

PART II - Narrative Descriptions

III. Documentation

IBM is the world's premiere provider of business solutions and the global leader in the creation, development, and manufacture of the industry's most advanced technologies. Knowing that delivery of these premier services and products depends on a healthy, productive workforce, IBM's leadership is committed to a culture of employee health and well-being that involves health risk reduction and maintenance of low risk status. In addition, IBM leadership understands the positive financial implications that improved health and reduced risk have on decreasing and containing health care costs in this time of spiraling health care expenses. IBM's overall approach to maximizing health and containing costs includes a commitment to quality and prevention, an investment in an employee-centered approach, and promotion of well-being.



Figure 1

IBM's approach to health and well-being is expansive, serving over 120,000 active employees in the United States. IBM's committed leadership and highly qualified wellness team has worked together to provide employees with wellness programs containing best-practice features (Figure 1) including an integrated web-based platform, best in-class risk-reduction tools, a behavior change focus, strategic incentives, on-demand access to health risk assessment tools, and professional guidance on developing personal health improvement plans. IBM has a long-standing history of wellness programs across many decades. Since 2003, IBM has had a focused "Wellness for Life" program that includes addressing the Healthy People 2010 objectives in the workplace for tobacco, weight management, physical activity and clinical preventive screenings. To encourage employees to use the

wellness programs and facilitate long term adoption of positive behaviors, IBM has awarded more than 600,000 Healthy Living Rebates including those with incentives for 12 week engagements that encourage long term behavior change. Also, to maximize the success of the variety of wellness programs, all programs are offered in collaboration with the highest quality expertise in the industry including Dr. James Prochaska at the University of Rhode Island, Dr. Dee Edington and the team at the University of Michigan's Health Management Research Center, MediFit Corporate Services, SparkPeople, Weight Watchers, and Quitnet.

OVERVIEW OF WORKFORCE HEALTH PROFILE	
Current employee population profile	
Non-Smokers ¹	90% (108K)
Adequate Physical Activity (3x/wk) ²	76% (91K)
BMI < 27.5 ²	64% (77K)
Low to Medium Stress ²	75% (90K)
Low Risk ²	68% (82K)
<small>¹ Based on smoking status designations during annual benefits enrollment (2003-2005). ² Based on 272K HRAs completed by 114K employees 2004-2007.</small>	

Figure 2

analysis shows that IBM employee profile exceeds HP 2010 expectations for non-smokers and physical activity. This data reflects the positive influence of decades of work at IBM through the wellness team's efforts.

IBM has an ongoing relationship with the University of Michigan's Health Management Research Center to evaluate HRA data, measure health program impact and perform cost analysis of wellness interventions. These evaluations have revealed how changes in medical costs followed changes in number of risks for two-time HRA participants. Participants who decreased or had the same number of risks from 2004 to 2005 experienced lower health care cost increases than participants who increased their number of risks.

Given the documented savings that IBM demonstrates as health risk status improves or is maintained, IBM continues its strategic investment to maintaining these trends. Program features of this strategy are illustrated in Figure 3. Again, these efforts were mainly focused around helping employees: adopt physically active lifestyles, achieve and maintain healthy weight, establish and maintain good nutrition, become and stay smoke-free, and receive recommended clinical preventive services.

IBM's success in its commitment to promoting health risk reduction and the maintenance of low risk status is documented in the scorecard in Figure 2. The target outcomes for the employee profile were based on Healthy People 2010 objectives with the exception of BMI which was less than 27.5 (rather than the HP 2010 standard of 25) due to the striking differences in health care costs for employees above 27.5 when compared to those below 27.5. IBM evaluation data, based on annual enrollment data, HRA data, and University of Michigan

