

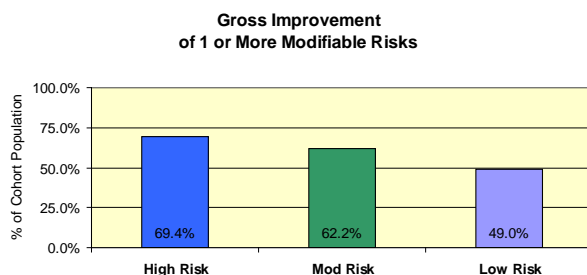
L.L. Bean
Health Coaching Impact Analysis: 2007 Program Year
 Prepared By WebMD Analytics

Health Risk Reduction

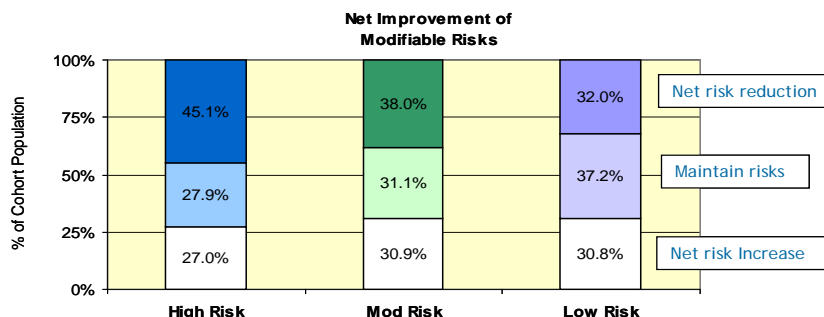
In this analysis, health risk reduction rates were assessed using time over time HRA data for the cohort of individuals who completed an HRA in 2007, were enrolled in a coaching program in 2007, and completed another HRA in 2008.

	2007 - 2008 Cohort Participants	
	n	%
High Risk	1,535	46.4%
Moderate Risk	1,093	33.0%
Low Risk	681	20.6%
Total Cohort	3,309	100.0%

The following graph details the percentage of each coaching population that reported gross improvement of at least one risk factor as measured by their time over time HRA responses. The high and moderate risk population saw higher rates of gross improvement than the low risk population.



Net improvement in the total count of modifiable risks reported by the cohort population is detailed in the graph below. Overall, the high and moderate risk groups saw larger proportions of individuals who reduced their total count of modifiable risks from 2007 to 2008.



Gross and net risk improvement calculations consider time over time binary risk scores for blood pressure, cholesterol, glucose, stress, emotional health, physical activity, weight, nutrition, smoking, alcohol use, drug use, and safety.

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Medical Claims Analysis

In order to compare the claims experience of the high, moderate, and low risk coaching programs implemented during the 2007 program year, the growth rate for each group was estimated using average per person expenditures from the baseline and study periods. Individuals with expenditures over \$100,000 in either year and all claims related to pregnancy and neonatal complications were excluded from growth rate calculations.

The following table and chart summarize the average expenditures per person per year and the growth rates of each coaching program and the group overall.

	2007 HRA Participants	Baseline Period	Study Period	Growth Rate
High Risk	1,619	\$4,339.68	\$4,694.30	8.17%
Moderate Risk	1,127	\$2,907.35	\$3,136.55	7.88%
Low Risk	691	\$2,115.06	\$2,408.52	13.87%
Total	3,437	\$3,422.76	\$3,723.96	8.80%

In order to estimate the financial impact of the 2007 coaching programs, the actual growth rate of the groups were compared to an expected growth rate 13.13% for the same period of time. This rate was derived from average, observed historical 9.03% medical claims trends for 2007, plus an additional 4.1% increase to account for the aging of the cohort. The difference between the actual study period expenditure and the expected study period expenditure represents the per person savings associated with the 2007 program year.

	2007 HRA Participants	Actual Study Period	Expected Study Period	Per Person Savings
High Risk	1,619	\$4,694.30	\$4,909.48	-\$215.18
Moderate Risk	1,127	\$3,136.55	\$3,289.09	-\$152.53
Low Risk	691	\$2,408.52	\$2,392.77	\$15.75
Total	3,437	\$3,723.96	\$3,872.17	-\$148.21

Extending the per person savings to the total 2007 HRA participants results in over \$575,000 in total savings from avoided medical and pharmaceutical claims expenditures.

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Total Program Savings & Costs

Adding the medical claims savings to the savings associated with self-reported changes in employee absenteeism and imputed presenteeism costs; the total program savings associated with the 2007 L.L. Bean coaching program totals more than \$1,224,000 for the population.

To calculate the return for 2007 coaching program, total program savings are divided by total program costs for a return of \$3.66 saved for every dollar spent.

Return on Investment

Program Savings	
Medical Claims	-\$575,630.19
Absenteeism	-\$78,322.75
Presenteeism	-\$570,798.69
Total 2007 Program Savings	-\$1,224,751.63

Program Costs	
Total Program Costs	\$334,310



Benefit Cost Ratios	
Medical Only	1.72:1
Medical + Absenteeism	1.96:1
Medical + Absenteeism + Presenteeism	3.66:1

Total Medical Claims Per Enrolled Employee 2004 - 2008

	2004			2005			2006			2007			2008		
	\$	LLB Lower by		\$	LLB Lower by		\$	LLB Lower by		\$	LLB Lower by		\$	LLB Lower by	
L.L.Bean	\$6,617			\$7,251			\$7,822			\$8,313			\$8,896		
Maine¹	\$8,940	\$2,323	26.0%	\$9,734	\$2,483	25.5%	\$10,728	\$2,906	27.1%	\$10,518	\$2,205	21.0%	\$11,508	\$2,612	22.7%
Northeast²	\$7,279	\$662	9.1%	\$7,744	\$493	6.4%	\$8,351	\$529	6.3%	\$8,599	\$286	3.3%	\$9,401	\$505	5.4%
National³	\$6,918	\$301	4.4%	\$7,379	\$128	1.7%	\$7,832	\$10	0.1%	\$8,229	-\$84	-1.0%	\$8,728	-\$168	-1.9%

Maine Health Information Center (MHIC) Annual

¹ Survey

² Mercer Annual Survey

³ Mercer Annual Survey of Large Employers