✓ Corporate Health and Productivity Management Award, 2001 (IHPM).
- ✓ Corporate Health Achievement Award, 2003, (ACOEM).
- ✓ Innovation in Prevention Award, 2003 (HHS).
- ✓ The Surgeon General recognized the Union Pacific Smoking Cessation Program in its annual release of “The Health Consequences of Smoking”, 2004.
- ✓ Presidents Award for Healthy Weight and Lifestyles, 2005, (NBGH).

APPENDIX A – FUTURE DIRECTION

As indicated in this application as well as past applications, Union Pacific continues to evolve its program. With our linkage to safety, our focus on integration, and creating a healthy environment, we can nearly guarantee continuous improvement and expansion of the program. Union Pacific's program is frequently highlighted in publication as well as at national conferences every year. **(Please refer to Appendix D for a copy of recent publications highlighting UPRR commitment to health.)**

Our plans for the future include the further targeting of health risks related to safety, particularly depression. We have received the opportunity to participate in a grant, which will be addressing depression, both from a clinical as well as a behavioral aspect in our North Platte Service Unit. The health promotion staff is implementing an educational program, developed by our occupational health psychology group, through our field services network. We also plan to further expand our offerings related to stress and depression with our behavior modification vendor.

In 2006, we will be adding nutrition as an additional risk factor to be addressed by our HealthTrack program. We are currently implementing an awareness campaign related to nutrition as well as developing recommendations for management regarding healthy options for company events where food is provided. We will be adding additional requirements related to offering healthy options for all our food service and vending machine vendors. As we continue to strive to find better interventions and solutions to reducing risk related to weight in our populations, we are also currently drafting a grant proposal for a comprehensive site design for weight management interventions including nutrition, behavior modification, exercise opportunities, and environmental as well as community support.

Data management continues to be the driving force behind our program and future program development. In 2005, we plan to look at several new measurements as well as repeat studies. We will be repeating and expanding our comparison of health risk appraisal data and safety data and the impact of intervention programs on safety. We will also be taking our first steps into health and productivity measurements with a presenteeism study. The development of a data warehouse is also expanding our measurement capabilities by allowing comparisons between medical claims costs and participation in health promotion program components and disease management. Our long-term goal is to develop a measurement system, which combines medical claims data, safety data, health promotion and operating data to develop a dashboard that incorporates health risks impact on our standard operating measures. This will help our field operating staff understand the effect of health on their daily operations. We are currently reviewing proposals from outside vendors to help us with this project.

Union Pacific feels its leadership role in the area of health promotion is important to meeting its company vision of being a company where customers want to do business, employees are proud to work, and shareholder value is returned. Because of this view, we will continue to be on the leading edge of development and will further look at our options in relation to research grant studies and the implementation of new intervention strategies. We will also work to continue to find ways to use technology to communicate with our employees and families on the importance of health to our business strategies.

APPENDIX B – OCCUPATIONAL HEALTH PSYCHOLOGY PUBLICATIONS

A copy of each of the below mentioned articles are included in this appendix.

- ✓ Journal of Employee Assistance: vol 1 (1)
- ✓ Absolute Advantage, 2002
- ✓ National Wellness Institute, Wellness Management Winter 2002
- ✓ National Wellness Institutes, Wellness Management, Spring 2002

"Your Health Is Your Responsibility"

APPENDIX C – HEALTH INDEX INDIVIDUAL WORK UNIT SCORECARD

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
UNIQUE PARTICIPANTS												
Employee Population (All)	307	308	299	312								
Employee Population (NA)	2	2	2	2								
Unique Participants (All)	0	0	0	0								
Unique Participants (NA)	0	0	0	1								
% Participation (All)	0%	0%	0%	0%								
% Participation (NA)	0%	0%	0%	50%								
Points Earned (All)	0	0	0	0								
Points Earned (NA)	0	0	0	5								
TOTAL POINTS	0	0	0	5								
REPEAT PARTICIPATION												
Repeat Goal (All)	112	112	112	112	112	112	112	112	112	112	112	112
Repeat Goal (NA)	2	2	2	2	2	2	2	2	2	2	2	2
Repeat Participation (All)	0	0	0	0								
Repeat Participation (NA)	0	0	0	0								
% Goal Attained (All)	0%	0%	0%	0%								
% Goal Attained (NA)	0%	0%	0%	0%								
Points Earned (All)	0	0	0	0								
Points Earned (NA)	0	0	0	0								
TOTAL POINTS	0	0	0	0								
FOLLOW-UP WELLNESS ASSESSMENTS												
Surveys Completed (All)	0	0	0	0								
Surveys Completed (NA)	0	0	0	1								
"Yes" to Follow-Up (All)	0	0	0	0								
"Yes" to Follow-Up (NA)	0	0	0	1								
% Follow-Up (All)												
% Follow-Up (NA)												
Points Earned (All)	0	0	0	0								
Points Earned (NA)	0	0	0	12								
TOTAL POINTS	0	0	0	12								
Occupational Health Psychology - QSMs												
Employee Population (All)	307	308	299	312								
Employee Population (NA)	2	2	2	2								
Unique Participation (All)	0	1	1	5								
Unique Participation (NA)	0	0	0	0								
% Participation (All)	0%	0%	0%	2%								
% Participation (NA)	0%	0%	0%	0%								
Points Earned (All)	0	0	0	0								
Points Earned (NA)	0	0	0	0								
TOTAL POINTS	0	0	0	0								
Exercise Opportunities												
Employee Population (All)	307	308	299	312								
Employee Population (NA)	2	2	2	2								
SHF Membership (All)	162	172	172	172								
SHF Membership (NA)	2	2	2	2								

APPENDIX D – RECENT PUBLICATIONS

This appendix contains various articles from recent publication, which highlights UPRR's senior management and their commitment to health and a healthy work culture.

- ✓ *Human Resource Executives*, May 2004
- ✓ *Workforce Management*, July 2004, pp. 30-34
- ✓ *Leading by Example*, Partnership for Prevention, 2004.