STRATEGIC INVESTMENT IN REDUCING RISK AND MAINTAINING HEALTH

EVOLUTION OF THE IBM HEALTHY LIVING REBATE PROGRAMS				
2003	2004/2005	2006	2007	2008
<p>Non-Smokers Discount:</p> <ul style="list-style-type: none"> • \$11/mo. premium discount • Not smoking or smoking cessation program 	<p>Physical Activity Rebate:</p> <ul style="list-style-type: none"> • \$150 cash rebate • 20 min. 3 days/wk for 10 out of 12 weeks • Log activity on Virtual Fitness Center <p>Smoke-Free Rebate:</p> <ul style="list-style-type: none"> • \$150 cash rebate • Not smoking or smoking cessation program 	<p>Preventive Care Rebate:</p> <ul style="list-style-type: none"> • \$150 cash rebate • Complete online HRA • Set action dates for preventive screenings & risk reduction activities • Review hospital quality using Web-based resources <p>Physical Activity Rebate:</p> <ul style="list-style-type: none"> • \$150 cash rebate • 30 min. 4 days/wk for 10 out of 12 weeks • Or, 30 min. 2 days/wk for 10 out of 12 weeks, plus Web-based coaching • Log activity on Virtual Fitness Center <p>New Hire Smoke-Free Rebate:</p> <ul style="list-style-type: none"> • \$150 cash rebate • Not smoking or smoking cessation program 	<p>Preventive Care Rebate:</p> <ul style="list-style-type: none"> • \$150 cash rebate • Complete online HRA • Confirm completion of overdue screenings • Begin or update online Personal Health Record <p>Physical Activity-Nutrition Rebate:</p> <ul style="list-style-type: none"> • \$150 cash rebate • 12-wk online nutrition or weight management on Virtual Food Pro • Or, logging-free physical activity program with self-tests and online interaction with fitness pro • Or, same physical activity logging options from 2006 on Virtual Fitness Center <p>New Hire Smoke-Free Rebate:</p> <ul style="list-style-type: none"> • \$150 cash rebate • Not smoking or smoking cessation program 	<p>Children's Health Rebate:</p> <ul style="list-style-type: none"> • \$150 cash rebate • Complete family inventory of healthy weight behaviors • Set family action goals • Repeat family inventory at 12 weeks to identify successes <p>Preventive Care Rebate:</p> <ul style="list-style-type: none"> • \$150 cash rebate • Complete online HRA • Confirm completion of overdue screenings • Use online Women's or Men's Health Optimizer for gender-specific support <p>Physical Activity-Nutrition Rebate:</p> <ul style="list-style-type: none"> • \$150 cash rebate • 12-wk online nutrition or weight management on Virtual Food Pro • Or, logging-free physical activity program with self-tests and online interaction with fitness pro • Or, 30 min. 3 days/wk for 10 out of 12 weeks logged on Virtual Fitness Center <p>New Hire Healthy Living Rebate:</p> <ul style="list-style-type: none"> • \$150 cash rebate • Complete online HRA • Begin use of online Personal Health Record • Register on Wellness for Life Web site

■ Indicates yearly changes made to the programs

Figure 3

This program investment has stimulated considerable health risk improvement. Evaluation of IBM wellness programs between 2003 and 2007 shows positive outcomes among participants including a dramatic increase in the level of physical activity and low risk health status.

Analysis also continues on the impact of program participation on healthcare costs. The most recent manuscript describing the effects of IBM's incentive based physical activity interventions on health care costs has been developed in collaboration with the University of Michigan Health Management Research Center. This report is being submitted for publication and presents data that shows that health care cost increases for employees who participated in the physical activity intervention between 2003-2005 were less for matched non-participants.

A series of three published articles by the IBM team have reported on outcomes from physical activity, weight management and nutrition, and smoking cessation interventions.



Figure 4

Successes in Physical Activity: The addition of incentives led to a dramatic increase in program participation in IBM's Virtual Fitness Center website and a concurrent increase in levels of physical activity among participants compared to non-participants (Figure 5).

The IBM team has collaborated with the University of Michigan's Health Management Research Center to evaluate the impact of adding an incentive to the physical activity intervention (Figure 4). Program participants reduced their risk of physical inactivity by 8.4% points, among other health risk improvements.

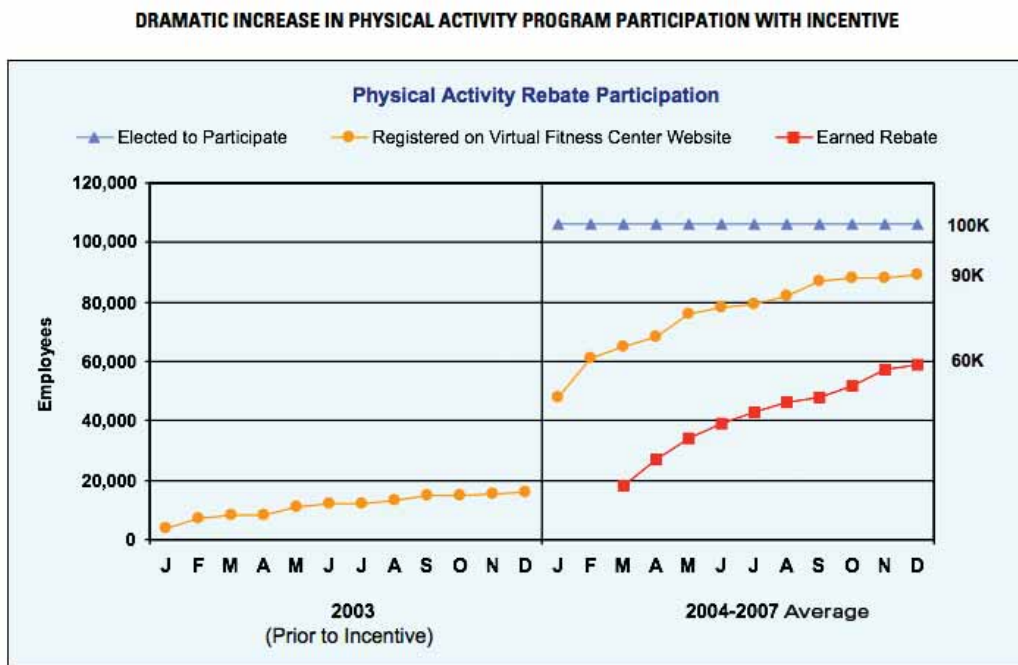


Figure 5

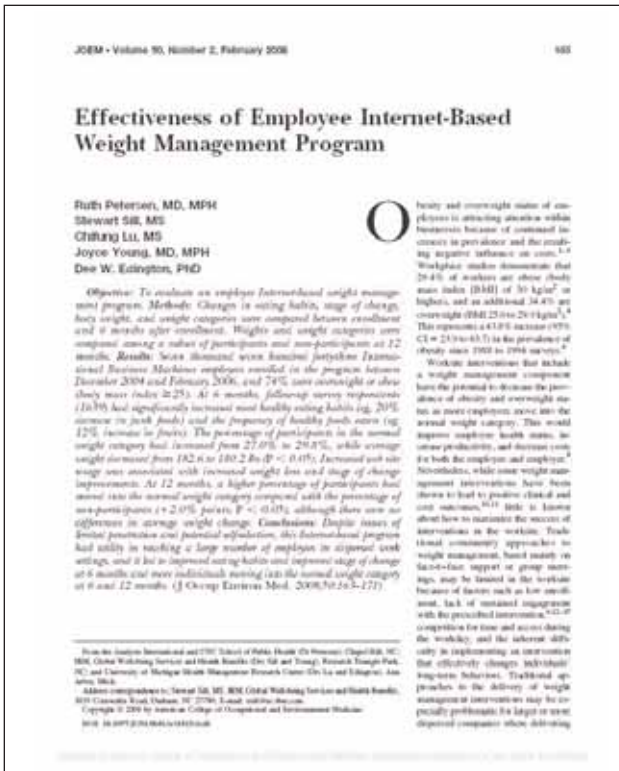


Figure 6

Continued evaluation of the Physical Activity Program shows annual program participation up to 65% with program participants 53% more active than non-participants in matched comparison samples.

Successes in Nutrition and Weight Management: In another peer-reviewed article, IBM and the University of Michigan demonstrated the success of recent employee internet-based weight management and nutrition programs (Figure 6). This analysis revealed that participants in the IBM web-based program showed increased healthy eating habits at 6 months (e.g., 20% less junk food, 10% more fruits/vegetables). At 12 months, 9% of participants had moved to a normal weight category compared to only 1% of non-participants.



Figure 7

Successes in Smoking Cessation: Nearly 10K employee smokers have participated in at least one IBM-sponsored cessation program since 2003. IBM participant quit rates were 22-26% at 12 months, compared to 8-9% among non-participants and 12-20% national average for similar programs. IBM has demonstrated the effectiveness of an internet-based smoking cessation tool available to all employees. In collaboration with researchers at Georgetown and Massachusetts General Hospital, analysis has shown quit rates between 13%-43%, and better outcomes with higher website utilization (Figure 7).

OUTCOMES FROM PREVENTIVE CARE PROGRAM

Preventive Care Rebate Participation

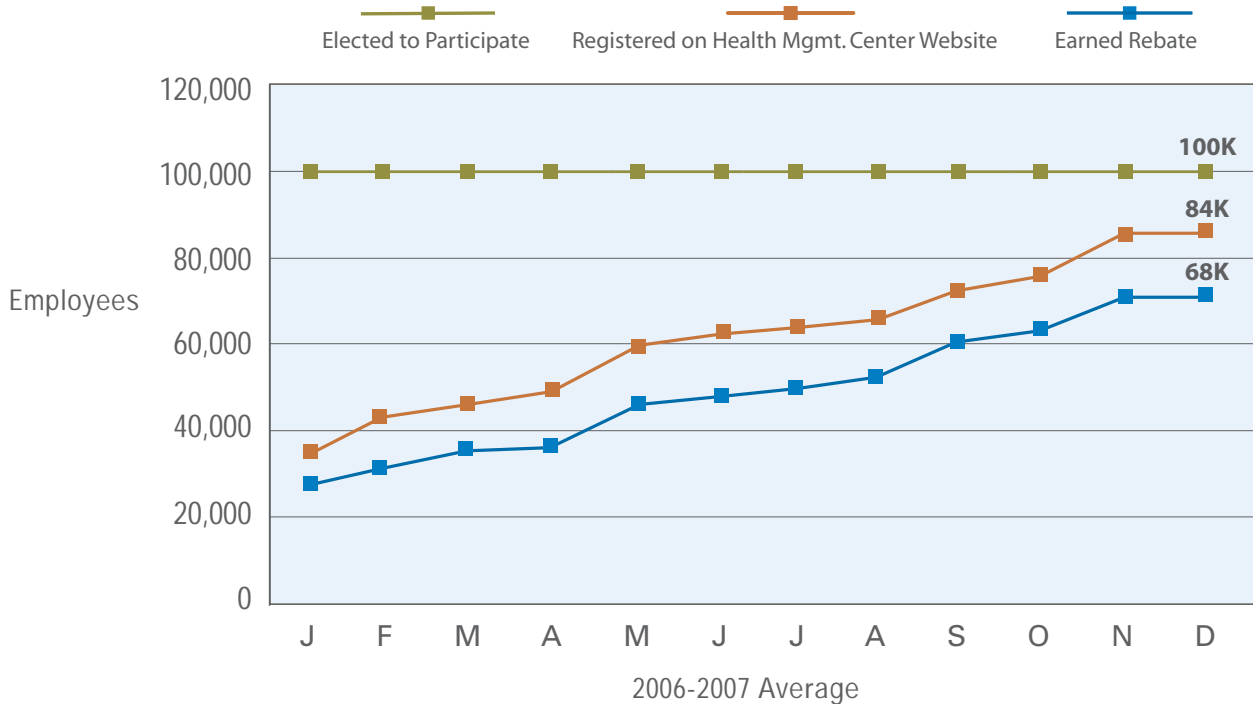


Figure 8

Health Risk Assessment Participation

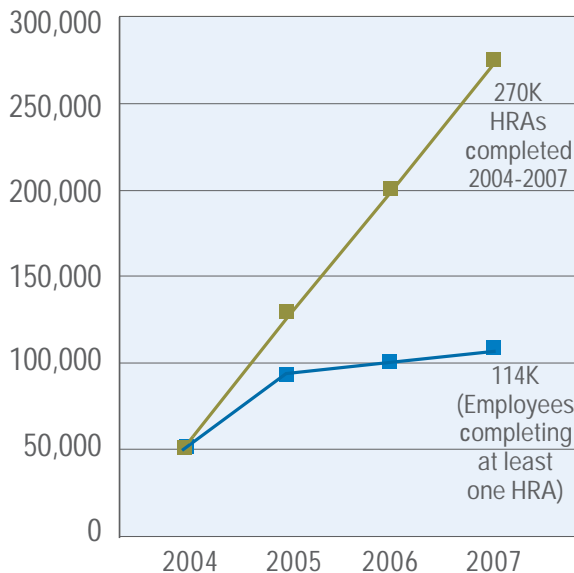


Figure 9

Participation has also increased in the preventive care program. This program positions employees to become better health care consumers and take action on individual health risks in an effort to target demand reduction. Participation in the preventive care program also provides data, from the Health Risk Assessment (HRA), that allows IBM to follow trends in health risks and identify potential areas for intervention. Participation in the Preventive Care Rebate program includes completion of 270,000 HRAs between 2004-2007 and a high of 70,000 employees earning the rebate for completing the preventive care program requirements (Figures 8-9).

Overall health risk reduction has been documented among IBM employees who have completed the HRA in multiple years. Data from 2006 and 2007 shows reductions in risk scores related to stress, life satisfaction, physical inactivity, illness days, smoking and cholesterol.

Comparing HRA data between 2006 and 2007 shows an 11% decrease in the Medium and High Risk categories and a 6% increase in the Low Risk category (Figure 10).

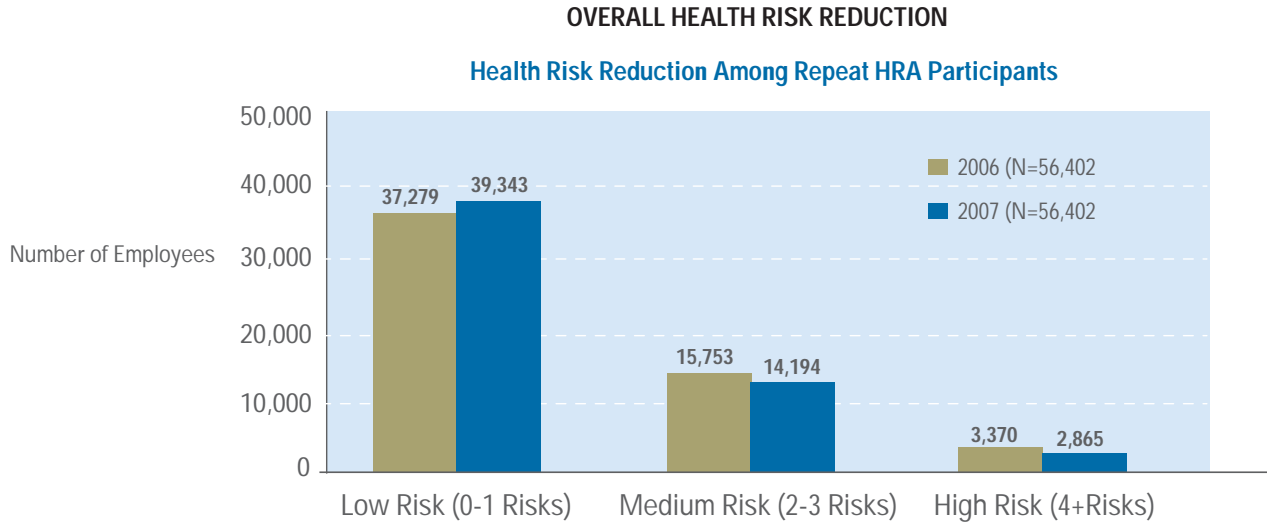


Figure 10